



Finance Committee Meeting

AGENDA

October 6, 2015

I. **CALL TO ORDER**

II. **MATTERS BEFORE COMMITTEE**

1. [September 8, 2015 Finance Committee Minutes](#)
2. [Approval - Purchasing Policy Revision](#)

III. **ADJOURN**



Finance Committee Meeting

AGENDA

October 6, 2015

Item:

September 8, 2015 Finance Committee Minutes

Department:

Additional Information:

Financial Impact:

Budgeted Item:

Recommendation / Request:

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

📎 [09/08/15 Finance Comm Minutes](#)

September 8, 2015

215 North Broad Street

6:00 P.M.

FINANCE Committee Members Present:

Wayne Adcock, Chair
Lee Malcom
Larry Bradley
Nathan Little

Staff Present:

Greg Thompson
Matthew Chancey
Renee Prather

I. CALL TO ORDER – Chairman Wayne Adcock

II. MATTERS BEFORE COMMITTEE

III. ADJOURN TO EXECUTIVE SESSION

*Motion by Bradley, seconded by Malcom.
Passed Unanimously.*

1. Personnel Issue (s)

Personnel matters were discussed, including attorney-client discussions.

No Action.

IV. RETURN TO FINANCE COMMITTEE MEETING

*Motion by Bradley, seconded by Little.
Passed Unanimously.*

V. ADJOURN

*Motion by Malcom, seconded by Bradley.
Passed Unanimously.*

Item # 1



Finance Committee Meeting

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October 6, 2015

Item:

Approval - Purchasing Policy Revision

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 [Purchasing Policy Revision](#)



To: Matthew Chancey, City Administrator

From: Chris Bailey, Purchasing Agent

Date: September 28, 2015 for Submission onto the October 6, 2015 City Council Finance Committee Agenda

Description: A revision is required to the City of Monroe Purchasing Policy to incorporate the provisions of the Brooks Act in connection with procurements for architectural and engineering consulting services for projects receiving Federal Aid Highway Program (FAHP) funding.

Recommendation:

Staff recommends that City Council approve the attached Purchasing Policy revision to reflect the addition of section 19 in the policy which provides for the use of a qualifications based procurement process when acquiring architectural and engineering services for federally funded projects as stated in the Brooks Act. This will assist in meeting our Local Agency Program (LAP) certification process as well.

Background:

It is the City of Monroe's practice to follow the Brooks Act for architectural and engineering consulting services in connection with federally funded City projects; however, the City's Purchasing Policy does not explicitly state this in practice currently.

Attachment:

Purchasing Policy Revision

CITY OF MONROE PURCHASING POLICY

Date Issued: 1/14/15

Revised: 10/13/15

Purpose

The purpose of this policy is to require all City of Monroe officials and employees to initiate all purchases of products and services through the centralized purchasing office. The policy is to require all purchases be preceded by the methods required by the City for all purchases. The following policies and any accompanying procedures shall be strictly adhered to when making all purchases.

Definitions

Quotations/Bids – verbal or written pricing provided by vendors for goods or services requested.

Sealed Bids – bids submitted where specifications or design are known and set forth, and pricing is the determining factor for award.

Request for Proposals – bids submitted where specifications or design are unknown, and thus pricing as well as scope of the project are the determining factors for award. Require a predetermined grading scale and committee to score and recommend award.

Purchase Orders – issued numerical contracts creating agreements between vendors and the City of Monroe.

Purchase Order Request Form – (Form A) form to be submitted in request of a Purchase Order.

Policy

It is the policy of the City of Monroe to control and monitor all purchases of products, goods and services as stated in this policy. All purchases shall follow strictly developed guidelines set forth in this policy and be within acceptable funding through previously approved budgets. A shown frequency of not obtaining Purchase Orders in the method set forth in this policy will result in revocation of purchasing privileges. All purchases are to be administered by the following:

