



# **The Business of Public Contracting**

## **2014 Reverse Vendor Fair City of Asheville**

**Brenda Mills, Office of Economic Development  
Amy Patterson, Purchasing**

## Our Agenda for Today

- Doing Business with the City of Asheville
- Quick Review of the City's Purchasing Policy
- How the City Purchases and Contracts
- Minority Business Program and Outreach
- Vendor Tips and Things to Consider
- Additional Information and Resources



## **Doing Business with the City of Asheville**

Asheville's goal - to make doing business with us as easy & convenient as possible

We welcome the opportunity to do business with vendors

Asheville maintains an open door policy for potential bidders and encourages the participation of minority businesses.

The Purchasing Division is responsible for making the most economical acquisition of quality materials and services that will assure the efficient use of taxpayer dollars.



## Doing Business with the City of Asheville

Like all municipalities in North Carolina, the City of Asheville's purchasing & contracting processes are governed by N.C. General Statutes as well as locally established fiscal policies and procedures.

All information for vendors can be found on the city's webpage at

<http://www.ashevillenc.gov/Departments/Purchasing.aspx>.

We list bid opportunities, vendor resources, surplus property process, twitter registration to keep up with bid alerts, etc.



# Quick Review of the City's Purchasing Policy



## CITY OF ASHEVILLE Financial Policy Procurement, Purchasing & Contracting Policy

Subject: Purchasing & Contracting Policy

Effective Date: July 1, 2013

Filing Instructions:

Issued and maintained by: Amy Patterson, Purchasing Manager

Revision Date: July 1, 2013

Approved by:

Gary W. Jackson, City Manager



## City's Procurement, Purchasing & Contracting Policy

Purpose of the policy is to create and maintain an efficient and uniform process in the administration of procurement, professional service, building and construction & repair, general service and purchasing apparatus, supplies, materials, or equipment that is consistent with the stewardship and objectives of the City of Asheville.

City Departments use this process in their selection of vendors unless there is another approved method on a justified basis.

All city contracts are required to have insurance. All transactions covered in this policy are considered contractual except for Small Procurement Transactions which we will discuss in detail later.



## How the City Purchases & Contracts

Our Procurement, Purchasing & Contracting Policy consists of the following:

- Small Procurement Transactions
- Professional Services
- Building and Construction & Repair
- General Services
- Purchase of Apparatus, Supplies, Materials, or Equipment

## Small Procurement Transactions

**Definition:** The purchase of goods, supplies, materials, and General Services up to \$5,000.

**Authority:** Departments have been delegated authority for purchases in this threshold.

**Requirements:** Departments are encouraged but not required to:

- Receive two (2) quotes when applicable and appropriate. Telephone quotes are acceptable.
- Outreach to minority businesses
- No legal or risk review is required at this level





## **Small Procurement Transactions**

### **Remittance & Payment:**

- Preferred payment is a city procurement card.
- Other payment options are invoicing for direct payment through our Accounts Payable Division.

### **Examples of Small Procurement Transactions:**

- Printing services
- Office supplies
- Graphic Design
- Tools & Parts

# Professional Services

**Definition:** By North Carolina General Statute as architectural, engineering, surveying and construction manager at risk services. All professional services require Request for Qualifications (RFQ) regardless of cost.

## **Authority, Thresholds and Quick Overview:**

- Contracts less than \$30,000 (Department authority)
- Contracts \$30,000 to \$90,000 (City Manager authority)
- Contracts \$90,000 or more (City Council Approval)



# Professional Services

## **Contract Requirements:**

- Generally terminate at the end of the project, or projects
- On call or continuing basis, may be awarded for a period of three (3) years with two (2), one (1) year, extensions
- Can be extended for additional periods with the approval of the City Manager

## **Insurance Requirements:**

- May require the provider to have an Errors and Omissions policy with amounts as determined by the Risk Manager
- Risk Manager may require additional insurance limits or conditions based on the contract exposures.
- Risk Manager may issue waivers for specific contracts upon request



# Building and Construction & Repair

## Definitions:

Construction & Repair – contracted services defined by General Statute that include labor and material costs for construction, renovation and repair not involving buildings

