

# Purchasing Code: Proposed Amendments

July 7, 2021



# Why Revise the Purchasing Code?

- The Purchasing Code has not been substantively revised in more than twenty years
- Outdated code provisions create administrative burden and limit purchasing options available to Takoma Park compared to other cities
- Beginning of a new fiscal year with influx of American Rescue Plan funding

# Goals for Purchasing Code Revisions

Facilitate the purchase of quality goods at competitive prices using efficient and effective purchasing processes.

Safeguard fairness, accountability, and transparency.

Amendments aim to:

- Eliminate inaccuracies
- Incorporate modern-day best practices
- Improve checks and balances
- Allow for timely and effective purchases

# Correction of Scope/Outdated Language

## Existing

- Current Code includes references to federal funds, contracts, and regulations (but not state or county)
- References “purchasing agent” and “City Administrator”

## Proposed

- Include “state” and “county” where appropriate in addition to references to federal funds, contracts, and regulations
  - *When procurement involves Federal State, or County assistance or is subject to Federal, State, or County laws, the procurement shall be conducted in accordance with any applicable Federal, State, or County laws.*
- Change to City Manager and City Manager’s Designee



# Code Structure – Administrative Regulations

## Existing

- Detailed provisions on environmentally preferable purchasing
- "Eligibility for City Contracts" section currently in Nuclear-Free Zone Chapter of Code

## Proposed

- Move detailed provisions to administrative regulations
- Move section on City Contracts from Nuclear-Free Zone Chapter to Purchasing Chapter, and certain details to administrative regulations



# Code Structure – New General Provisions

## General Purchasing Principles – Sustainability and Social Equity Considerations

**Existing:** Environmentally preferable purchasing considerations in Code (Sec. 7.08.145), no socially responsible purchasing considerations

**Proposed:** Make a “good faith effort” to incorporate sustainability and social equity factors when writing procurement specifications

*Sustainability examples: Life cycle assessments of greenhouse gas emissions, energy consumption, waste generation, impacts on biodiversity*

*Social equity examples Use of MWSBEs, use of local businesses, human health impacts*

# Awarding Authority

## Existing

- Council must formally approve purchase of professional services greater than \$5,000 and goods/products greater than \$10,000
- City Manager must approve all other purchases

## Proposed

- Council must approve purchases greater than \$50,000; City Manager approves purchases less than \$50,000
- City Manager must sign contracts for all purchases greater than \$30,000
- City Manager's designee can approve purchases less than \$30,000



City	Threshold for council approval (professional services)	Budget (general fund/operating expenditures)	Council Approval Threshold as % of budget)
Friendship heights	\$5,000	\$2,622,245	0.19%
<b>Takoma Park</b>	<b>\$5,000</b>	<b>\$31,256,716</b>	<b>0.02%</b>
Kensington	\$10,000	\$1,156,708	0.86%
Hyattsville	\$25,000	\$23,328,796	0.11%
Garrett Park	\$10,000	\$978,936	1.01%
Berlin	\$10,000	\$219,500	4.36%
La Plata	\$20,000	\$8,909,905	0.22%
Indian Head	\$20,000	\$1,273,500	1.55%
Mount Rainier	\$23,530	\$7,247,554	0.32%
Cumberland	\$25,000	\$23,086,780	0.11%
New Carrollton	\$30,000	\$10,267,217	0.29%
College Park	\$30,000	\$18,275,627	0.16%
Laurel	\$35,000	\$36,749,195	0.10%
Caroline County	\$40,000	\$56,749,994	0.07%
Rockville	\$100,000	\$71,044,030	0.14%
Gaithersburg	\$100,000	\$69,350,537	0.14%
Chevy Chase	No limit	\$5,301,292	NA

Takoma Park's threshold is low compared to other similarly sized cities.



**Table 2**

<b>Ordinance No.</b>	<b>Dollar Amount Stated in Ordinance</b>	<b>Description of Item Purchased</b>
No. 2019-1	\$17,000	Officiating Services for Recreation sports programs (Independent Officials Association)
No. 2019-2	\$19,922	Replacement of 15 windows in the Community Center (Quality Window & Door Inc.)
No. 2019-16	\$23,560	Tree planting in the right-of-way (Arbor Landscaping, Inc.)
No. 2019-19	\$20,000	Service providing a mentoring program to Takoma Park's teens and youth adults (M.A.N.U.P.)
No. 2019-27	\$10,000	Service providing community Play Day for residents of all ages
No. 2020-17	\$12,500	Ballot scanning, tabulation, and ballot accessibility from secure website (IVS,LLC)
No. 2021-9	\$15,000	Contract with Resource Management Associates (RMA) to administer Police promotional exams and assessments
No. 2021-21	\$3,055	39 month lease agreement to replace current copiers (Canon Solutions America)

Ordinance No.	Dollar Amount Stated in Ordinance	Description of Item Purchased
2021-3	\$50,217	Replacement of 12 aging mobile computers for the Police department
2021-15	\$52,964.85	Purchase of one side loading leaf vacuum for Public Works
2021-16	\$59,140	Purchase of six bus shelters (Tolar); Installation (InSite)
2019-14	\$63,000	Security camera system for the Community Center and Heffner Park and the Recreation Center (Configuration and installation to be done by IT with support by United Security & Communications, Inc.)
2019-35	\$72,512	Purchase of two F250 pickup trucks each for the Public Works department.
2021-31	\$75,000	A cooperative with New Ecology through Anne Arundel County RFP
2019-36	\$76,610.47	Purchase of F450 dump truck for the Public Works department (Academy Ford)
2021-26	\$95,900	Extension of contact with CohnReznick for a two-year term beginning in FY22.
2020-03	\$111,672	Purchase of Two Ford Interceptor Hybrid SUVs (Apple Ford) for Police Dept.
2019-8	\$141,352	Auditorium digital video upgrade & installation & programming of a new touch panel control system (Immersive Concepts LLC.)

