



TO: Mayor and Council Members

FROM: Greg Canally, Deputy Chief Financial Officer *gdc*

DATE: January 26, 2015

SUBJECT: Procurement Items on City Council Agendas

In advance of this week's City Council meeting, I wanted to provide a brief primer on agenda items related to procurement.

Per the City Charter, the City Council is responsible for approving any expenditure of City funds for goods and services that exceeds the City Manager's administrative limit. For Fiscal Year 2014-15 the administrative limit is \$58,000. This dollar limit is adjusted annually following the guidelines set out in the Charter. Request for Council Actions (RCA) are placed on City Council meeting agendas to obtain the required approval by City Council.

Each RCA placed on the Council Agenda will include several sections:

- The "Posting Language" - a brief summary statement that describes the goods or services being procured, name of vendor(s), the contract amount, and any extension options;
- The amount and source of funding, as well as fiscal note requirements;
- Procurement related information about the action, the assigned buyer or point of contact, and the Minority/Women Business Enterprise (MBE/WBE) participation, as applicable;
- Information regarding any prior Council actions, as well as any reviews by the various boards and commissions that review city operations; and
- Additional backup Information, (frequently referred to as the "below the line" text) that helps to explain some of the details of the procurement.

Prior to an RCA being before City Council, in general the following procurement process occurs:

- Identification of what goods and services are required for the department's needs
- Development of specifications or scope of services, and identification of funding
- Determination of MBE/WBE availability and assessment of goals
- Solicitation of vendors
- Receipt & evaluation of offers
- Preparation of RCA

Once a solicitation is issued, and until a contract is executed, it is under the "no-contact" period. As reminder, to protect the integrity of the procurement process, only the identified authorized contact person may be contacted by potential vendors regarding the solicitation. On a weekly basis, the City Council will receive a memo from the Purchasing Officer, identifying all the solicitations that are in a "no-contact period". This is a tool to assist the City Council in adhering to the Anti-Lobbying Ordinance.

There are a variety of procurement items that will be brought before you for action. These acquisitions are the result of several types of solicitations:

Invitations For Bid (IFB) – used for purchases of goods and services, including construction, where a clearly defined outcome can be stated; negotiation is not permitted. *On the 1/29/15 City Council Agenda, Item #9 is an example of an award that is based on lowest price bid received.*

Invitation For Bids – Best Value (IFBBV) – used for purchases of goods and services where a clearly defined outcome is available, but in which price and other evaluation criteria guides the selection. Negotiation is not permitted. *Item #14 on the Agenda for 1/29/15 is an example.*

Requests For Proposals (RFP) – used when the City can describe a requirement and encourages vendors to “propose” a solution or answer to the stated requirement. Price is not the dominant evaluation factor. Typically RFPs are used for consulting services, high technology procurements, and studies. RFPs allow the negotiation of all terms, including price, prior to contract award and may include a provision for the negotiation of Best and Final Offers. The recommendation for award is to the best evaluated proposal. *Please see Item #17 on the Agenda for 1/29/15.*

Requests For Qualifications Statement (RFQS) – used to acquire the services of specific professional disciplines, such as architects, engineers, accountants and doctors. Negotiation is permitted. Selection is based on demonstrated competence and qualifications; price is not a factor in the selection process.

For IFBs, the City Council may only award to the lowest responsible bidder, unless local preference is included in the solicitation, or make no award at all. For IFB-BVs, RFPs, and RFQSS, using scoring criteria and evaluation, staff will make a recommendation of award, but the City Council has the ability to award to any qualified respondent of the solicitation. The RCA posting language will state this. These solicitation methods allow us to make one time and recurring purchases under state law; the resulting contracts are in many forms (item references to the 1/29/15 City Council agenda):

- Requirements / Supply Contracts (Items #9, #10, #12, #15, #16, #17, #18)
- Service Contracts, including construction contracts (Item #14) and professional services
- Rotational Contracts for professional services like surveying or design services (no such items on 1/29/15 agenda)

From time to time, certain non-competitive acquisitions will also be brought forward, in accordance with State law. On this week’s agenda, Item #11 is an example of a sole-source award, and Item #13 is an example of a cooperative award.

If an RCA is approved, staff then finalizes and executes the contract, and then monitors the contract until completion.

Tools and Transparency

We are committed to transparency and giving our vendor community and all citizens easy access to our procurement, contract and spending information. The City has an award-winning financial transparency site called Austin Finance Online (AFO). A link to AFO is included at the bottom of every City web page.

AFO has several components related to procurement:

- Vendor Connection, which includes Online vendor registration; Online publication of solicitations, bid tabulations and other important documentation; and the current "No Contact" list for anti-lobbying
- The "eCheckbook", which allows accessibility to the City's expenditures
- The "Contract Catalog", in which any interested party can see details of the City's procurement contracting.



Please let me know if you have any questions. Staff is available at your convenience to discuss the City's overall procurement processes.

xc: Marc A. Ott, City Manager
Elaine Hart, Chief Financial Officer
Urcha Dunbar-Crespo, Acting Purchasing Officer
Rosie Truelove, Director, Contract Management Department
Veronica Briseno Lara, Director of Small and Minority Business Resources

