

ORDINANCE NO. _____

AN ORDINANCE RELATING TO PUBLIC CONTRACTING AND PERSONAL SERVICE CONTRACTS, AND REPEALING CHAPTERS 2.50 AND 2.52

Annotated to show ~~deletions~~ and additions to the code sections being modified. Deletions are **~~bold lined through~~** and additions are **bold underlined**.

WHEREAS, Article 2. Section 1 of the Ashland City Charter provides:

Powers of the City The City shall have all powers which the constitutions, statutes, and common law of the United States and of this State expressly or impliedly grant or allow municipalities, as fully as though this Charter specifically enumerated each of those powers, as well as all powers not inconsistent with the foregoing; and, in addition thereto, shall possess all powers hereinafter specifically granted. All the authority thereof shall have perpetual succession.

WHEREAS, the above referenced grant of power has been interpreted as affording all legislative powers home rule constitutional provisions reserved to Oregon Cities. City of Beaverton v. International Ass'n of Firefighters, Local 1660, Beaverton Shop, 20 Or. App. 293, 531 P 2d 730, 734 (1975); and

THE PEOPLE OF THE CITY OF ASHLAND DO ORDAIN AS FOLLOWS:

SECTION 1. Sections 2.50.010 [Short Title] through 2.50.140 [Protests of Procurement Process & Solicitation Award] are hereby added to the Ashland Municipal Code read as follows:

2.50.010 Short Title.

The provisions of this chapter and all rules adopted hereunder may be cited as the Ashland Public Contracting Code.

2.50.020 Purpose.

The purpose of the Ashland Public Contracting Code is to utilize public contracting practices and methods that maximize the efficient use of public resources and the purchasing power of public funds by:

- A. Promoting open and impartial competition;
- B. Using solicitation materials that are complete and contain a clear statement of contract specifications and requirements;
- C. Taking full advantage of evolving procurement methods that suit the contracting needs of the City; and
- D. Providing direction to city staff regarding purchasing practices and purchasing authority that results in a systematic and uniform administration of public contracts.

2.50.030 Adoption of State Law.

Except as specifically provided herein, or by subsequent ordinance or resolution, the Model Rules, Oregon Administrative Rules (OAR) Chapter 137, Divisions 46, 47, and 49, adopted by the Attorney General under ORS Chapters 279A, 279B, and 279C, as they now exist, are hereby adopted as the City of Ashland's Public Contracting Code. A copy of the Oregon Public Contracting Code and Model Rules shall be maintained in the City Records Office. Words and phrases used in these rules that are defined in Oregon Revised Statutes (ORS) Chapters 279A, 279B, 279C, and in the Model Rules shall have the same meaning as in those statutes and rules, except as may be provided for herein. In the event that the rules adopted by the local contract review board do not address a particular situation, the Model Rules apply.

2.50.040 Definitions.

Words and phrases that are used and defined in the Model Rules and the Oregon Public Contracting Code shall have the same meaning as in those statutes and rules, except for the following:

- A. "City Attorney" shall mean the Ashland City Attorney or his/her designee as specified by written order.
- B. "Department" shall mean City of Ashland instead of Oregon Department of Administrative Services.
- C. "Director" shall mean Public Contracting Officer as defined in this section instead of the Director of Administrative Services.
- D. "Findings" are the statements of fact that provide justification for a determination. Findings may include, but are not limited to, information regarding operation, budget and financial data; public benefits; cost savings; competition in public contracts; quality and aesthetic considerations; value engineering; specialized expertise needed; public safety; market conditions; technical complexity; availability; performance and funding sources.
- E. "Finance Director" shall mean the Ashland Finance Director or his/her designee as specified by written order.
- F. "Local Contract Review Board" shall mean the Ashland City Council.
- G. "Public Contracting Officer" means the City Administrator or his/her designee as specified by written order.
- H. "Model Rules" means the public contracting rules adopted by the Attorney General under ORS 279A.065 and adopted by AMC 2.50.030.
- I. "Oregon Public Contracting Code" means ORS Chapters 279A, 279B and 279C.
- J. "Personal services contract" means a contract with an independent contractor predominantly for services that require special training or certification, skill, technical, creative, professional or communication skills or talents, unique and specialized knowledge, or the exercise of judgment skills, and for which the quality of the service depends on attributes that are unique to the service provider. Such services include, but are not limited to, the services of architects, engineers, land surveyors, attorneys, auditors and other licensed professionals, artists, designers, computer programmers, performers, consultants and property managers. The Public Contracting Officer shall have discretion to determine

whether additional types of services not specifically mentioned in this paragraph fit within the definition of personal services.