1. ***Bids or Price Quotations.*** The following dollar amounts shall be followed in determining the process to be used in obtaining bids and price quotations:
 - a) \$0.00 to \$1,500.00 – verbal quotation
 - b) \$1,500.01 to \$5,000.00 – at least two (2) written quotations
 - c) \$5,000.01 - \$100,000.00 – at least three (3) written quotations
 - d) Over \$100,000.00 – sealed bids
2. ***Approval.*** Lists shall be provided to the Purchasing Agent of authorized employees allowed to request Purchase Orders and will be updated each fiscal year. The following approval authority shall apply to the City for all purchases:
 - a) Up to \$1,500.00 – Authorized Employees
 - b) Up to \$3,000.00 – Department Heads and Purchasing Agent
 - c) Up to \$10,000.00 - City Administrator

- d) Over \$10,000.00 – Mayor, Committee and Council
3. **Emergency Purchases.** Any purchases that are required to prevent damage, failure or injury to any systems or citizens that exceed preset purchasing limits. Full and complete documentation, along with written explanation is to be provided following purchasing by use of this method.
 4. **State/National Contract Purchases.** The Purchasing Agent may use state or national contracts for purchasing any products or services that are available to local governments. By using this method of purchase, the requirement of bidding items over one hundred thousand (\$100,000.00) will be exempted due to the state or national agency having already bid the item.
 5. **Brand Name Purchases.** The Purchasing Agent may elect the purchase of brand name products or services when those goods comprise a major brand system, program, service previously selected by the city and due to operational effectiveness, future enhancements or additions, or maintenance and storage of spare parts preclude the mixing of brands, manufactures, etc.
 6. **Sole Source Purchases.** A contract may be awarded or a purchase made without competition when the city determines that there is only one source for the required products, supply service, or construction item. The Purchasing Agent shall conduct negotiations as appropriate, as to price, delivery and terms of such purchase. A separate file of sole source procurements shall be maintained as a public record and shall list each contractor's name, the amount and type of each contract, and a listing of the item(s) procured under each purchase order or contract.
 7. **Modification of Specifications.** Once a contract is bid and awarded by City Officials in accordance with this section, the City reserves the right to further negotiate all terms of the contract if the City determines that it is in the City's best interest to do so without the necessity of rebidding any such contract; provided, however, that any negotiations permitted hereunder shall not result in a variance of the price term exceeding ten (10) percent of the original bid price.
 8. **Operational Policies/Procedures.** Consistent with this section and with the approval of the City Administrator, the Purchasing Agent shall develop and adopt written operational policies/procedures relating to the execution of this section, the functioning of the centralized purchasing offices, and which shall also include but not be limited to polices/procedures for:
 - a) The procurement of all supplies, services and construction needs by the City of Monroe.
 - b) The establishment of programs for specifications development, contract administration and inspection and acceptance.
 - c) The selling, lending or disposal of goods, supplies and equipment belonging to the City.
 9. **Purchase Orders:** This section sets forth the methods for which purchase orders are to be requested, approved and issued.
 - a) Only authorized personnel, as stated above may request or obtain a PO number.
 - b) Purchase Order requests must be submitted and include all of the following information on the Purchase Order Request Form (*Form A*).
 - c) Purchase Order requests will then be reviewed to confirm all requirements are met as set forth in the purchasing policy.
 - d) Purchase Order numbers will then be issued.

10. **Blanket Purchase Orders.** Purchase Orders will be issued monthly to vendors for small items purchased on a regular basis, or as determined by the Purchasing Agent.
11. **Check Request.** In such cases where a Purchase Order cannot or is not obtained prior to a purchase, a check request must be filled out immediately and submitted to the Purchasing Agent for review. Documentation should be included with explanation as to the nature of the purchase and reasoning for failure to obtain a Purchase Order.
12. **Purchasing Cards/P-Cards.** Cards may serve as Purchase Orders in certain cases as outlined in the Purchasing Card/P-Card policy.
13. **Documentation.** Accounts Payable will process Purchase Orders after proper supporting documentation is received. A receipt or invoice **must** support every purchase. Failure to support all purchases with an original invoice may result in revocation of purchasing privileges.
14. **Vendor Approval.** All purchases must be with vendors that are pre approved by the Purchasing Agent or designee. Proper documentation must be submitted for all vendors prior to Purchase Orders being issued. Vendors must have all information properly provided before Purchase Orders are issued. All E-Verify and required information must be completed prior to any purchase agreement with vendors.
15. **Capital Improvement Projects/CIP.** Projects that are created and approved by fiscal year for the improvement of services and systems. All purchases for CIP projects are required to have a Project Number prior to the issuance of a Purchase Order.
16. **Credit Card/Store Card.** All cards issued to individuals are to be used only by the person issued the card. No other individuals are to use the card at anytime. Receipts are required to be turned in promptly following all purchases.
17. **Taxable/Tax Exempt.** All employees must exhibit a conscience effort to provide all applicable tax exempt documentation prior to making purchases.
18. **Grant Approval/Purchases.** All purchases using funds from Council approved grants may be made without requiring further Council approval. All purchasing policies are to be followed completely, as well as any additional required grant specific policies and requirements.
19. **Federal Aid Highway Program (FAHP) Funding Procurement.** The competitive negotiation method for the procurement of engineering and design related services shall be used when FAHP funds are involved in the contract as specified in 23 U.S.C. 112(b)(2)(A). The solicitation, evaluation, ranking, selection and negotiation shall comply with the qualifications-based selection procurement procedures for architectural and engineering services codified under 40 U.S.C. 1101-1104, commonly referred to as the Brooks Act. (Appendix A)

