



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 8, 2015

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Public Hearing, Second Reading and Final Passage of an Ordinance to Amend the City Code to Conform with the Virginia Public Procurement Act (VPPA) with Regard to Definitions, Performance and Payment Bonds, Alternate Forms of Security, Competitive Sealed Bidding, Contract Formation and Methods of Source Selection, Public Notice, Contracting for Professional Services by Competitive Negotiations, Competitive Negotiation, Job Order Contracting, and Contract Formation and Methods of Source Selection. [ROLL-CALL VOTE]

ISSUE: Consideration of an ordinance to amend and reordain City Code Sections that establish the rules and regulations for the City related to procurement.

RECOMMENDATION: That City Council hold the public hearing and pass the ordinance (Attachment 2) on June 13, 2015. The proposed ordinance would modify the language of City Code Section 3-3-6, Section 3-3-52, Section 3-3-55, Section 3-3-64, Section 3-3-69, and 3-3-80 in order to change the City Code to correspond to the State Code.

DISCUSSION: During the 2015 General Assembly session, a number of changes to the State Code were approved that impact Virginia procurement rules and regulations. The following adjustments should be made to the City Code in order align it with the State Code. Some changes are simple technical adjustments, modernizations, or minor clarification items whereas others are more substantive and seek to provide additional controls or efficiencies.

Technical Adjustments:

- Job Order Contracting - Section 3-3-6 is amended to update the definition of the City Purchasing Agent and add a definition for Job Order Contracting (JOC). JOC is a specialty method of procuring construction services using pre-established pricing that enables a jurisdiction to procure multiple types of services (construction, design, furniture/fixtures/equipment, etc.) within a single contract award. Furthermore, Section 3-3-80 has been added to include language regarding Job Order Contracting (JOC). A JOC may be awarded by the Purchasing Agent for construction services for no longer than 3 years (1 base year plus 2 option years). Total awards against the contract cannot exceed \$5 million per contract year and \$500,000 per job. Additionally, a JOC can be used to procure services beyond just professional architectural or engineering services. Virginia jurisdictions, including the City, have previously utilized JOC's for construction services and these adjustments simply provide added clarification regarding the proper usage.
- Public Notice - Section 3-3-64 is amended to allow the City to post solicitations on the State's eVA website in addition to or instead of the City's website. The City currently posts solicitations on our website and may consider also posting them to the State's eVA website in the future to increase exposure.
- Performance and Payment Bonds - Section 3-3-52 adjusts the performance and payment bond amount for transportation-related projects from \$250,000 to \$350,000. The adjustment also allows the Purchasing Agent to waive this requirement for transportation-related projects if the vendor can show evidence that they attempted to secure a bond but were declined by a surety company. This change provides the City additional flexibility in this area.
- Alternate Forms of Security - Section 3-3-55 is amended to allow for the City to accept a cashier's check in lieu of a bid, payment, or performance bond.

Procurement Efficiencies:

- Professional Services Competitive Negotiation - Section 3-3-69 is amended to correlate with the Code of Virginia. Specifically, the changes allow for an architectural and engineering service contract award to be made for multiple projects in certain qualifying instances. These contracts cannot exceed 5 years in length, \$2.5 million per individual project, and \$6 million per each contract year. Additionally, the Section is amended slightly to clarify the use of multiphase professional services contracts. These changes provide the City additional flexibility when procuring architectural and engineering services and improve efficiency by potentially reducing the number of individual formal procurements (RFP's) the City needs to conduct.

FISCAL IMPACT: There is no direct significant fiscal impact to the City as a result of these City Code Amendments. The City will benefit from efficiencies in the procurement of architectural and engineering services in the future by reducing the number of formal solicitation processes. The City may also benefit from additional competition through exposing our solicitations to a broader audience via the State's eVA website.

ATTACHMENTS:

Attachment 1. Proposed Ordinance Cover

Attachment 2. Proposed Ordinance to Amend City Code Procurement Sections

STAFF:

Kendel Taylor, Finance Director

Michael Stewart, Deputy Finance Director
Michael Hauer, Acting Purchasing Agent
Christina Zechman Brown, Assistant City Attorney