2.50.050 Applicability.

The Ashland Public Contracting Code shall apply to procurements by all City departments and divisions, including Ashland Parks and Recreation.

2.50.060 Local Contract Review Board Authority.

The Local Contract Review Board shall have all the duties and authority of a contracting agency that are granted under state and local law. The Local Contract Review Board may delegate its powers and responsibilities by ordinance, resolution, or board order consistent with the Model Rules and the Oregon Public Contracting Code.

2.50.070 Public Contracting Officer Authority.

- A. Except as otherwise provided by this code, the Public Contracting Officer shall have authority to:
 - 1. Purchase and contract for all materials, supplies, equipment, services and public improvements for which funds have been appropriated by the City Council and the contract price does not exceed \$100,000;
 - 2. Contract for all personal services as long as the contract price does not exceed \$75,000; and
 - 3. Sell or dispose of all personal property of the city in accordance with AMC 2.54.

Contracts approved under this section require no further approvals by the Local Contract Review Board.

- B. Except when this Chapter, or the Oregon Public Contracting Code and Model Rules, specifically requires the Local Contract Review Board to take action or exercise its discretion and delegation is not allowed, any act required or permitted to be performed by an “agency,” “head of a contracting agency,” “local contract review board” or the “director” under the Model Rules or Oregon Public Contracting Code shall be performed by the Public Contracting Officer.
- C. The Public Contracting Officer may develop such forms that are convenient to the administration of the City’s contracts and may promulgate procedures reasonably necessary to accomplish the purposes of this Chapter, the Model Rules, and the Oregon Public Contracting Code. The City Attorney may promulgate standard forms for use by the Public Contracting Officer.

2.50.080 Formal Processes – Competitive Sealed Bidding and Proposals.

Except as otherwise expressly provided herein, in addition to the requirements of the Model Rules and the Oregon Public Contracting Code:

- A. The Finance Director must sign off that there are appropriate funds for the project before the project is put out for bids.
- B. The City Attorney must determine that the contract is appropriate as to form before the project is put out for bids.

- C. The Local Contract Review Board shall authorize solicitations of competitive sealed bids and competitive sealed proposals.
- D. The City Attorney shall review all formal competitive solicitations or formal competitive bids to ensure that the appropriate process is being followed.
- E. Electronic Solicitation. Competitive sealed bids and competitive sealed proposals may be available online, but applicants will NOT be able to submit their proposals and/or responses online. Bids and proposals must be delivered in hard copy form to the City in accordance with the requirements for the competitive solicitation. Individuals that obtain the solicitation materials electronically are responsible for regularly checking for instructions, addenda, and related materials.

2.50.090 Exemptions from Formal Competitive Selection Procedures

All Public Contracts shall be based upon Competitive Sealed Bidding (Invitation to Bid) or Competitive Sealed Proposals (Request for Proposal) pursuant to ORS 279A – 279C and the Model Rules except for the following:

- A. Contracts listed in ORS 279A.025(2).
- B. Purchases through federal programs as set forth in ORS 279A.180.
- C. Public Improvement Contracts that qualify for exemption as set forth in 279C.335.
- D. Small Procurements – a public contract not exceeding \$5,000.
 - 1. Small Procurements shall be awarded in accordance with ORS 279B.065, OAR 137-047-0800, OAR 137-047-0265 and all other applicable provisions of law.
- E. Intermediate Procurements – a public contract for goods and services greater than \$5,000 and less than \$100,000.
 - 1. Intermediate Procurements shall be awarded in accordance with ORS 279B.070, OAR 137-047-0800, OAR 137-047-0270 and other applicable provisions of law.
- F. Sole Source Procurements – a public contract in which the Department Head finds in writing that there is only one provider of a product or service of the quality and type required available.
 - 1. Sole-source procurements shall be awarded in accordance with ORS 279B.075 and all other applicable provisions of law.
- G. Special Procurements – a public contract for a class special procurement, a contract specific procurement or both, based upon a contracting procedure that differs from procedures described in ORS 279B.055, 279B.060, 279B.065, 279B.070. The contracting approach may be custom designed to meet the procurement needs.
 - 1. Special procurements shall be awarded in accordance with ORS 279B.085 and all other applicable provisions of law.
- H. Emergency Procurements – a public contract that is necessary because an emergency exists meaning there are circumstances creating a substantial risk of loss, damage, interruption of services or threat to public health, safety, welfare, or property that could not have been reasonably foreseen and requires prompt execution of a public contract to remedy the condition.