Appendix A

City of Monroe Policy for Competitive Negotiation Qualifications-based Selection for Projects Using Federal Aid Highway Program (FAHP) Funding

1.0 Summary of Requirements of Brooks Act.

Except as provided in **2.0 Small Purchases** and **3.0 Noncompetitive** below, the City of Monroe shall use the competitive negotiation method for the procurement of engineering and design related services when FAHP funds are involved in the contract (as specified in 23 U.S.C. 112(b)(2)(A)). The solicitation, evaluation, ranking, selection, and negotiation shall comply with the qualifications-based selection procurement procedures for architectural and engineering services codified under 40 U.S.C. 1101–1104, commonly referred to as the Brooks Act.

In accordance with the requirements of the Brooks Act, the following procedures shall apply to the competitive negotiation procurement method:

1.1 Solicitation.

The solicitation process shall be by public announcement, public advertisement, or any other public forum or method that assures qualified in-State and out-of-State consultants are given a fair opportunity to be considered for award of the contract. Procurement procedures may involve a single step process with issuance of a request for proposal (RFP) to all interested consultants or a multiphase process with issuance of a request for statements or letters of interest or qualifications (RFQ) whereby responding consultants are ranked based on qualifications and request for proposals are then provided to three or more of the most highly qualified consultants. Minimum qualifications of consultants to perform services under general work categories or areas of expertise may also be assessed through a prequalification process whereby statements of qualifications are submitted on an annual basis. Regardless of any process utilized for prequalification of consultants or for an initial assessment of a consultant's qualifications under an RFQ, a RFP specific to the project, task, or service is required for evaluation of a consultant's specific technical approach and qualifications.

1.2 Request for Proposal (RFP).

The RFP shall provide all information and requirements necessary for interested consultants to provide a response to the RFP and compete for the solicited services. The RFP shall:

- 1.2.1 Provide a clear, accurate, and detailed description of the scope of work, technical requirements, and qualifications of consultants necessary for the services to be rendered. The scope of work should detail the purpose and description of the project, services to be performed, deliverables to be provided, estimated schedule for performance of the work, and applicable standards, specifications, and policies;
- 1.2.2 Identify the requirements for any discussions that may be conducted with three (3) or more of the most highly qualified consultants following submission and evaluation of proposals;
- 1.2.3 Identify evaluation factors including their relative weight of importance in accordance with subparagraph (a)(1)(iii) of this section;

- 1.2.4 Specify the contract type and method(s) of payment to be utilized in accordance with § 172.9;
- 1.2.5 Identify any special provisions or contract requirements associated with the solicited services;
- 1.2.6 Require that submission of any requested cost proposals or elements of cost be in a concealed format and separate from technical/qualifications proposals as these shall not be considered in the evaluation, ranking, and selection phase; and
- 1.2.7 Provide a schedule of key dates for the procurement process and establish a submittal deadline for responses to the RFP which provides sufficient time for interested consultants to receive notice, prepare, and submit a proposal, which except in unusual circumstances shall be not less than 14 days from the date of issuance of the RFP.

