

Procurement Overview

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Today's Discussion

- What is Procurement?
- Procurement Laws & Regulations
- Office of Procurement Services
- Procurement Process
- Cooperative Buying
- New Initiatives
- Office of Business Diversity
- Ongoing projects



What is Procurement?

- Procurement = Contracts!
 - Highly regulated
 - Contract execution (solicitation through Council award)
 - Contract management (new program)
 - Acquisition planning
- Types of contracts
 - Goods
 - Services for which the City requires: technical expertise; temporary staffing; an independent perspective; a more efficient solution

What is Procurement?

Purpose and Values

- Ethics (avoid conflicts of interest and undue influence)
- Impartiality (unbiased decision making)
- Accountability
- Professionalism
- Service (help all stakeholders)
- Transparency (easily accessible processes)

Procurement Laws & Regulations

Highly regulated

- State laws
- Dallas City Charter
- Dallas City Code
- City Administrative Directives
- City Resolutions
- Federal Regulations

Procurement Laws & Regulations

Rules vary depending on:

- Whether the item sought to be purchased is a good or service
- The type of good (technology?)
- The type of service (professional?)
- Source of funds (grants?)
- Terms of contract (amount, length of time, etc.)

Office of Procurement Services

Historical overview:

- Each dept. handled its own purchasing until around 2001, when the City centralized procurement functions in response to an independent consultant's study
- Centralized and independent procurement remains a best practice in public procurement
- M/WBE program was part of the Procurement Services until 2017, when the Office of Business Diversity was established to run that program

Office of Procurement Services

- An **independent** procurement department is a best practice because it leads to effective oversight of City's procurement spend and ensures City's **compliance** with myriad of procurement rules
- Other Benefits
 - Aggregation of spend, saving staff time and money
 - The average RFP saves 20% off the total contract price
 - Allows other departments to focus on their operations and leaves procurement functions to experts
 - Limits undue influence from suppliers contacting depts directly
 - Consistency for suppliers

Office of Procurement Services

- OPS is an award-winning agency, recognized by NIGP, the Institute for Public Procurement
- In addition to buying:
 - Surplus property program (including DPD auto auctions)
 - City Store
 - Express Business Center
 - Purchasing and Travel Card Programs



Office of Procurement Services

Centralization and independence has led to the following innovations for Dallas:

- Electronic bid and proposal submissions
- ID/IQ contracts
- Sophisticated multi-departmental RFPs
- Assigning buyers by departments to better serve them
- Efficient implementation of process improvements

Office of Procurement Services

Last FY, OPS presented 164 agenda items to Council and awarded almost \$1B in contract spend. Examples of recent successes:

- About \$10 million savings off the list price for personal protective gear for the Dallas Fire Department
- About \$300k contract savings through increased competition for drinking water chemical for DWU
- Consolidated Fleet purchase, saving hours of staff time across multiple departments by reducing number of contracts required
- Office Supplies contract: increased the list of available suppliers to City depts to include MWBE suppliers
- Completed a procurement in **2 months**, from request to award

Office of Procurement Services

Departments procure certain contracts directly (OPS provides assistance):

- Construction
- Special Needs (type of sole source for consulting services)
- Single-user dept. and below \$50k (approved by Administrative Action)
- Agreements that do not have to be competitively bid (except OPS does oversee sole source, emergency contracts, and others)

Office of Procurement Services

Procurement advises and consults with client-departments on the following:

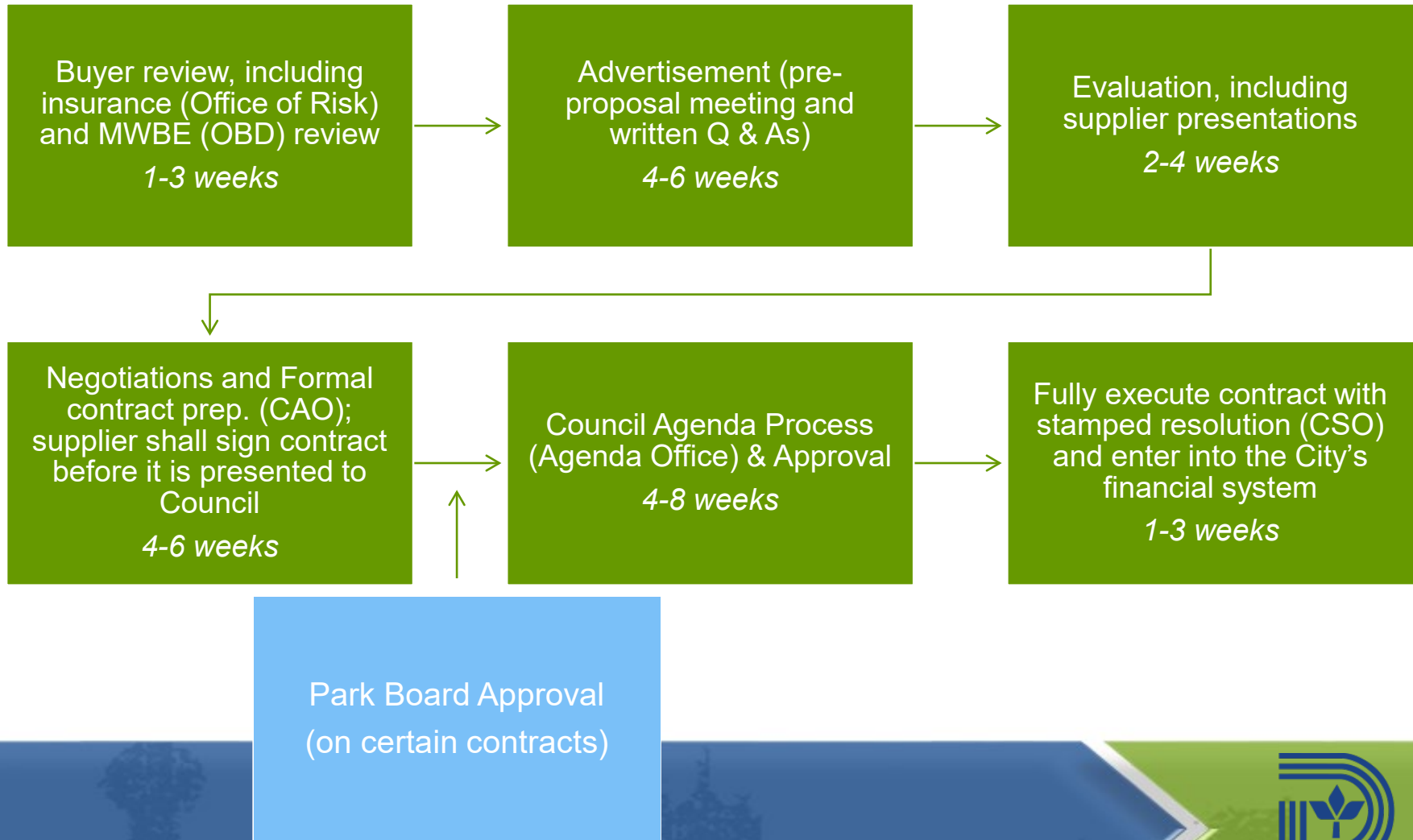
- Clarifying desired outcomes
- Assisting with market research
- Removing anti-competitive requirements
- Supply chain management
- Risk mitigation
- Acquisition planning
- Contract management

Procurement Process

	RFB	RFCSP	RFQ/RFP	RFP only
<i>Timeline (approx.)</i>	3 months	6 months	6-9 months	6-9 months
<i>When to use</i>	Straightforward goods (i.e. power tools, janitorial supplies, etc.)	Insurance, technology, general services	Certain professional services (architects, bond counsel)	Revenue contracts; contracts that do not require a competitive process
<i>Evaluation</i>	Lowest Responsive & Responsible Bidder	Most Advantageous Proposer	Most Qualified Proposer	Most Advantageous Proposer
<i>Negotiations</i>	Not Allowed	Allowed	Allowed	Allowed



