

Memorandum



CITY OF DALLAS

DATE January 10, 2014

TO The Honorable Mayor and Members of the City Council

SUBJECT Purchasing Process Overview

On January 15, 2014, the City Council will be briefed on the Purchasing Process Overview. The briefing material is attached for your review.

Please contact me if you need additional information.

A handwritten signature in blue ink, reading "Jeanne Chipperfield".

Jeanne Chipperfield
Chief Financial Officer

Attachment

c: A.C. Gonzalez, Interim City Manager
Warren M. S. Ernst, City Attorney
Daniel F. Solis, Administrative Judge
Rosa A. Rios, City Secretary
Craig D. Kinton, City Auditor
Ryan S. Evans, Interim First Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O'Donnell, Interim Assistant City Manager
Frank Libro, Public Information Officer
Elsa Cantu, Assistant to the City Manager

Purchasing Process Overview

Dallas City Council

January 15, 2014



Purpose

- Provide review of highlighted projects
- Provide an overview of the City's purchasing process
- Provide Council with overview of the Business Inclusion and Development (BID) plan and efforts made to inform and educate the community
- Provide overview and update on Local Preference

Goals

- Get best value for City
- Help stimulate local economy
 - \$600-\$800m in annual spend
- Provide opportunity for entire community
 - Open, fair and transparent processes

Strategies

- Aggressively recruit vending community
- Develop business relationships
- Build local capacity through education and unbundling projects

Purchasing Highlights

Business Development and Procurement Services (BDPS) FY12-13 Facts

- Agenda items processed for goods/services – 162 for \$389m
- Business Inclusion and Development compliance agenda items - 382
- Requisitions processed – 6,500
- Active Master Agreements – 765
- City vendor training events – 28
- Vendors registered with Dallas – 27,000

Enhanced Quality and Access

- Public bid openings
 - Live Webcast and Cable
- E-procurement website
- Social Media pages
- QR codes
- Online calendar of events



Departmental Recognitions

Contractors Associations:

Asian American Contractors Association of Texas:

Moon Award: Public Agency for extensive outreach and MBE programs

Star Award : Agency individual who did the most outstanding

Mercury Award: MBE advocating individual

Black Contractors Association:

Achievement and Commitment to Excellence

Public Sector Advocate of the Year

Regional Hispanic Contractors Association:

Supporting Partner Certification Award
Safety Award

Commitment Award

Luna Award : Outstanding Professional

Agency Awards:

D/FW Minority Supplier Development Council:

Public Sector Entity Award

Best Practices Award

Certificate of Appreciation

Minority Business Development Agency:

Pacesetter Award

\$1Million Dollar Roundtable Award

National Inst. of Govt. Purchasing:

Outstanding Agency Accreditation Award

National Purchasing Inst:

Achievement of Excellence in Procurement

SBA Emerging Partnership

Chambers of Commerce:

Greater Dallas Asian Chamber of Commerce:

Partners in Service Award

DFW Native American Chamber of Commerce:

Public Sector Agency Award

Greater Dallas Hispanic Chamber of Commerce:

BAC Partnership Award

Partnership in Service Award

Public Sector Partnership Award

Unites States Hispanic Chamber of Commerce:

\$1Million Dollar Club Award



Omni Hotel

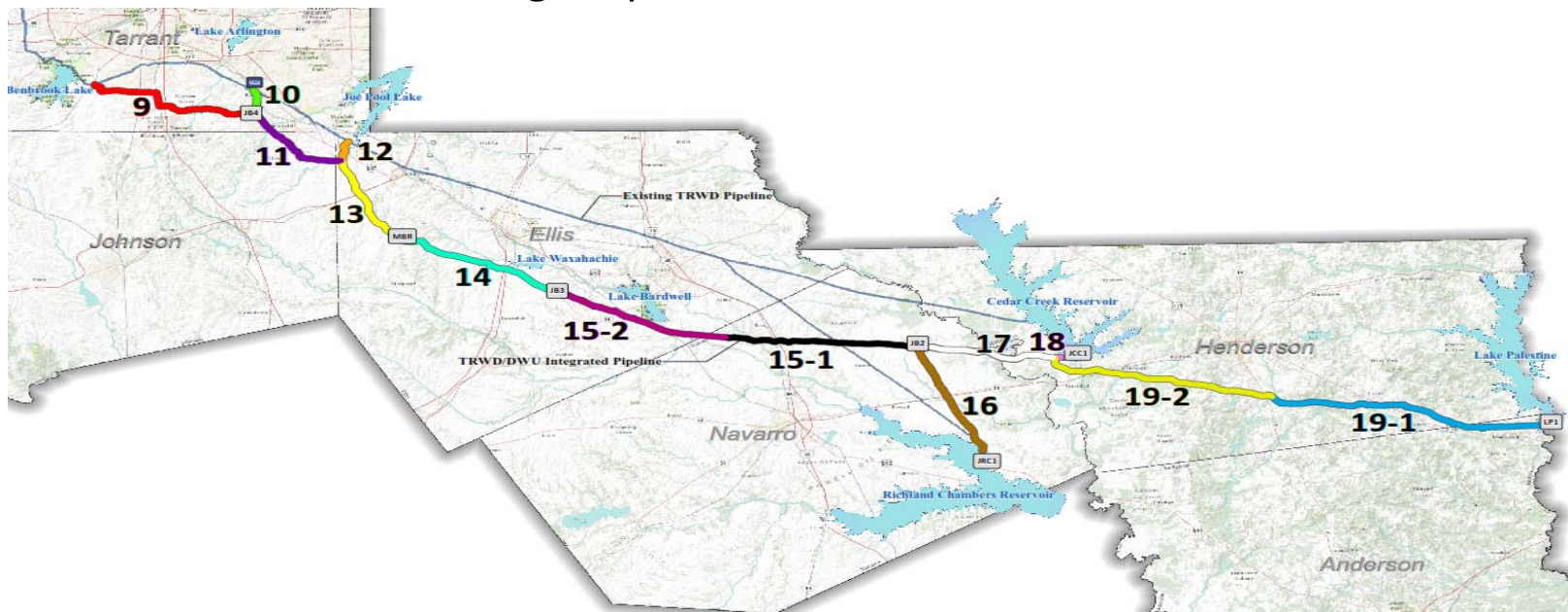
- Opened November 11, 2011
- 9 – Capacity building workshops
 - 1,500 attendees



Hotel Construction	Hotel Operating
Significant joint venture between Balfour Beatty and two M/WBE firms: Pegasus Texas and H.J. Russell Co. (BRPJV)	
Exceeded goal of 30% at 37.9% of the project value	Exceeding 25% goal at 32.7%
Resulted in 163 separate contracts to M/WBE firms	21 existing contracts with M/WBE firms



- City of Dallas & Tarrant Regional Water District
- City of Dallas \$400M
- 150 miles of pipeline and 6 pump stations
- Spans 6 Counties
- Currently exceeding M/WBE & HUB goal at 74% on the design phase
 - Project overall goal of 25%
- Construction set to begin April 2014



Love Field Concessions



Results – 110 proposals received

Goal for Minority and DBE participation 23.5%

Food and beverage participation – 64%

Retail participation – 31%

Green Purchasing

- Dallas has been widely recognized as having one of the largest and most diverse alternative fuel vehicle (AFV) fleets in the country representing over 38% of EBS vehicles
- AFV fleet consists of nearly 2,000 units that are either electric, hybrid-electric, or run on bio-diesel or compressed natural gas (CNG)
- Currently purchasing energy credits representing 40% of our electricity usage
- Increased the number of approved “green” products by 25% since 2009



BDPS ISO Certified – May 2010



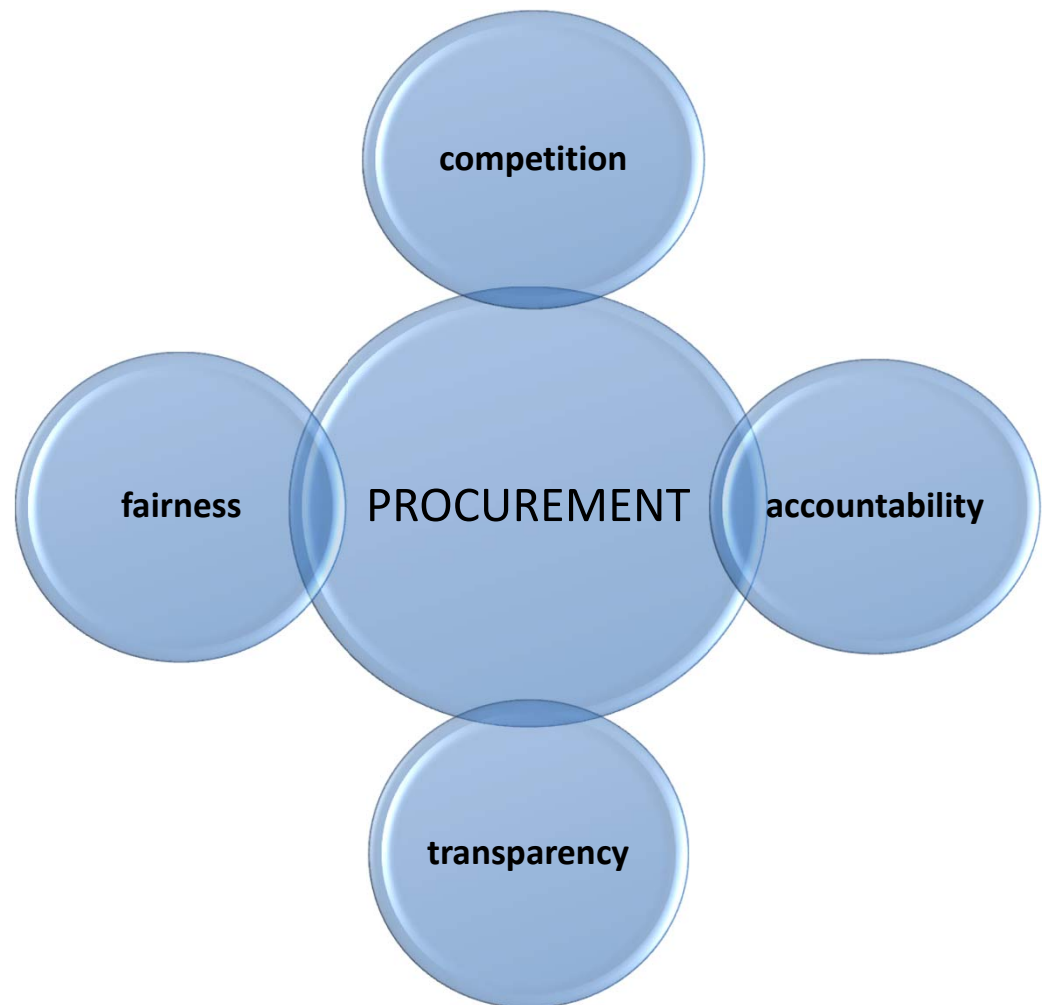
- **11 City Departments certified**
- **Standardization**
- **Improve Quality**
- **Efficiency**
- **Increase Productivity**
- **Enhance Customer Service**
- **Promotes Continued Improvement**