1. Emergency procurements shall be awarded in accordance with ORS 279B.080 and all other applicable provisions of law.
- I. The following classes of contracts are hereby specifically exempted from the Oregon Public Contracting Code and Model Rules pursuant to ORS 279A.025(t):
 1. Contracts for the purchase of materials where competitive bids for the same materials have been obtained by other public agencies or the federal government whose processes for bid and award are substantially equivalent to those set forth herein, and the contract is to be awarded to the party to whom the original contract was awarded so long as the price of the materials is the same or lower than that in the original contract.
 2. Contracts for licenses and maintenance of computer hardware, computer software, and telecommunications products (including cable, video and television products).
 3. Purchase of items or services of an artistic nature, including, but not limited to public art.
 4. Contracts for removal, cleanup or transport of hazardous materials. As used in this Subsection, "hazardous materials" include any material or substance which may pose a present or future threat to human health or the environment, including Hazardous Waste as that term is used in the Resources Conservation and Recovery Act (42 USC 6901 et seq.).
 5. Contracts for purchase of used motor vehicles, defined as any motor vehicle that is at least one year old.
 6. Contracts for the purchase of used heavy construction equipment.
 7. Contracts for the purchase of copyrighted materials where there is only one supplier available within a reasonable purchase area for such goods.
 8. Contracts for the purchase of advertising, including legal advertising intended for the purpose of giving public notice.
 9. Contracts for the purchase or sale of all utilities including, but not limited to, electric power, gas, water, sewage, internet, cemetery lots, cable and telecommunication services, and the sale of telecommunication materials or products or other services, materials or products traditionally provided by the City.
 10. Contracts for the purchase of goods or services where the rate or price for the goods or services being purchased is established by federal, state or local regulating authority.

2.50.095 Additional Requirements for Exemptions Pursuant to 2.20.090(I)

Any contract exempted under 2.20.090(I) shall additionally satisfy these criteria:

- A. The performance bond requirements of ORS 279C.375 and 279C.380, unless an emergency exemption exists in accordance with the Oregon Public Contracting Code and Model Rules.
- B. The construction and landscape contractor registration and requirements of ORS Chapter 671.630 *et seq.* and Chapter 701;
- C. Any other law applicable to such a contract; and,

- D. To the extent that BOLI applies, the City and the contractor shall comply with the prevailing wage provisions of ORS 279C.800 - 279C.870.

2.50.100 Informal Process – Process for Exempt Procurements

The following process shall apply to all contracts that are exempt from formal competitive selection procedures in AMC 2.50.090.

- A. The Public Contracting Officer is responsible for determining whether a project is subject to an exemption pursuant to AMC 2.50.090 that will allow a process other than a formal solicitation. Except for small procurements and emergency procurements, it is the responsibility of the Public Contracting Officer to evaluate whether an exemption exists and write findings consistent with Oregon law to document the exemption. A copy of the written findings shall be given to the City Attorney. If an exemption is approved all applicable provisions of the Oregon Public Contracting Code and the Model Rules must be followed. Notwithstanding the exemptions, the City Attorney, the Public Contracting Officer, or Local Contract Review Board may require a formal competitive solicitation to ensure the purposes of this Chapter.
- B. Except for small procurements and emergency procurements, any informal procurement process, listed in AMC 2.50.090 shall require the Public Contracting Officer to obtain written authorization from the Finance Director to ensure that adequate funds are available for the project.
- C. For intermediate procurements of any amount the contracting agency shall use a written solicitation to obtain quotes, bids, or proposals.
- D. For all contracts over \$5,000 the City Attorney must determine that the contract is appropriate as to form before the contract is awarded. Use of a City standard form contract negates the need for legal sign off on all informal contracting processes.
- E. After the procurement process is complete, the Public Contracting Officer must execute the procurement contract, and the Finance Director must endorse the amount of the contract.
- F. The Public Contracting Officer must execute any change orders or amendments to the contract that are authorized under the Oregon Public Contracting Code or the Model Rules.

