

Memorandum



CITY OF DALLAS

DATE February 1, 2019

Honorable Members of the Government Performance & Financial Management
TO Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,
Lee M. Kleinman, Philip T. Kingston, Tennell Atkins, Kevin Felder

SUBJECT **Electronic Procurement Platform**

On March 19, 2018, the Office of Procurement Services (OPS) briefed the Government Performance & Financial Management Committee on recommended procurement process changes, including the need for an online bidding system. In fall 2018, OPS began testing a new electronic procurement platform, Bonfire Interactive, in conjunction with Communication & Information Services (CIS). The attached briefing provides information on the current procurement process, an overview of the new electronic procurement platform, and the benefits of the system.

Bonfire will allow the City of Dallas to reduce project timelines through an electronic and streamlined platform, increase competition through a network of thousands of vendors nationwide, and provide an easy and convenient portal for vendors. It can also automate tabulations and evaluations, reducing potential errors. Finally, Bonfire is a fully secure cloud-based platform that meets current state law requirements.

Prior to implementation, State law requires the City of Dallas to adopt rules to ensure the identification, security, and confidentiality of electronic bids and proposals, and to ensure that they remain unopened until the proper time. The City Council will consider the adoption of Electronic Procurement Rules, drafted by OPS and the City Attorney's Office to comply with State Law, on February 13, 2018.

Upon City Council adoption of the rules, OPS will notify existing and prospective vendors that we are transitioning to an online bidding system, and conduct outreach with the Office of Business Diversity. We anticipate implementation of the new portal beginning March 1, 2019. Thank you for your support of operational efficiencies that benefit the City and our business community.


M. Elizabeth Reich
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Chris Caso, City Attorney (Interim)
Carol A. Smith, City Auditor (Interim)
Billierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager

Majed A. Al-Ghafry, Assistant City Manager
Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer
Laila Alequresh, Chief Innovation Officer
Directors and Assistant Directors

Electronic Procurement Platform

Government Performance & Financial
Management Committee

February 4, 2019

Mike Frosch, Director
Juanita Ortiz, Assistant Director

Office of Procurement Services



City of Dallas

Presentation Overview

- FY 2018 Update
- Current Procurement Platform & Challenges
- Staff Recommendation
- Implementation & Outreach
- Next Steps
- Questions

Background – FY 2018 Update

167 Agenda Items

\$445M
Awarded
\$5.5M
Revenue

95.2% On Contract
Spend

Dallas City Code
Chapter 2 & 15B
modifications

Implementation of
Electronic
Solicitation Tracking
System

\$8.6M in revenue -
Express Business
Center/City Store

Background – Current Procurement Platform

- Currently solicitations are advertised via the City's Financial System, AMS Advantage
- Electronic submissions are not accepted, and only hard copies are accepted
- OPS staff is responsible for ensuring the security and confidentiality of bids and proposals prior to bid openings
- Buyers conduct all bid tabulations and scoring manually
- Hard copy proposals are evaluated and scored by city staff

Background – Challenges

- System maintenance issues
- System is not user-friendly
- Vendor account management issues
- Hard copies and manual scoring can result in:
 - Higher risk for errors
 - Increased procurement timelines
 - Cumbersome for potential bidders

Staff Recommendation - Bonfire

- In mid 2018, OPS began testing a new electronic procurement platform
- In conjunction with CIS Bonfire was vetted to ensure the security, confidentiality, and identification of electronic bids and proposals
- Staff training was held and several test solicitations were conducted to ensure a smooth transition

Staff Recommendation - Benefits

- Eliminate manual processes and forms in order to reduce project timelines
- Increase competition, through notification of solicitations reaching thousands of vendors nationwide
- Streamline the solicitation process through an easy and convenient online portal with full customer support
- Automate bid tabulations and evaluations, eliminating hard copy and reducing potential errors
- Provide a secure and fully cloud-based online portal with bank-grade security, disaster recovery plans, automatic compliance and accessibility features

Staff Recommendation - Bonfire

[Log in](#) **Open Public Opportunities** [Past Public Opportunities](#)

Search

Status	Ref. #	Project	Close Date	Days Left	Action
OPEN	1901-030	Freedom Fest Children's Entertainment Area	Jan 24th 2019, 2:00 PM CST	2	View Opportunity
OPEN	1912-029	Point of Sale Software	Jan 24th 2019, 2:00 PM CST	2	View Opportunity
OPEN	1901-031	On-Site or Near-Site Employee Health Clinic	Feb 5th 2019, 2:00 PM CST	14	View Opportunity
OPEN	1910-014	Community Parks Restroom Cleaning	Feb 6th 2019, 2:00 PM CST	15	View Opportunity
OPEN	1910-018	Procurement Card Program and E-Payment Solution	Feb 7th 2019, 2:00 PM CST	16	View Opportunity
OPEN	1901-034	Employee Benefits Concierge and Transparency Services	Feb 8th 2019, 2:00 PM CST	17	View Opportunity
OPEN	1901-038	Art in the Atrium 18	Feb 22nd 2019, 4:00 PM CST	32	View Opportunity