First public procurement office to receive certification in United States

Procurement Overview

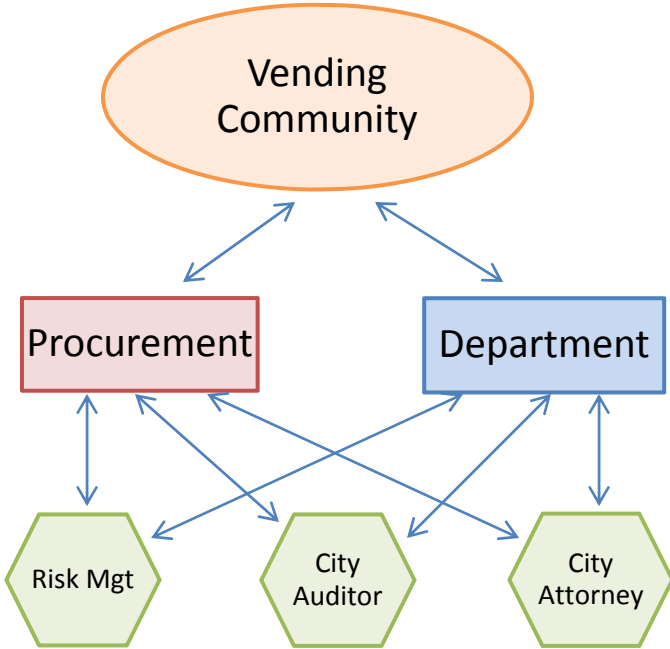
The City must comply with all local, state and federal procurement laws

- State Laws of Texas
- Dallas City Charter
- Dallas City Code
- City Administrative Directives
- Business Inclusion and Development policies and procedures

