

Richmond City Council

Finance and Economic Development Standing Committee

September 17, 2020

Department of Procurement Services
(DPS) Overview

Director: Betty J. Burrell

Overview of main procurement functions and processes

- ▶ DPS is a department authorized by City Code, Article IV, Division 14
 - Major categories of responsibility
 - ❑ Purchase of goods, services, insurance and construction (*excluding* certain categories, such as real estate, scientific instruments, and others as specified by ordinance) for all City agencies and departments, including constitutional officers and courts (Agencies)
 - ❑ Surplus property management
 - ❑ Establish and maintain programs pertaining to contracts
 - ❑ School Board purchases, as requested by the School Board

Overview cont.

- ▶ DPS Director serves as principal public purchasing official and chief contracting officer for the City with authority to establish policies and procedures for Agencies for the above-mentioned categories
- ▶ DPS Mission: Support the City by performing procurement function in a customer-focused, strategic, ethical, and transparent manner while ensuring opportunities to diverse supplies and complying with applicable governing laws and policies.
- ▶ City Code, Chapter 21 governs the City's Public Procurement actions and responsibilities

How do we pick which suppliers and contractors to use?

- ▶ City of Richmond operates as a decentralized procurement organization
 - Agency personnel are the subject matter experts responsible for preparing their own scopes of work and statement of needs
 - DPS personnel serve as consultants
 - ❖ We recommend the most appropriate procurement method is used (IFB, RFP)
 - ❖ We ensure the solicitation is properly prepared and ready for public posting
 - Due to the complexity of RFPs, those are reviewed and approved by Assistant City Attorney before publication by DPS

- DPS personnel
 - ❑ Agencies having delegated authority limit up to \$5K, above which DPS personnel review and approve purchases
 - ❑ Above \$5K require compliance with various procedures depending on the dollar value, and DPS guides Agencies through those processes
 - ❑ Above \$50K requires a formal solicitation for non-professional services

For example:

- ❖ Invitations for Bids result in contracts to the lowest responsive and responsible bidder
- ❖ Requests for Proposals include evaluation factors that will be used to evaluate proposals

What criteria is used in this decision making process?

- ▶ Request for Proposal - non-professional services
 - §21-67 (e) requires 30% of the total possible evaluation points shall be good faith minority business enterprise and emerging small business participation efforts as determined by the City's Office of Minority Business Development
- ▶ Examples of commonly used evaluation factors that can be weighted based on relevance to the particular solicitation: experience and expertise of Offerors personnel, completeness of the proposal. Price shouldn't be heavily weighted in RFPs, otherwise IFB is the better procurement method.

What long term relationships do we have with suppliers and contractors?

- ▶ *Generally* contracts are established for one year with up to four annual renewals; under certain circumstances, contracts can be extended for up to a year
- ▶ DPS does not have a goal nor a preference to develop long-term relationships with contractors
 - The goal is to procure goods and services at the best value for Richmond taxpayers
 - However, *not by default nor deliberate actions*, the result of our open and transparent public procurement process *could* be that some of the City's contractors maintain long-term relationships with City Agencies

Thank you!

Any Questions?