Building Construction - contracted services defined by General Statute that include labor and material costs for construction and/or renovation of existing or new buildings



## **Building and Construction & Repair**

### **Authority for Building & Construction Repair:**

- Contracts less than \$30K (Departments)
- Contracts \$30K or more but less than \$100K (City Manager approval)
- Contracts \$100K or more (City Council approval)



## **Building and Construction & Repair**

### **Contract Requirements:**

- Contracts below \$30K (Departments responsible for following process)
- All contracts \$30K and above subject to Minority Business Program policy.
- Contracts \$30K or more but less than \$300K
- Contracts of \$300K or more

# Building and Construction & Repair

Contracts Less than \$30K	Contracts > \$30k but Less than \$300K
Departments solicit @ least two (2) bids	Departments solicit @ least two (2) bids
Department must document and maintain records	Department must document and maintain records
Compliance with insurance requirements	Compliance with MB Program Policy
Department can approve and execute	Contract review by Risk Management, Legal Department and MB Program prior to execution by City Manager
	Must have City Council approval \$100K and above



Contracts > \$300K but < \$500K	Contracts \$500K or more
Subject to informal bid requirements	Subject to formal bid requirements. Must draft a Formal Bid Package (FBP) with input from MB Program and route
Prior to receiving quotes, solicit as per MB Program policy and include Risk Mgt. exposure level (Insurance)	Determine insurance before advertising for bids. Must advertise a minimum of ten (10) days. Use of electronic means – city’s website and the IPS
Solicit a minimum of two quotes	Advertisement requirements per policy
Performance & Payment Bonds	Options for holding a pre-bid meeting left up to department but must hold formal bid opening
Awarded to lowest, responsive, responsible bidder after review for MB Program Policy	Must receive minimum of 3 bids; must be routed to MB Program rep for compliance review
	City Council approval and then execute with contractor



## General Services

**Definition:** consist of all other services not defined by N.C. General Statutes and include maintenance agreements, contracts for semi-skilled and unskilled labor and for services not covered by professional services definition. Example includes but not limited to towing, leaf removal, elevator repair, demolition, graphic design, instructors, consultants, legal services and similar activities

**Urgent Service & Repair:** situations that are detrimental to the health, safety and well-being of the people or property in jeopardy outside declared emergencies that may require urgent services/repairs.



## General Services

### Authority:

- All contracts must be in writing.
- Contracts less than \$30K (Department level)
- \$30K or more but less than \$90K (City Manager)
- Contracts of \$90K or more (City Council)



## **General Services**

### **Contract Requirements:**

- Length of contracts based on project end or on-call or continuing basis – three (3) years with two (2), one (1) year, extensions. May be extended for additional periods with the approval by City Manager
- All contracts are required to have insurance



## General Services

### Procedures:

- **Less than \$30K** – department level authority to solicit quotes along with compliance with city policy on funding, route for approvals. Minority business outreach encouraged at this level but not required.
- **\$30K or more but less than \$90K** – attempt to get three (3) informal quotes, for MB Program requirements, solicitation is posted on the IPS system for a minimum of five (5) days



## General Services

### Procedures:

- **\$90K or more** – attempt to get three (3) informal quotes, for MB Program requirements, solicitation is posted on the IPS system for a minimum of five (5) days (same as \$30K but less than \$90K level)
- **Urgent Service & Repair** – follow procedures as outlined in the policy. Advise Purchasing Division of the urgent situation as soon as practically possible.



## **General Services**

### **Exceptions to this Policy:**

- Leases with an Option to Purchase or Lease Purchase Agreements
- Civic Center Leases and Promotions
- Contracts which by their terms may be extended

# Purchase of Apparatus, Supplies, Materials, or Equipment

## Definitions:

- Requisitions are submitted by departments and converted to Purchase orders (PO). The PO is sent to the vendor from the Purchasing Division to communicate the contract to purchase
- Surplus Property – personal city property for which the city no longer has a need valued up to \$30,000
- Urgent Procurement or Purchasing Needs – situations that are detrimental to the health, safety, and well-being of the people, or property in jeopardy outside declared emergencies that may require urgent purchases.