1.3 Evaluation Factors.

- 1.3.1 Criteria used for evaluation, ranking, and selection of consultants to perform engineering and design related services must assess the demonstrated competence and qualifications for the type of professional services solicited. These qualifications-based factors may include, but are not limited to, technical approach (e.g., project understanding, innovative concepts or alternatives, quality control procedures), work experience, specialized expertise, professional licensure, staff capabilities, workload capacity, and past performance.
- 1.3.2 Price shall not be used as a factor in the evaluation, ranking, and selection phase. All price or cost related items which include, but are not limited to, cost proposals, direct salaries/wage rates, indirect cost rates, and other direct costs are prohibited from being used as evaluation criteria.
- 1.3.3 In-State or local preference shall not be used as a factor in the evaluation, ranking, and selection phase. State licensing laws are not preempted by this provision and professional licensure within a jurisdiction may be established as a requirement which attests to the minimum qualifications and competence of a consultant to perform the solicited services.
- 1.3.4 The following non-qualifications based evaluation criteria are permitted under the specified conditions and provided the combined total of these criteria do not exceed a nominal value of ten percent of the total evaluation criteria to maintain the integrity of a qualifications-based selection:
 - 1.3.4.1 A local presence may be used as a nominal evaluation factor where appropriate. This criterion shall not be based on political or jurisdictional boundaries and may be applied on a project-by-project basis for contracts where a need has been established for a consultant to provide a local presence, a local presence will add value to the quality and efficiency of the project, and application of this criteria leaves an appropriate number of qualified consultants, given the nature and size of the project. If a consultant outside of the locality area indicates as part of a proposal that it will satisfy the criteria in some manner, such as establishing a local project office, that commitment shall be considered to have satisfied the local presence criteria.
 - 1.3.4.2 The participation of qualified and certified Disadvantaged Business Enterprise (DBE) sub-consultants may be used as a nominal evaluation

criterion where appropriate in accordance with 49 CFR Part 26 and the City of Monroe's FHWA-approved DBE program.

1.4 Evaluation, Ranking, and Selection.

- 1.4.1 Consultant proposals shall be evaluated by the City of Monroe based on the criteria established and published within the public solicitation.
- 1.4.2 While the contract will be with the prime consultant, proposal evaluations shall consider the qualifications of the prime consultant and any sub-consultants identified within the proposal with respect to the scope of work and established criteria.
- 1.4.3 Following submission and evaluation of proposals, the City of Monroe shall conduct interviews or other types of discussions determined three of the most highly qualified consultants to clarify the technical approach, qualifications, and capabilities provided in response to the RFP. Discussion requirements shall be specified within the RFP and should be based on the size and complexity of the project as defined in City of Monroe written policies and procedures (as specified in § 172.5(c)). Discussions may be written, by telephone, video conference, or by oral presentation/interview. Discussions following proposal submission are not required provided proposals contain sufficient information for evaluation of technical approach and qualifications to perform the specific project, task, or service with respect to established criteria.
- 1.4.4 From the proposal evaluation and any subsequent discussions which have been conducted, the City of Monroe shall rank, in order of preference, at least three consultants determined most highly qualified to perform the solicited services based on the established and published criteria.
- 1.4.5 Notification must be provided to responding consultants of the final ranking of the three most highly qualified consultants.
- 1.4.6 The City of Monroe shall retain acceptable documentation of the solicitation, proposal, evaluation, and selection of the consultant accordance with the provisions of 49 CFR 18.42.

1.5 Negotiation.

- 1.5.1 Independent estimate. Prior to receipt or review of the most highly qualified consultant's cost proposal, the City of Monroe shall prepare a detailed independent estimate with an appropriate breakdown of the work or labor hours, types or classifications of labor required, other direct costs, and consultant's fixed fee for the defined scope of work. The independent estimate shall serve as the basis for negotiation and ensuring the consultant services are obtained at a fair and reasonable cost.
- 1.5.2 Elements of contract costs (e.g., indirect cost rates, direct salary or wage rates, fixed fee, and other direct costs) shall be established separately in accordance with § 172.11.
- 1.5.3 If concealed cost proposals were submitted in conjunction with technical/qualifications proposals, only the cost proposal of the consultant with which negotiations are initiated may be considered. Concealed cost proposals of consultants with which negotiations are not initiated should be returned to the

respective consultant due to the confidential nature of this data (as specified in 23 U.S.C. 112(b)(2)(E)).