Procurement Process



Cooperative Buying

- Authorized by state law
- Not an exception to competitive bidding; it is an alternative way for the City to meet the competitive bidding requirement
- Co-ops can provide resource savings
 - More favorable pricing (economies of scale)
 - Staff time
- Purchases under \$70k are approved administratively
- M/WBE applicability

Cooperative Buying

BuyBoard

- Trade name for the Local Government Purchasing Cooperative; it is an administrative agency created under Section 791.001 of the TX Government Code
- Texas Association of School Boards runs it and it is funded by fees charged to participating vendors/ suppliers
- Endorsed by the Texas Municipal League
- Dallas is a member city, and as a member, it is eligible for annual rebates

Acquisition Planning (new)

- Client Depts submit a two-year forecast of purchases for goods and services, consistent with biennial budget
- OPS breaks down the forecast by quarter, called the Procurement Quarterly (PQ)
- PQ includes the estimated term, contract value, and subcontracting opportunities
- On November 18, 2019, OPS held two vendor workshops with over 300 attendees and introduced the PQ

Acquisition Planning (new)

Item No	Description	Estimated Term	Estimated Value	Subcontracting Opportunities/Description
1	6100 blk of Calm Meadow - Street Reconstruction Local Streets	One-Time	\$528,539.00	<ul style="list-style-type: none"> ⌚ Excavation ⌚ Sawcut ⌚ Paving ⌚ Barricades ⌚ Landscaping ⌚ Hauling ⌚ Concrete ⌚ Asphalt ⌚ Water/Sewer/Storm Drain
2	Bachman Regional Aquatic Center	One-Time	\$6,000,000.00	Construction of buildings and swimming pools
4	Country Brook Dr (4204-4328) - A10502 - Alley Reconstruction	One-Time	\$270,330.00	<ul style="list-style-type: none"> ⌚ Excavation ⌚ Sawcut ⌚ Paving ⌚ Barricades ⌚ Hauling ⌚ Concrete
5	Craddock Park - Playground Expansion/Replacement	One-Time	\$110,000.00	<ul style="list-style-type: none"> ⌚ Removal of old equipment ⌚ Installation of playground equipment ⌚ Installation of EWF compact
6	Dallas Airport System Job Order Contract	One-Time	\$15,000,000.00	Variety of building construction opportunities (plumbing, electrical, dry wall, painting, exterior & interior finishes, HVAC systems, etc.)
7	Dallas Black Dance Theater Selected Exterior Restoration	One-Time	\$725,000.00	<ul style="list-style-type: none"> ⌚ Minor roofing ⌚ Exterior window replacement ⌚ Minor repair ⌚ Paint touch up



Supplier Outreach (new)

Supplier Feedback Opportunity

We're updating our forms to make it easier to do business with the City and we want YOUR feedback.



February 4, 2020 | 1 – 3 p.m.

**J. Erik Jonsson Central Branch Library
O'Hara Hall**

1515 Young St. Dallas, TX 75201

For more information, reach out to askprocurement@dallascityhall.com.



Strengthening Spec Development (new)

- Help departments write specifications that are clear to suppliers
- Clear specs reduce the number of questions raised during the process (and shortens the time period for a procurement)
- Work with departments to establish minimum requirements
- Write outcome-based specifications that are not overly restrictive (this is innovation!)

CONTRACT MANAGEMENT TRAINING

Call for D-CORs (Dallas Contracting Officer Representatives)!

Do you manage or monitor contracts? Would you like to be certified in contract management best practices? Want to be part of a citywide, inter-departmental team of contract superheroes?

If so, consider becoming your department's D-COR! D-CORs need to be nominated by their supervisor and will need to commit to a 20-30 hour training program. D-CORs will receive a certification and citywide recognition, as well as standardized training in contract monitoring, contract risk, contract ethics, procurement and more.

The nomination deadline is Friday, February 7.



Training is provided by the Office of Procurement Services and the City Controller's Office.
For more information email D-COR@dallascityhall.com.



