

STAFF REPORT
PROCESS FOR CONTRACTING PROFESSIONAL SERVICES
April 14, 2009

Purchasing Policies

The City contracts for many types of services that are considered “professional services” for budget and accounting purposes. The more traditional professional services are based on professional license and include architectural and engineering services, landscape architecture services, legal services, some medical services, and public accounting services. The current purchasing policy calls for competitive written proposals to be solicited when the cost of professional services is \$50,000 or more. When the proposed work is included in a Federal or State grant, the threshold amount may be lower and grant requirements may apply.

The City’s purchasing policies include a provision that an exception to the requirement for competitive proposals may be requested if the proposed consultant has previously performed related work on the system for which services are being contracted, **and** if contracting with another professional would cause additional expense to the City in order for the consultant to become familiar with the system. The request to waive the policy would be submitted to the City Council if the cost is \$50,000 or more. This oftentimes also occurs with smaller projects. For example, if a firm provided services for an environmental assessment at a Water & Pollution Control Department site and similar services were needed soon thereafter at another Water & Pollution Control Department site, it would generally be more economical and timely to contract with the firm that had recently completed similar work at another City location.

The purchasing policies call for cost to be a criterion in the evaluation of professional services proposals unless otherwise required by Federal, State, or local codes, ordinances, or policies. The policies also require that evaluation criteria be stated in the proposal documents.

Procedures

Most requests for proposals (RFP) for professional services, particularly for architectural and engineering services, are solicited directly by the City’s departments. Most departments try to solicit competitive proposals if there appears to be a benefit to doing so, even if the cost is expected to be less than \$50,000. For example, Public Works sometimes “bundles” contracted engineering design work for several smaller projects into one RFP.

There are also non-traditional professional services for which proposals are solicited through Purchasing for term contracts. These include infrared scanning, pole inspections, and emissions testing for Electric Services.

Firms who have an interest in contracting with the City initiate and then maintain contact with departments to keep them informed about the services they provide. Staff in the

various departments learn about firms who provide professional services relating to their needs through information provided directly by these firms, through attendance at conference and trade shows, and through peers and supporting organizations. Organizations such as the Iowa Association of Municipal Utilities (IAMU) have web sites that are resources for learning about companies that perform services for utilities. The City's Purchasing Division maintains lists of firms who have submitted requests to be on "bidders lists" and these lists are available to all departments.

Departments also contact firms with whom they have had positive experiences on prior contracts. Public Works and Water & Pollution Control maintain formal lists of firms providing various types of professional services and send notification of projects based on those lists. Some departments contact Purchasing to determine if a list exists. Some departments develop lists of potential providers through contact with other City departments or their peers in other cities and utilities. Electric Services also researches potential providers via the Internet if a list of potential providers does not exist.

Projects funded by Federal and State grants frequently have a requirement that potential providers be prequalified in that particular type of work in order to submit a proposal, or that an established list of potential providers such as registered targeted small businesses be notified. Large projects may be posted on a departmental web site or on the Purchasing Division web site. When required by a grant or determined to be appropriate, a notice is published in the local newspaper or in a trade publication.

When RFP's are issued for professional services such as architectural and engineering services, the proposal documents include at least a project description, submittal requirements, and evaluation criteria. Some RFP's, particularly those with a large scope of services, have minimum quality requirements including experience successfully completing work of a similar size and scope. Qualifications are critical, including both the firm and the proposed project team. If the information a department has about a firm and its staff indicates that the minimum qualifications would not be met or that the firm does not provide the services to be contracted, then that firm would not be invited to submit a proposal. However, any firm contacting the department issuing the RFP or Purchasing to ask for proposal documents would of course receive them and could submit a proposal.

Sometimes a firm has extensive knowledge of a system or experience on projects within a system. The policy specifically allows for an exception to be requested in these cases. There are also situations where the original equipment manufacturer (OEM) needs to perform services to comply with insurance guidelines or warranty issues, or when security issues warrant limiting access to critical systems. There are also very specialized services with no qualified pool of competitors in the area. In these cases, and also when prior planning was not possible, departments request that the policy requiring competitive proposals be waived.

The scope of work and type of firms providing professional services can vary greatly. There are no specific requirements for determining what companies are contacted to solicit proposals on either a competitive or noncompetitive basis.