- 1.5.4 The City of Monroe shall retain documentation of negotiation activities and resources used in the analysis of costs to establish elements of the contract in accordance with the provisions of 49 CFR 18.42. This documentation shall include the consultant cost certification and documentation supporting the acceptance of the indirect cost rate to be applied to the contract (as specified in § 172.11(c)).

2.0 Small Purchases.

The small purchase method involves procurement of engineering and design related services where an adequate number of qualified sources are reviewed and the total contract costs do not exceed an established simplified acquisition threshold. The City of Monroe may use the State's small purchase procedures which reflect applicable State laws and regulations for the procurement of engineering and design related services provided the total contract costs do not exceed the Federal simplified acquisition threshold (as specified in 48 CFR 2.101). When a lower threshold for use of small purchase procedures is established in State law, regulation, or policy, the lower threshold shall apply to the use of FAHP funds. The following additional requirements shall apply to the small purchase procurement method:

- 2.1 The scope of work, project phases, and contract requirements shall not be broken down into smaller components merely to permit the use of small purchase procedures.
- 2.2 A minimum of three consultants are required to satisfy the adequate number of qualified sources reviewed.
- 2.3 Contract costs may be negotiated in accordance with State small purchase procedures; however, the allow ability of costs shall be determined in accordance with the Federal cost principles.
- 2.4 The full amount of any contract modification or amendment that would cause the total contract amount to exceed the established simplified acquisition threshold would be ineligible for Federal-aid funding. The FHWA may withdraw all Federal-aid from a contract if it is modified or amended above the applicable established simplified acquisition threshold.

3.0 Noncompetitive.

The noncompetitive method involves procurement of engineering and design related services when it is not feasible to award the contract using competitive negotiation or small purchase procurement methods. The following requirements shall apply to the noncompetitive procurement method:

- 3.1 The City of Monroe may use their own noncompetitive procedures which reflect applicable State and local laws and regulations and conform to applicable Federal requirements.
- 3.2 The City of Monroe shall establish a process to determine when noncompetitive procedures will be used and shall submit justification to, and receive approval from, the FHWA before using this form of contracting.
- 3.3 Circumstances under which a contract may be awarded by noncompetitive procedures are limited to the following:
 - 3.3.1 The service is available only from a single source;
 - 3.3.2 There is an emergency which will not permit the time necessary to conduct competitive negotiations; or

3.3.3 After solicitation of a number of sources, competition is determined to be inadequate.

3.4 Contract costs may be negotiated in accordance with the City of Monroe noncompetitive procedures; however, the allow ability of costs shall be determined in accordance with the Federal cost principles.

4.0 Additional Procurement Requirements.

4.1 Common Grant Rule.

4.1.1 The City of Monroe must comply with procurement requirements established in State and local laws, regulations, policies, and procedures which are not addressed by or in conflict with applicable Federal laws and regulations (as specified in 49 CFR 18.36).

4.1.2 When State and local procurement laws, regulations, policies, or procedures are in conflict with applicable Federal laws and regulations, the City of Monroe must comply with Federal requirements to be eligible for Federal-aid reimbursement of the associated costs of the services incurred following FHWA authorization (as specified in 49 CFR 18.4).

4.2 Disadvantaged Business Enterprise (DBE) program.

4.2.1 The City of Monroe shall give consideration to DBE consultants in the procurement of engineering and design related service contracts subject to 23 U.S.C. 112(b)(2) in accordance with 49 CFR part 26. When DBE program participation goals cannot be met through race-neutral measures, additional DBE participation on engineering and design related services contracts may be achieved in accordance with the City of Monroe's FHWA approved DBE program through either:

4.2.1.1 Use of an evaluation criterion in the qualifications-based selection of consultants (as specified in § 172.7(a)(1)(iii)(D)); or

4.2.1.2 Establishment of a contract participation goal.

4.2.2 The use of quotas or exclusive set-asides for DBE consultants is prohibited (as specified in 49 CFR 26.43).

4.3 Suspension and Debarment.

The City of Monroe must verify suspension and debarment actions and eligibility status of consultants and sub-consultants prior to entering into an agreement or contract in accordance with 49 CFR 18.35 and 2 CFR part 180.

This policy is adopted the _____ day of _____, 2015.

Mayor

City Clerk