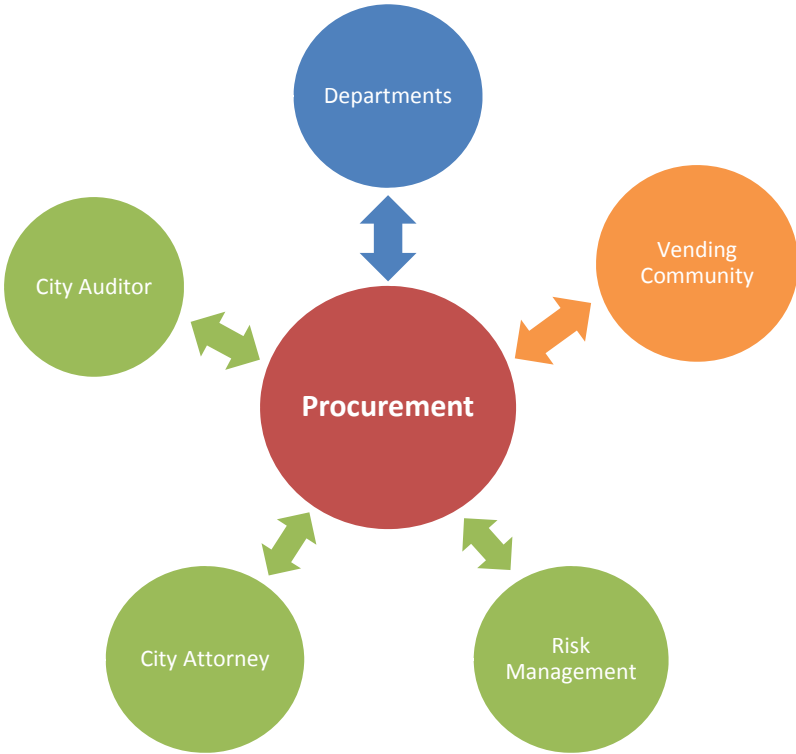


Decentralized vs. Centralized

Decentralized



Centralized



Procurement Methods

INFORMAL SOLICITATIONS

- Less than \$50K
- Bid posted on City’s website
- Bid closes after 3 days
- Low bid recommended
- No Council action required – approval authority delegated to City Manager

FORMAL SOLICITATIONS

- Request for Bid or Proposal - procurements exceeding \$50,000
- Formally advertised in DMN
- Chambers of commerce and advocacy groups (25) notified
- Placed on City’s procurement website

SOLE SOURCE

- Items that are available from only one source because of patents, copy rights, secret processes, or natural monopolies
- City Auditor’s Office reviews all items over \$50k prior to Council consideration

COOPERATIVE AGREEMENTS

- Contracts have been bid by another public agency and are available to all governmental agencies at the pre-established pricing
- Leverages aggregate purchasing power to lower cost

EMERGENCY PROCUREMENTS

- Exempted from formal competitive bidding
- Procurement made due to a public calamity that requires immediate relief to preserve public property; protect the public health or safety of the residents
- Items over \$50k require Council action to ratify

All Competitive Methods

Solicitation

- Develop and publish specifications as required by State Law
- Closing time/date published followed by public bid opening
- Minimum two consecutive weeks

Evaluation

- Meets minimum specification (bids)
- Committee evaluation (proposal)
- Negotiations (proposal) on price/terms, etc.

Recommendation

- Concurrence on low bidder or advantageous proposer
- Final verification on recommended bidder's information
- Contract requested (if necessary) - City Attorney's Office

Council Consideration

- Provide background, purpose and description of the procurement, history of item
- Submit completed agenda item to City Council for consideration

Sample Timeline

Request for Bid 11-14 Weeks			
January	February	March	April
Solicitation <ul style="list-style-type: none"> • 4 weeks 			
	Evaluation <ul style="list-style-type: none"> • 2-4 weeks 		
		Recommendation <ul style="list-style-type: none"> • 1-2 weeks 	
			Council <ul style="list-style-type: none"> • 4 weeks

Request for Proposal 13-22 Weeks					
January	February	March	April	May	June
Solicitation <ul style="list-style-type: none"> • 4 weeks 					
	Evaluation <ul style="list-style-type: none"> • 4-11 weeks 				
			Recommendation <ul style="list-style-type: none"> • 1-3 weeks 		
				Council <ul style="list-style-type: none"> • 4 weeks 	

VENDOR COMMUNICATION

Vendor Communication Guidelines

- During competitive procurement processes, vendors are instructed under the bids/proposals terms and conditions to direct all communications to the designated City representative (Buyer) for the specific solicitation

- Dallas City Code Section 12 A-15.8 (g) provides:

“Lobbying by bidders and proposers on city contracts. A person responding to a request for bids or request for proposals on a city contract shall not (either personally or through a representative, employee, or agent) lobby a city council member from the time the advertisement or public notification of the request for bids or request proposals is made until the time the contract is awarded by the city council. This subsection does not prohibit a bidder or proposer from speaking at the city council meeting where the award of the contract is considered.”

ResourceLink Outreach Team



ResourceLink Outreach Team

- Connects businesses with resources to do business with the City
- Provides training and informational seminars to help vendors
- Compile scope specific M/WBE subcontractor lists from the certifying agencies' databases
- FY 12-13 Team attended 102 events
- Conducted 28 training sessions (3,840 vendors attended)

ResourceLink Team Highlights

- Held Vendor Symposium at Dallas Executive Airport (Jan. 2013)
- Connected primes and MWBE subs for one-on-one sessions
- 20 firms attended
- New relationships created