[Technical Support](#) [Portal Security](#) [Terms of Service](#) [Privacy Policy](#)

Powered by  Bonfire


Staff Recommendation - Bonfire

2 New Opportunities this Week!
 To: manager@clearingspecialists.ca
 From: opportunities@bonfirehub.com

Dear Vendor,
 You have 2 new opportunities this week:

HVAC Annual Service
 Closes in 65 Days
 Inspection, maintenance and repair of heating and co... [View Project](#)

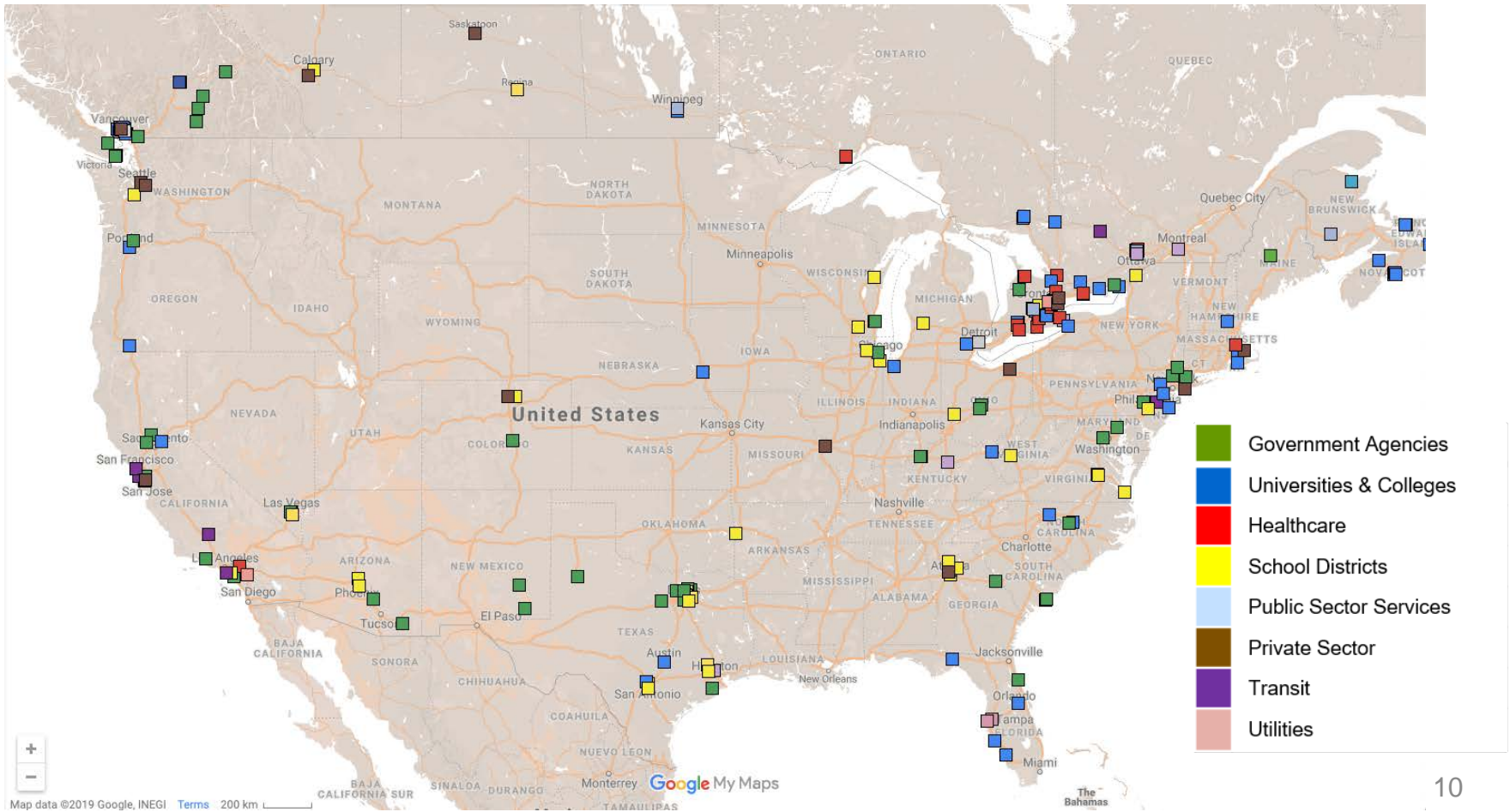
Facilities Maintenance
 Closes in 50 Days
 Mechanical and general repair to North Plant [View Project](#)