Contract Management (new)

- Dallas Contracting Officer Representative (D-COR) program roll-out in early 2020, in partnership with the City Controller's Office
- Departments will have one or more D-CORs
- Procurement will help D-CORs create monitoring plans to measure deliverables for a contract and manage performance issues as they arise
- City Controller's Office will assist departments in reviewing complex financial documents
- D-CORs will help write outcome-based solicitations

Contract Management (new)

Working with the Office of Innovation through What Works Cities on Results-Driven Contracting to:

- Further implement best practices
- Strengthen best value procurement practices
- Strengthen outcome-based procurement measures

Contract Management (new)

Levels of D-COR



Ongoing projects

- Continued innovations and process improvements
- Green Procurement
- Supplier Demo Sessions (with OBD and Innovation)
- Expand electronic bid and proposal submissions to construction departments

Meet the Team

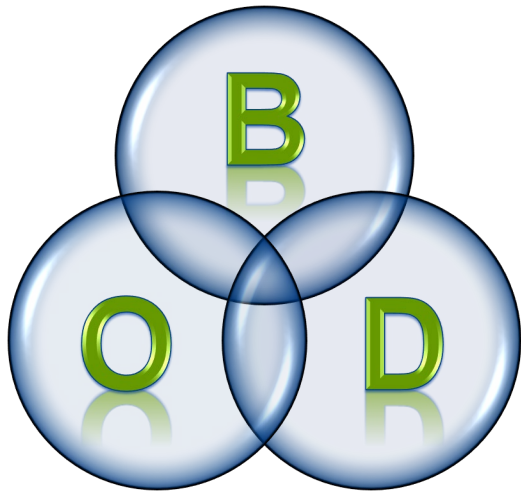


Mission and Objectives

Intentional outreach yields equitable outcomes!

Mission Statement

To ensure non-discriminatory practices and eliminate barriers while resourcing businesses to the next step in their business life cycle.



OPPORTUNITY CREATION

Provide conditions for growth and development through training, communication, and resource connections.

BUILDING CAPACITY

Develop strategic partnerships through intentional, coordinated, and mission-driven efforts aimed at strengthening the management and operations of S/M/WBE businesses to improve their performance and economic impact.

DIVERSITY COMPLIANCE

Advocate for the importance of diversity and inclusion in the awarding of City contracts.

Diversity and Compliance Process



Outreach Events Highlights



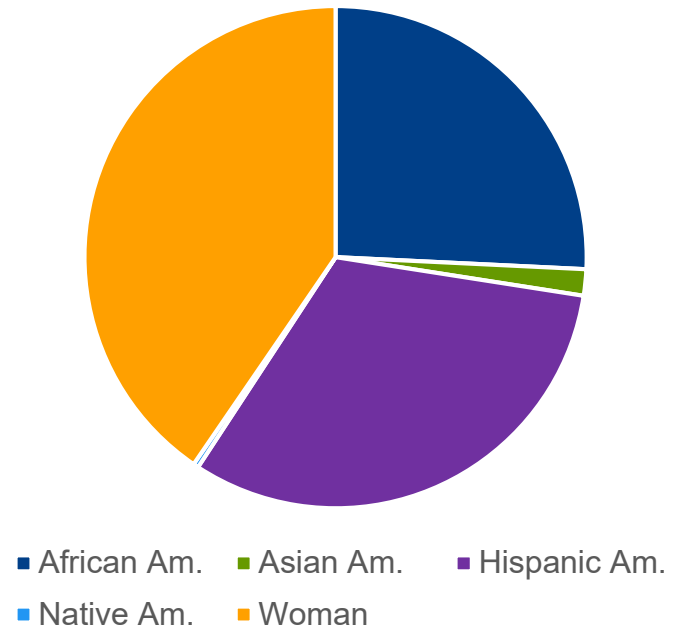
2017 Bond Program Highlights

- Program Manager Consultants
 - Three contracts awarded: Horizontal, Vertical, Parks
 - Total Value: \$14.98M
 - Total M/WBE participation: \$9.79M or 65.33%
 - 2 of the 3 teams are joint ventures
 - One team is 100% minority joint venture
- Architecture & Engineering Projects
 - Solicitation for streets, transportation, flood protection, and storm drainage resulted in:
 - 70 firms responding (33 were M/WBEs)
 - 60 firms were awarded contracts (29 were M/WBEs)
 - \$91.8M or 45.10% overall M/WBE participation