BUSINESS INCLUSION AND DEVELOPMENT

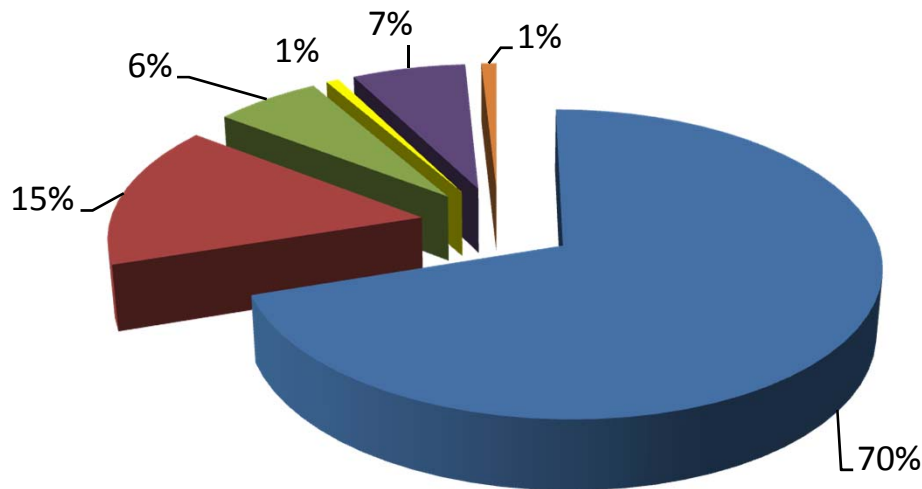
Business Inclusion and Development (BID)

<p style="text-align: center;">POLICY</p> <ul style="list-style-type: none"> Encourages certified M/WBEs utilization to the greatest extent feasible on all contracts 	<p style="text-align: center;">BACKGROUND</p> <ul style="list-style-type: none"> October 2008 Amendments Changed from Good Faith Effort to Business Inclusion and Development Added 15 points in evaluation criteria for items over \$250K Encouraged Joint Ventures 	<p style="text-align: center;">ADMINISTRATION</p> <ul style="list-style-type: none"> BDPS Contract Compliance Team Centralized location for contractors and subcontractors Evaluation of large contracts prior to advertising to identify unbundling opportunities
<p style="text-align: center;">PROCESS</p> <ul style="list-style-type: none"> BID forms completed by respondent Planned M/WBE participation verified Participation monitored 15 point M/WBE evaluation (if applicable) 	<p style="text-align: center;">GOALS</p> <ul style="list-style-type: none"> Utilizes local (Dallas County) M/WBEs Compliance based on the good-faith efforts Construction: 25.00% A & E: 25.66% Professional Services: 36.30% Other Services: 23.80% Goods: 18.00% 	<p style="text-align: center;">PROGRAM SUCCESS</p> <p>FY 2011 – 2012</p> <ul style="list-style-type: none"> Local dollars spent: \$335.8M Local dollars awarded to M/WBEs: \$116.3M (34.6%) <p>FY 2012 – 2013</p> <ul style="list-style-type: none"> Local dollars spent: \$408.8M Local dollars awarded to M/WBEs: \$122.8M (30.1%)

Business Inclusion and Development (BID)

FY 2012 - 2013 Participation by Service

■ Non-M/WBE ■ Construction ■ A&E ■ Professional ■ Other ■ Goods



FY 2012 – 2013

- Local dollars spent: \$408.8M
- Local dollars awarded to M/WBEs: \$122.8M (30.1%)

LOCAL PREFERENCE

Local Preference

- On June 27, 2012, the City of Dallas passed the Local Preference Ordinance
- Local preference applied on one (1) procurement in FY 12-13 – Fuel – May 1, 2013
- All bids are reviewed for local preference

Contract Amount (Low Bids Only)	Goods	General Services	Construction Services and Facility Construction
\$0 - \$50,000	No preference	No preference	No preference
\$50,001 - to under \$100,000	5% preference	5% preference	5% preference
\$100,000 – to under \$500,000	5% preference	5% preference	No preference
\$500,000 plus	3% preference	No preference	No preference

Local Preference

DEFINITION

- Principal Place of Business within the City of Dallas
- Headquarters or admin. office
 - Established office
 - Majority of the business' operations and transactions are conducted
 - Does not include message centers, P.O. Box, or mail drops

BENEFITS

- Encourages local businesses to do business with the City
- Increases competition
- Promotes a stronger economy for Dallas residents and businesses
- Allows staff to recommend for Council approval

EXEMPTIONS

- Competitive sealed proposals
- Informal solicitations
- Federal grant funds
- Sole Source contracts
- Emergency procurements
- Cooperative agreements
- Telecommunication and Information services
- Construction contracts greater than \$100,000