Happy bidding!
 The Bonfire Team 

Manage Criteria

TITLE	POINTS	TYPE	EVALUATION GROUPS
Proposal Documents	60	Criteria Group	
Service Requirements	100	0 - 10	Financial <input checked="" type="checkbox"/> Compliance <input checked="" type="checkbox"/> Tech
Delivery and Installation	25	0 - 10	Financial <input type="checkbox"/> Compliance <input checked="" type="checkbox"/> Tech
Technical Specifications	50	0 - 10	Financial <input type="checkbox"/> Compliance <input checked="" type="checkbox"/> Tech
Pricing	40	Criteria Group	
Total Price	10	Pricing	<input checked="" type="checkbox"/> Financial <input type="checkbox"/> Compliance <input type="checkbox"/> Tech

Staff Recommendation - Bonfire

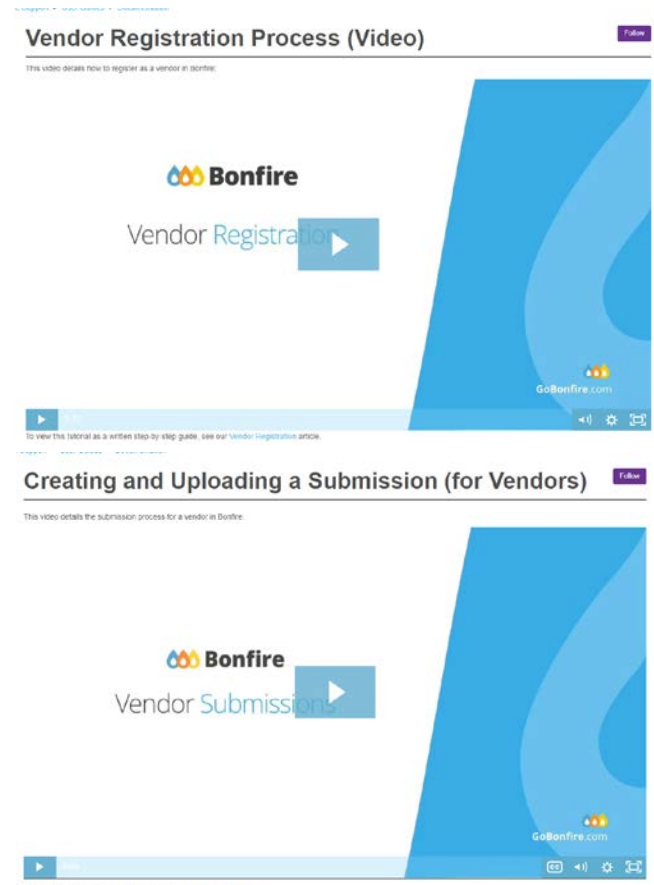


Staff Recommendation – Chapter 252

- Chapter 252 of the Texas Local Government Code authorizes municipalities to receive competitive bids and proposals through electronic submission if the City Council adopts rules to ensure the identification, security & confidentiality of electronic bids and proposals, and to ensure that they remain effectively unopened until the proper time
- In conjunction with the City Attorney's Office and best practices, the attached Electronic Procurement Rules were drafted to comply with State Law

Implementation & Outreach

- Notify existing & prospective vendors through:
 - Website banners
 - Notices on OPS staff correspondence and addendums on all open solicitations
 - Email notification to all registered vendors
 - Press Release
- In partnership with OBD attend Outreach Meetings to discuss with vendors
 - Bonfire Overview
 - Training for registration/bidding
 - Knowledge Base
 - Phone and on-line support



Next Steps

- Receive committee feedback
- Based on committee feedback begin implementation of Bonfire
- Council consideration and adoption of Electronic Procurement Rules – February 13, 2019

Electronic Procurement Platform

Government Performance & Financial
Management Committee

February 4, 2019

Mike Frosch, Director
Juanita Ortiz, Assistant Director

Office of Procurement Services



City of Dallas



Agenda Information Sheet

File #: 19-187

Item #: 30.

STRATEGIC PRIORITY: Government Performance and Financial Management

AGENDA DATE: February 13, 2019

COUNCIL DISTRICT(S): All

DEPARTMENT: Office of Procurement Services

EXECUTIVE: Elizabeth Reich

SUBJECT

A resolution adopting rules governing the receipt of electronic submissions for procurement solicitations pursuant to Chapter 252.0415 of the Texas Local Government Code for the purpose of increasing competition, reducing costs associated with the solicitation process, and streamlining the procurement of goods and services - Financing: This action has no cost consideration to the City

BACKGROUND

In mid-2018, the Office of Procurement Services (OPS) researched and acquired an electronic bid submission software to facilitate the procurement process for both City staff and the vending community. Since that time, OPS, with the assistance of Communication & Information Services, has configured and tested Bonfire Interactive to ensure a smooth transition for staff and potential vendors.