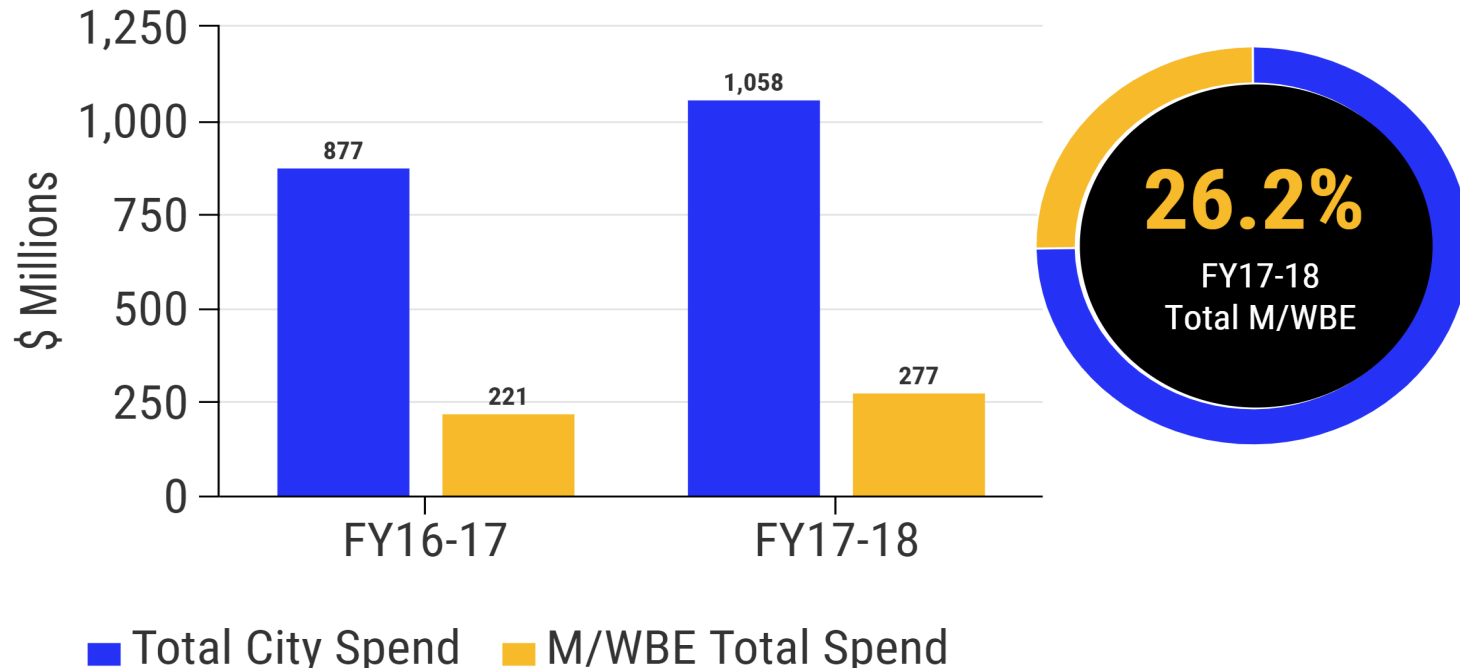
Park & Recreation FY 18-19 Contract Awards

- In FY 19, OBD Reviewed 61 PKR Contracts for M/WBE inclusion
 - A&E and Construction – 57 Items
 - Goods and Services – 4 Items
- These 61 items total \$92.72M
- Overall M/WBE Participation 32.37% or \$30.02M