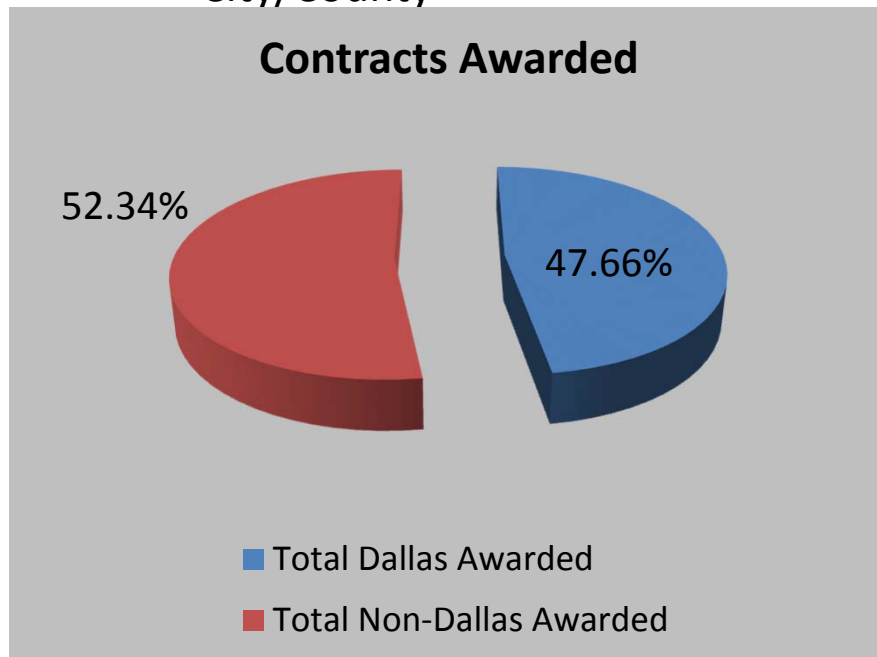
PROCESS

- Is the procurement a competitive (low) bid contract?
- Is the lowest bid not a local vendor?
- Was a bid received from a vendor with a principal place of business in Dallas and is within the local preference respective threshold?
- Does awarding the contract provide an economic benefit to the City?

FY 12-13 Local vs Non Comparison

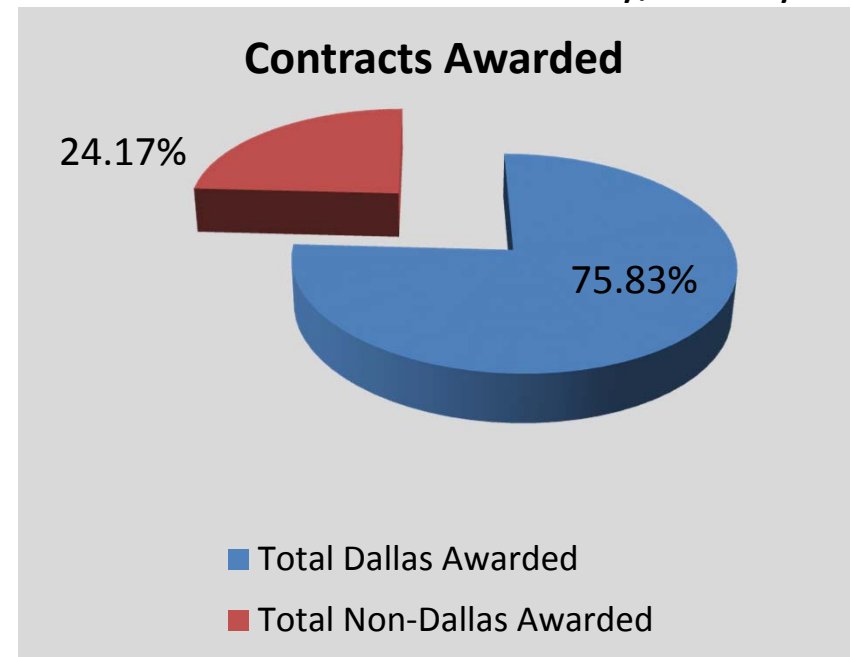
Goods and Services

- 256 contracts Awarded
 - 122 or 47.66% - Dallas City/County



Construction, A & E

- 120 Awarded (excludes change orders and supplemental agreements)
 - 91 or 75.83% - Dallas City/County



More to Continue

As we look to the future, we will continue to look for opportunities to improve processes to meet the ever changing needs of the City.

The review of processes with the goal of:

- Simplification
- Faster turnaround
- Increased Transparency



APPENDIX

Additional Resources

BDPS Main City Page

http://www.dallascityhall.com/business_development/business_links.html

Welcome to the City of Dallas, Texas - Business Development & Procurement - Windows Internet Explorer

http://www.dallascityhall.com/business_development/business_links.html

Home | 311 Info & Services | Community & Culture | Business | Government | Visitors | About | Dallas Kids | Search

Business Development & Procurement Services Related Links

Business Development Services (BDS)

- [Bill J. Priest Institute for Economic Development](#)
- [Dallas/Ft. Worth Minority Business Council \(DFWMBC\)](#)
- [North Central Texas Regional Certification Agency \(NCTRCA\)](#)
- [Women's Business Council - Southwest](#)
- [U.S. Small Business Administration](#)