Some key benefits to the system include:

- Eliminate manual processes and forms in order to reduce project timelines
- Increase competition, through notification of solicitations reaching thousands of vendors nationwide
- Streamline the solicitation process through an easy and convenient online portal with full customer support
- Automate bid tabulations and evaluations, eliminating hard copy and reducing potential errors
- Provide a secure and fully cloud-based online portal with bank-grade security, disaster recovery plans, automatic compliance and accessibility features

Chapter 252 of the Texas Local Government Code authorizes municipalities to receive competitive bids and proposals through electronic submission if the City Council adopts rules to ensure the identification, security, and confidentiality of electronic bids and proposals, and to ensure that they remain effectively unopened until the proper time. The proposed rules in Exhibit A will satisfy the state requirement and will be used as a guide by staff to implement any necessary changes to

policies and procedures so that the City can begin accepting electronic submissions beginning March 1, 2019. In addition, OPS has worked with the Office of Business Diversity on a vendor outreach and training plan.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Government Performance & Financial Management Committee will be briefed on this item on February 4, 2019.

FISCAL INFORMATION

This action has no cost consideration to the City.

February 13, 2019

WHEREAS, under Chapter 252 of the Texas Local Government Code, the City of Dallas (the "City") is subject to competitive procurement requirements for certain contracts involving the expenditure of municipal funds in excess of \$50,000.000; and

WHEREAS, the City is authorized under Section 252.0415 of the Texas Local Government Code to receive competitive bids and competitive proposals through electronic transmission if the City Council adopts rules to ensure the identification, security, and confidentiality of electronic bids and proposals, and to ensure that they remain effectively unopened until the proper time; and

WHEREAS, the increased use of electronic communications by businesses and government entities necessitates the ability to accept bids or proposals through electronic transmission; and

WHEREAS, the ability to receive bids and proposals via electronic transmission will potentially lead to the submission of more bids or proposals, thereby increasing competition, potentially reducing prices, improving efficiencies and lowering costs associated with the solicitation process for both vendors and the City; and

WHEREAS, the City Council desires to adopt rules for receipt of electronic bids and proposals so that the City can take advantage of the benefits anticipated by such action.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That in order for the City to receive bids and proposals submitted pursuant to Chapter 252 of the Texas Local Government Code through electronic transmission, the City Council hereby adopts the rules attached hereto in Exhibit A (the "Rules") to ensure the identification, security, and confidentiality of such bids and proposals and to ensure that such bids and proposals remain effectively unopened until the proper time, as required by Section 252.0415 of the Texas Local Government Code.

SECTION 2. That the City Manager is hereby authorized to accept electronic submissions for future procurement solicitations, so long as all processes and procedures comply with the Rules.

SECTION 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly resolved.

Exhibit A

RULES GOVERNING THE RECEIPT OF ELECTRONIC SUBMISSION OF BIDS AND PROPOSALS

I. POLICY STATEMENT FOR ELECTRONIC BIDS OR PROPOSALS

These rules are established by the City of Dallas (the "City") for electronic solicitation procedures in accordance with Section 252.0415, Texas Local Government Code, to ensure the identification, security and confidentiality of electronic bids or proposals, and to ensure that bids or proposals remain effectively unopened until the proper time (the "Rules"). The Rules will apply to both bids and proposals that are submitted to the City pursuant to the requirements of Chapter 252, Texas Local Government Code, as well as those contracts and procurements for which the City has voluntarily elected to follow the competitive processes outlined in Chapter 252, Texas Local Government Code.

- A. All users of the electronic system, shall be assigned a unique user name and password.
- B. Access to the system by authorized users shall be logged and tracked in order to record when any user has accessed the system, and what data the user accessed.
- C. Transmittal of data through the internet shall be encrypted using SSL technology. All sensitive data within the system shall be encrypted using the Advanced Encryption Standard algorithm (AES), or better.
- D. All data shall be encrypted using a time-sensitive mechanism that allows the data to be decrypted only after the Bid Opening specified for each solicitation.
- E. The system shall be synchronized to two or more atomic clocks to ensure exact recording of the bid due date and time, and the receipt of data and time, for each submission.
- F. Neither vendor identities nor the contents of submissions are available during the bidding process.
- G. The City's Purchasing Agent, or his/her designee(s), with an authorized password, and only after the Bid Opening date and time, can request that the bid/proposal be opened and obtain the data in the bid/proposal.
- H. The City will determine when and what information is released to the public pursuant to Texas Law.
- I. The City's Purchasing Agent, is responsible for ensuring that any system utilized by the City for electronic submissions of bids and proposals must comply with all rules set forth, City procurement rules, and State law.