# Required Reporting

## Existing

- City Manager must provide a report listing disposed equipment/goods to the Council on a quarterly basis
- City Manager must report when there is a sole source or emergency procurement, or when fewer than three quotes are obtained for professional services

## Proposed

- Periodic, but at least annual, report to the Council regarding all purchases between \$30,000-\$50,000 and all emergency purchases between \$10,000-\$30,000
- Immediate report to Council regarding all emergency purchases above \$30,000



# Competitive Bidding Requirements

## Existing

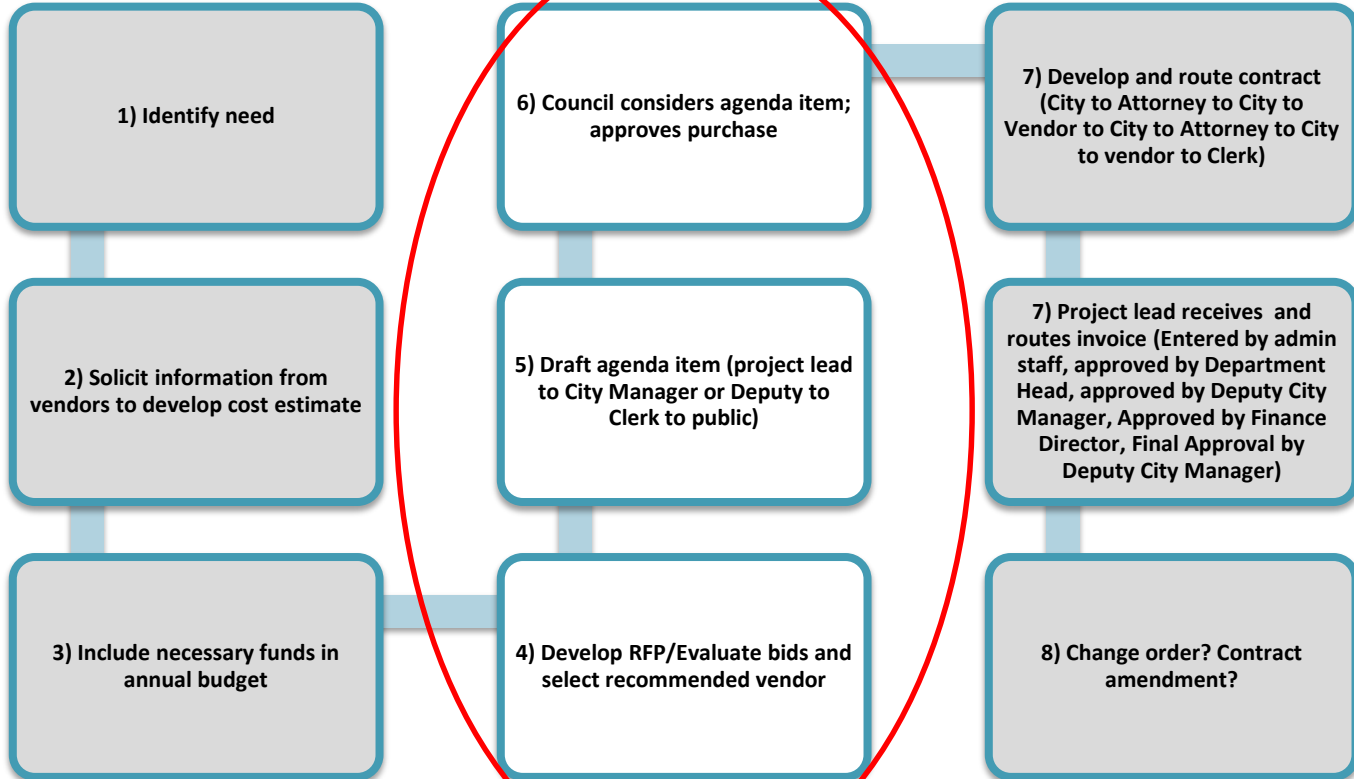
- Competitive sealed bid or proposal requirement for purchases over \$10,000
  - Formal competitive bid or proposal not required for professional services; rather, can use competitive negotiation or other competitive selection (based on administrative regulations)
- Requirement that staff obtain at least three quotes/proposals for any purchase

## Proposed

- Competitive sealed bid/proposal requirement for purchases over \$30,000
- Requirement that staff obtain at least three quotes/proposals for purchases over \$10,000 but less than \$30,000
- Reasonable effort to obtain lowest cost for purchases below \$10,000



# Typical Process for a \$15,000 purchase



# Competitive Bid Exceptions

## Existing

- Current Code provides exceptions for emergency, sole source, and cooperative purchasing

## Proposed

- Retain exceptions for emergency, sole source, and cooperative purchasing
- Create new exceptions that allow the City to take advantage of limited term “sale” offers and rider contracts
- Added list of exempt transactions e.g. utility services



# Other Proposed Amendments

## Existing

- Current Code does not provide regulations for multi-term (“evergreen” or renewable) contracts and indefinite quantities contracts

## Proposed

- Add specific provisions for indefinite quantities contracts
- Explicitly permit multi-term contracts; permit City Manager to determine when multi-term contracts can be renewed vs. require new procurement process



# Next Steps

- Present new Code language for Council's consideration
- Adjust Code Amendments based on Council feedback for Voting Sessions
- Draft administrative regulations
- Update City Procurement Guidelines