Other Links

- [City Unveils CityLINKCD](#)
- [Convention Center Hotel](#)
- [Dallas joins other public agencies to form Dallas Alliance for Business Development](#)
- [Business Inclusion and Development Plan](#)
- [Historically Underutilized Business \(HUB\)](#)
- [Licenses](#)
- [Master Agreement by Description](#)
- [Webcasting Bid Openings](#)
- [PCard Transactions](#)
- [Comprehensive Plan RFOs](#)
- [Texas Emissions Reduction Program \(TERP\) for more information, please contact Kimberly Affat at \(214\) 670-6971](#)
- [Trinity River Corridor Project](#)

Executed Administrative Actions and Change Orders

- [November 2013](#)
- [October 2013](#)
- [September 2013](#)
- [August 2013](#)
- [July 2013](#)
- [June 2013](#)
- [May 2013](#)
- [April 2013](#)
- [March 2013](#)
- [February 2013](#)
- [January 2013](#)
- [December 2012](#)
- [November 2012](#)
- [September 2012](#)
- [August 2012](#)
- [July 2012](#)
- [June 2012](#)
- [May 2012](#)

Business Development

- [City Store](#)
- [BDPS Calendar](#)
- [Construction Notices](#)
- [IPL Project](#)
- [Business Dev. Services](#)
- [BID Plan](#)
- [BID Forms](#)
- [Proposal Forms Over 250k](#)
- [M/WBE](#)
- [Certification](#)
- [Obtaining a List](#)
- [Vendor How To](#)
- [General Conditions](#)
- [Related Links](#)
- [Staff/Contacts](#)

Trusted sites | Protected Mode: Off

1:03 PM
1/9/2014

Additional Resources

Calendar of procurement events

http://www.dallascityhall.com/business_development/calendar_bdps.html

The screenshot shows a web browser window displaying the City of Dallas website. The page title is "Business Development & Procurement Services Calendar". The main content is a table of upcoming pre-bid/pre-solicitation events. The table has columns for DATE, TIME, LOCATION, TITLE, TYPE, and BUYER/DEPT. The events listed are:

DATE	TIME	LOCATION	TITLE	TYPE	BUYER/DEPT
1/6/2014	10am	1500 Marilla St., Dallas, TX 75201 (L1FN-B)	BHZ1404 - Court & Detention Collection Services	RFP	Judy Levin-Simmons
1/7/2014	10am	320 E. Jefferson on Blvd., Dallas, TX 75203 (Rm. 303)	Riverfront-Continental Street Reconstruction Phase I&II	RFB	Public Works
1/8/2014	9am	1500 Marilla St., Dallas, TX 75201 (3FS)	BUZ1407 - Toner and Printer Cartridges	RFP	Kent Brown
1/9/2014	10am	1500 Marilla St., Dallas, TX 75201 (3FN)	BA1403 Animal Bedding - Wood Shavings	RFB	Alejandra Rios
1/10/2014	10am	1500 Marilla St., Dallas, TX 75201 (3FS)	BAZ1401 Veterinary Service, Canine & Equine	RFP	Alejandra Rios
1/10/2014	11Am	1500 Marilla St., Dallas, TX 75201 (3FS)	BP1411 - E36 Liquid and NAAC Runway Deicer Bulk	RFB	Farouk Hashem
1/15/2014	10am	1500 Marilla St., Dallas, TX 75201 (3FS)	BT1404 - Emergency & Non-Emergency Medical Supplies & Medical Gloves	RFB	Eva Poon

Below the table, there is a note: "Please contact a member of the City of Dallas Resource Link Team for more information about any of these events via email at resourcelinkteam@dallascityhall.com or by phone at 214-670-3326."

The page also features a navigation menu with links to Home, 311 Info & Services, Community & Culture, Business, Government, Visitors, About, Dallas Kids, and Search. A sidebar on the left contains links for Business Development, City Store, BDPS Calendar, Construction Notices, IPL Project, Business Dev. Services, BID Plan, BID Forms, Proposal Forms Over 250k M/WBE, Certification, Obtaining a List, Vendor How To, General Conditions, Related Links, and Staff/Contacts.

Additional Resources

City's Vendor Self Service – e-Procurement website

<https://bids.dallascityhall.com/webapp/VSSPROD/Advantage>

The screenshot shows a web browser window displaying the City of Dallas Vendor Self Service website. The browser's address bar shows the URL <https://bids.dallascityhall.com/webapp/VSSPROD/Advantage>. The website header includes the text "Welcome City of Dallas Vendor Self Service: LOGIN" and the "AMS VENDOR SELF SERVICE" logo. The main content area features a large blue banner with the text "Welcome to the City of Dallas Vendor Self Service" and the City of Dallas logo. Below the banner, there are two main sections: "Registered Users" and "New Users".