## **Purchase of Apparatus, Supplies, Materials, or Equipment**

Purchase orders - the authority to bid and award all apparatus, supplies, materials, or equipment for use by the City has been delegated to the City's Purchasing Manager.

The Purchasing Manager will be responsible for coordinating the appropriate Risk Management and Legal reviews for these transactions.





## **Purchase of Apparatus, Supplies, Materials, or Equipment**

### **Requirements:**

- Departments are responsible for developing the minimum technical requirements (specifications) for the items they wish to purchase.
- Vendor recommendations – departments are encouraged to provide a contact list of vendors for outreach purposes.



## **Purchase of Apparatus, Supplies, Materials, or Equipment**

- Purchases of \$5K or more but less than \$30K – requires only a phone quote, may be awarded immediately and are public information.
- Purchases of \$30K or more but less than \$90K (Informal) – N.C.G.S. 143-131 covers these purchases. Once bids are received and evaluated, they can be awarded. Bids are not required to be sealed – may be faxed, emailed, delivered or mailed. There is no public bid opening, and bids in this range are not public until after award.



## **Purchase of Apparatus, Supplies, Materials, or Equipment**

Purchases of \$90K or more (Formal Bid) - N.C.G.S. 143-129 covers these purchases. Bidding is required for formal bids and must be advertised for at least ten (10) days. Bids must be sealed and a public bid opening is held. Bids are public information once opened. Purchasing is delegated the authority to award.



## **Purchase of Apparatus, Supplies, Materials, or Equipment**

### **Urgent Procurement or Purchasing Needs**

– Purchasing should be advised as soon as practically possible. Urgent Pos shall be created on an annual basis by Purchasing. Any urgent purchases of \$90,000 or more must be communicated by the Department Head to the City Manager for City Council ratification.



## **Purchase of Apparatus, Supplies, Materials, or Equipment**

- Award of bids is to the “lowest responsible bidder, taking into consideration quality, performance, and the time specified in the bids for performance of the contract.”
- Term contracts are bids for purchased items that are used by multiple departments or are purchased on a routine basis. The bid establishes a firm price for a particular time frame.



## **Purchase of Apparatus, Supplies, Materials, or Equipment**

**Exceptions** – must be approved by Purchasing.

- Purchasing of Information Technology Goods and Services.
- Best Value Procurement
- Fuel
- Leases with an Option to Purchase or Lease Purchase Agreements
- Others such as: NC State contracts, GSA schedule, US Communities, NJPA and other buying groups



## **Purchase of Apparatus, Supplies, Materials, or Equipment**

### **Exceptions to Formal Bidding**

- Lack of price competition, sole source, standardization (N.C.G.S. 143-129 (e)(6))
- Waiver to bid (“piggyback” N.C.G.S. 143-129 (g))

## Minority Business Program and Outreach

- The City of Asheville has a Minority Business Program which is administered through the Office of Economic Development.
- The program oversees all levels of bidding and outreach to vendors in coordination with city departments to insure that the city meets its program's requirements.
- We have discussed the integration of this policy in the levels of contracting today. If you are interested in more information, go to the resources page.





## Vendor Tips & Things to Consider

- Understand what the city contracts and purchases
- Get registered on VendorLink system (see resource page)
- Review the city's website page and/or the IPS listing for opportunities
- Ask for prior awards on procurement items and contracts to understand the most recent specifications and requirements
- Use social media, such as TWITTER, to receive notification of bid opportunities.
- Consider if your company can be a part of the buying groups, NC State Contracts, etc.



## Additional Information & Resources

See Resources & Links Page included in your packet.

Please do call or email us for more information:

- Brenda Mills, Economic Development Specialist  
Phone: (828) 259-8050 [bmills@ashevillenc.gov](mailto:bmills@ashevillenc.gov)
  
- Amy Patterson, Purchasing Manager  
Phone: (828) 259-5953 [apatterson@ashevillenc.gov](mailto:apatterson@ashevillenc.gov)



## **Just a Few More Things:**

Please Complete the Enclosed Evaluation

Reverse Vendor Fair will begin @ 2:00pm

And Most of All...

**Thank you for your interest in working with  
the City of Asheville!**