Total M/WBE

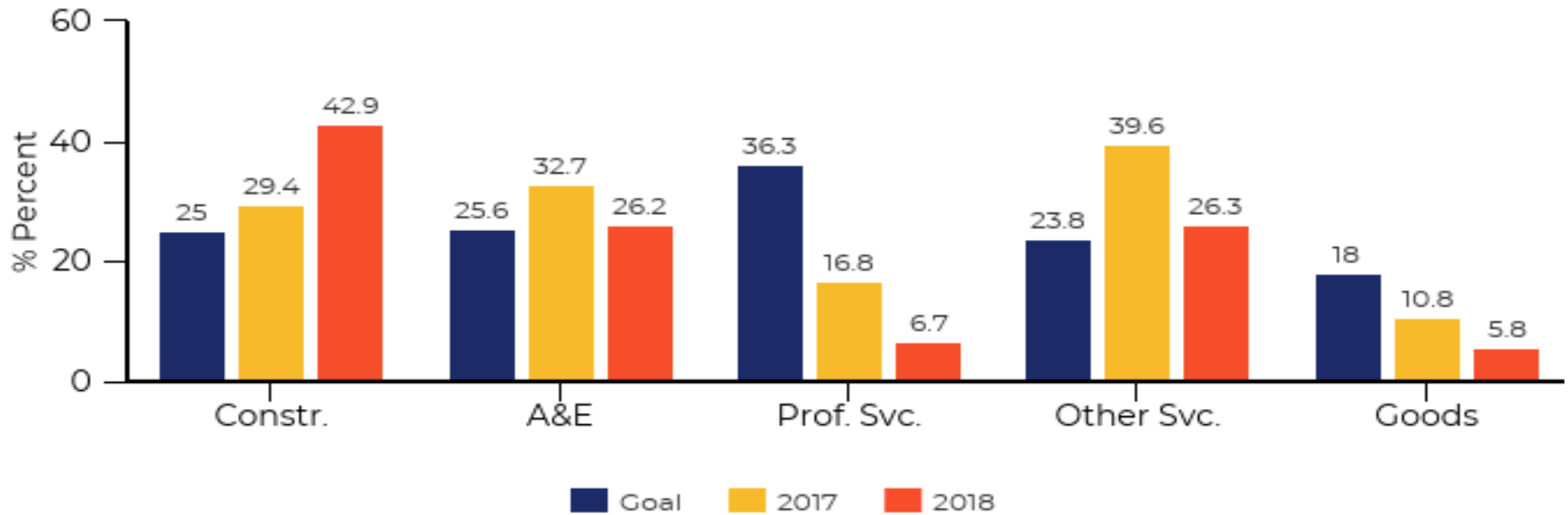


2018 Diversity M/WBE Performance Report



- Total City spend increased from \$877M to \$1.06B which represents a 20.6% increase
- Total M/WBE spend increased from \$221M to \$277M which represents a 25.4%

2018 Diversity Accomplishments & Performance Report By Procurement Category



Please note:

- Professional services declined due to the award of an advance traffic management system, which is specialized in nature, and represented 20% of total professional services spend.
- Goods are typically shipped directly from the manufacturer which limits subcontracting opportunities

2018 Diversity Accomplishments & Performance Report By the Numbers

\$1.0B



Total Spend

39.1% (\$414.2M)



Overall Local Spend

688



Total # of Contractors

\$227.8M



Total M/WBE Spend

54.1% (\$150.2M)



Local M/WBE Spend

271
(41 Prime totaling \$57.2M)



Total # of M/WBEs

68



Total Training Sessions

81



Total Outreach Events

336



Total One-on-One

A Look Ahead

- Availability and Disparity Study
 - Phase I (Internal) Recommendations – Summer 2019
 - Phase II (External) Begins – Summer 2019
 - Availability & Disparity Study Report Briefing – Spring 2020
 - Diversity & Inclusion Policy Recommendation – Summer 2020
- Technology
 - Electronic Inclusion and Reporting – B2GNow
 - Vendor Relations Management System - Salesforce
- Broadening Urban Investment to Leverage Dallas (B.U.I.L.D.)
 - Collaboration between the Office of Business Diversity, Economic Development, and the Office of Innovation
 - Funded with \$2.5 million in bond funds
 - Intended to foster new business growth for Dallas-based entrepreneurs and emerging small businesses with an emphasis on minority– and women-owned businesses (M/WBEs)
 - Five components: 1) Technical Training, 2) Business Service Organization Ecosystem, 3) Loan Program, 4) Small Business Grant, 5) Mentor/Protégé

Questions?

askprocurement@dallascityhall.com

SupplierDemo@dallascityhall.com

Thank you!