Registered Users

- . Account Maintenance
- . Respond to Solicitations

User Name :
Password :

Login

[Forgot Your Password? Click Here](#)

New Users

Register

- . Add my company
- . Add my location to existing account
- . Create User ID for existing account

Public Access

- . View Posted Solicitations
- . View Award Notices
- . View vendor to vendor solicitation comments

[Click here for history](#)
[Click here for CityBOTS](#)

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Additional Resources

(8) Business Assistance Centers

<http://www.dallas-ecodev.org/business/small-business/bacs/>

The screenshot shows a web browser window displaying the Dallas Economic Development website. The page title is "Business Assistance Centers | Dallas OED - Windows Internet Explorer". The address bar shows the URL <http://www.dallas-ecodev.org/business/small-business/bacs/>. The website header includes the Dallas Economic Development logo, navigation links (HOME, BUSINESS, INTERNATIONAL, REDEVELOPMENT, INCENTIVES, CULTURE & LIFESTYLE, RESOURCES), and a search bar. The main content area features the heading "Microenterprise Technical Assistance: Business Assistance Center Program". Below the heading, there is a paragraph explaining that the Business Assistance Center Program (BAC) is administered by the Office of Economic Development (OED) and is funded by a federal grant (Community Development Block Grant-CDBG) from the U.S. Department of Housing and Urban Development (HUD). The text states that the BAC Program is intended to provide benefit for low-moderate income persons in the City by promoting entrepreneurship and microenterprise* development by providing technical assistance to those who are interested in developing new microenterprise businesses and capacity building to those who already own microenterprises. A list of areas of technical assistance provided by the Business Assistance Centers (BAC) is shown, including: Different structures of for-profit businesses, State registration requirements, Tax implications, Business plan development, Strategic plan development, Industry and marketing research, Marketing plan/campaign development and branding, Different funding mechanisms and assistance in understanding loan applications, Budget development and accounting, Staffing/payroll, worker's compensation, health benefits and pension, M/WBE-DBE-HUB certifications, contracts and sub-contracting, bonds and insurance, and Others as pertinent and in compliance with eligibility and the applicable federal/state/local governing regulations. On the right side of the page, there are three sections: "Tools for Small Businesses" with links to Small Business Main Page, Business Assistance Centers, Grants & Funds, and Minority & Woman Owned Businesses; "Map to All Business Assistance Centers"; "Stay Informed" with a newsletter sign-up form; and "Resources for Starting a New Business" with links to Small Business Guide to Starting a Business in Dallas, Assumed Name Procedure, Dallas County Clerk, Corporations New to Texas, IRS Businesses Employer Tax ID Number, and State of Texas Sales Tax ID Number. The Windows taskbar at the bottom shows the system tray with the date 1/9/2014 and time 12:53 PM.

DALLAS ECONOMIC DEVELOPMENT
dallas-ecodev.org

About Us | Contact Us | Español

HOME BUSINESS INTERNATIONAL REDEVELOPMENT INCENTIVES CULTURE & LIFESTYLE RESOURCES

You are here: [Business](#) / [Small Business](#) / Business Assistance Centers

Print Share Directory

Microenterprise Technical Assistance: Business Assistance Center Program

The Business Assistance Center Program (BAC) is administered by the Office of Economic Development (OED) and is funded by a federal grant (Community Development Block Grant-CDBG) from the U.S. Department of Housing and Urban Development (HUD).

The BAC Program is intended to provide benefit for low-moderate income persons in the City by promoting entrepreneurship and **microenterprise*** development by providing technical assistance to those who are interested in developing new microenterprise businesses and capacity building to those who already own microenterprises.

Areas of technical assistance provided by the Business Assistance Centers (BAC) may include but are not limited to various business development topics such as:

- Different structures of for-profit businesses
- State registration requirements
- Tax implications
- Business plan development
- Strategic plan development
- Industry and marketing research
- Marketing plan/campaign development and branding
- Different funding mechanisms and assistance in understanding loan applications
- Budget development and accounting
- Staffing/payroll, worker's compensation, health benefits and pension
- M/WBE-DBE-HUB certifications, contracts and sub-contracting, bonds and insurance, and
- Others as pertinent and in compliance with eligibility and the applicable federal/state/local governing regulations

Tools for Small Businesses

- [Small Business Main Page](#)
- [Business Assistance Centers](#)
- [Grants & Funds](#)
- [Minority & Woman Owned Businesses](#)

[Map to All Business Assistance Centers](#)

Stay Informed

Get the monthly newsletter, latest publications, and announcements.

Email

Resources for Starting a New Business

- [Small Business Guide to Starting a Business in Dallas](#)
- [Assumed Name Procedure, Dallas County Clerk](#)
- [Corporations New to Texas](#)
- [IRS Businesses Employer Tax ID Number](#)
- [State of Texas Sales Tax ID Number](#)