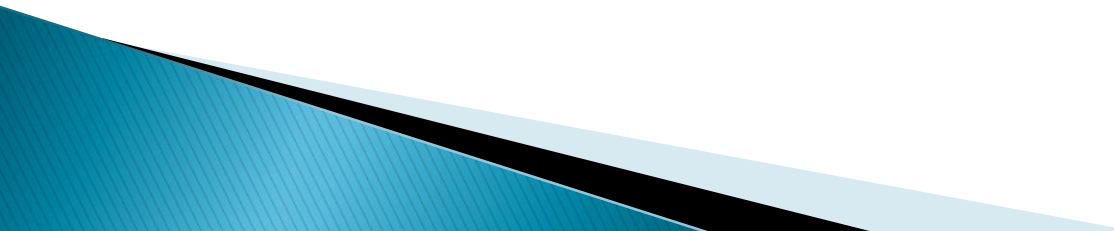



Procurement Process Overview City of Madison

Presentation to Finance Committee
June 25, 2018

Presentation Objectives

- ▶ Procurement authority and guidelines for contracting goods and services
 - ▶ Non-Competitive Selection – Reasons and Processes
 - ▶ Improvements to Non-Competitive Selection Process
- 

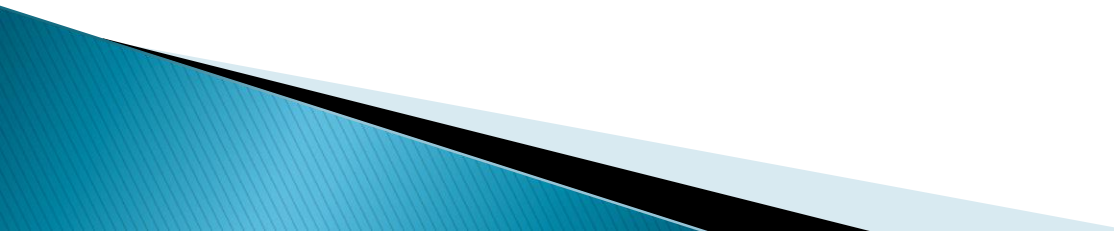
Procurement Authority

- ▶ [MGO Sec. 4.25](#) – Purchasing of Items of Apparel
 - ▶ [MGO Sec. 4.26](#) – City Purchasing
 - ▶ [APM 1-1](#) – Completion and Execution of City Contracts
 - ▶ [APM 1-4](#) – Purchasing Policies and Procedures
 - ▶ Public works governed by [Wis. Stat. 62.15](#)
- 

Community Supportive Goals

- ▶ Local Purchasing Policy
 - 1% Weight for Bids / 5% weight for RFPs
- ▶ Mandated Contracting Terms:
 - Affirmative Action – Contracts >\$25,000/year
 - Sweatfree Procurement (Apparel) >\$5,000
 - Ban the Box >\$25,000
- ▶ Limits competitiveness
- ▶ Lower bidder participation

Procurement Guidelines

- ▶ Purchases $< \$5,000$ – Best judgment (no bidding required)
 - ▶ Purchases $\$5,000 - \$25,000$ – 3 informal quotes
 - ▶ Purchases $> \$25,000$ – Formal bid process
- 

General Contract Requirements

- ▶ Goods procured via Purchase Order
- ▶ Services > \$5,000 procured via Purchase of Services (POS) Contract


- ▶ Council authorization is required:
 - POS Contract over 3 years
 - POS Contract for 1 to 3 years if over \$50,000 per year
 - POS Contract for over \$25,000, not competitively selected
 - Public Works contract over \$25,000

Reasons for Non-Competitive Selection

▶ MGO Sec. 4.26(4)(a)

1. Public emergency
2. Service/product available from only one person or firm (true sole source)
3. Professional services provided by attorneys
4. Services rendered by university, college, or other educational institution
5. No acceptable bids after competitive process
6. Service fees established by law/professional code
7. Particular consultant has provided services to City on similar/continuing project; economical to City to retain same consultant.
8. Contract for \$25,000 or less
9. Otherwise authorized by law, rule, resolution, or regulation

Improvements to Non-Competitive Selection Process

- ▶ New “Non-Competitive Selection” form
 - ▶ Enhancements to resolutions titles
 - ▶ Grouping of resolutions on Finance Committee Agenda by title
 - ▶ Monitoring of frequency through Legistar and Munis
- 

Non-Competitive Selection Process

- ▶ If under \$25,000, Agency completes “Non-Competitive Selection” form for Purchasing review
- ▶ If over \$25,000, Agency drafts a resolution
 - Updated resolution samples
- ▶ Agency submits “Non-Competitive Selection” form for inclusion with resolution
 - Ordinance only applies to Service contracts; Purchasing Policy extends requirement to Goods

Improved Resolution Titles

- ▶ Resolution titles identify whether competitive selection was used:
 - **Sole Source** – Only available from one firm
 - **Competitive Selection** – Provider/Vendor chosen through competitive process
 - **Non-Competitive Selection** – No competitive process used
- ▶ Resolutions grouped by title on Finance Committee Agenda

Enhancements to Resolution

File #: 50103 **Version:** 1 **Name:** Sole Source Harris Computer
Type: Resolution **Status:** Passed
File created: 1/9/2018 **In control:** WATER UTILITY BOARD
On agenda: 2/27/2018 **Final action:** 2/27/2018
Enactment date: 3/2/2018 **Enactment #:** RES-18-00179

Title: A Resolution authorizing a sole source contract between Madison Water Utility & Corporation for Customer Information System (CIS) software and Meter Data Management software.

Sponsors: David Ahrens

Indexes:

Code sections:

Attachments: Non-Competitive Selection Form.pdf

Non-Competitive Selection Form Implementation Timeline

- ▶ All resolutions newly introduced at the Common Council meeting on July 10, 2018 and thereafter MUST include a Non-Competitive Selection form that has been reviewed by the Purchasing Department
 - See deadlines on the following slide

Non-Competitive Selection Form Submission Deadlines

Monday: Noon Deadline

- Agency submits completed Non-Competitive Selection Request form to Purchasing for review

Tuesday: Noon Deadline

- Purchasing completes review of form
- Returns updated form with comments to Agency

Tuesday: End of Day Deadline

- Agency enters resolution in Legistar by 5:00PM
 - Reference sample resolutions to ensure proper MGO citation
- Completed form uploaded as attachment to file

Wednesday: Noon Deadline

- Budget Analyst reviews the resolution & drafts fiscal note
- Completed resolution will pull into Common Council agenda

Agency Milestone

Finance Milestone

Ongoing Process Improvements

- ▶ Increasing Affirmative Action & Formal Bid thresholds from \$25,000 to \$50,000
 - ▶ Creating recurring bid database
 - ▶ Creating online form & database for non-competitive selection requests
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