2.50.110 Electronic Advertisement of Public Contracts

The City may publish the advertisement for Offers by posting it on the website of the city, or if applicable, another governmental entity as long as the content required by the Model Rules and Oregon Public Contracting Code is available. Individuals that obtain the solicitation materials electronically are responsible for regularly checking for instructions, addenda, and related materials.

2.50.120 Personal Services Contracts

- A. A personal service contract that does not exceed \$35,000 may be awarded by direct appointment. Personal Services Contracts that are for contract amounts greater than \$35,000, but less than \$75,000 shall follow the process for Intermediate Procurements as outlined above. However, the City Attorney, the

Public Contracting Officer, or Local Contract Review Board, can require a formal solicitation for bids to ensure that the purposes of this chapter are upheld.

1. Class Exemptions – Professional Services. A personal services contract that does not exceed \$50,000 may be directly awarded to the following classes of personal services contracts:

- a. Engineers;
- b. Surveyors;
- c. Architects; and
- e. Financial Analysts.

2. Class Exemption – Attorney Services. Personal service contracts for legal counsel, legal services, expert witnesses, court-appointed attorneys, stenographers and other legal services are exempt from the competitive procurement requirements of this section and may be entered into based upon the judgment of the City Attorney. The City Attorney shall obtain City Council approval of any expenditure for legal services paid to a single legal services provider that is expected to exceed \$50,000 prior to entering into the contract. In addition, except for legal counsel hired by the City to provide legal services to indigent criminal defendants prosecuted by the City, the City Attorney shall select and retain all outside legal counsel hired by the City subject to the approval of the City Council.

3. Pre-qualified Pool Exemption. The City may directly award a personal services contract that does not exceed \$100,000 to a provider that has been selected to be on a list of:

- a. The City's current list of qualified providers through a formal process; or
- b. From another public contracting agency's current list of qualified providers as long as the public contracting agency uses a process substantially similar to the City's to derive the list.

4. Continuation of Work Exemption. Personal service contracts of not more than \$100,000 for the continuation of work by a contractor who performed preliminary studies, analysis or planning for the work under a prior contract may be awarded without competition if the prior contract was awarded under a competitive process and the Public Contracting Officer determines that use of the original contractor will significantly reduce the costs of, or risks associated with, the work.

B. The Local Contract Review Board is hereby opting out of OAR 137-048 regarding architectural, engineering, and land surveying services.

C. The standard procurement rules adopted above shall apply to such contracts, as well as the following personal services selection criteria:

1. Specialized experience in the type of work to be performed;
2. Capacity and capability to perform the work, including any specialized services within the time limitations for the work;
3. Educational and professional record, including past record of performance on contracts with governmental agencies and private parties with respect to cost control, quality of work, ability to meet schedules, and contract administration where applicable;
4. Availability to perform the assignment and familiarity with the area in which the specific work is located, including knowledge of designing or techniques peculiar to it, where applicable;

5. Cost of the services; and
6. Any other factors relevant to the particular contract.

2.50.125 Cost and Feasibility Determinations

The Public Contracting Officer shall make written cost or feasibility findings pursuant to ORS 279B.030. If the Public Contracting Officer is performing a cost analysis pursuant to ORS 279B.033, the Public Contracting Officer shall add a profit margin of ten percent (10%) of the cost of the project when estimating the total cost of hiring a contractor.

2.50.130 Record Keeping

To facilitate contract file record keeping and reduce accounting and auditing difficulties in having dispersed contract files, each city department will maintain a complete file on all contracts executed on behalf of that department. Information to be included in the file shall include, at a minimum:

- A. Any and all invitation for bids, requests for proposals, and any advertisements;
- B. Council consent authorizing contract execution when applicable;
- C. Copies of the signed contract, any required insurance certificates, bonds, or other bid security;
- D. Any approved Local Contract Review Board waivers; and
- E. List of who the solicitation documents were sent out to or the list of plan holders.

The City Recorder's Office shall retain the original executed contract as well as original copies of any required insurance certificates, performance bonds, and payment bonds or other bid security. The department which is responsible for the procurement shall continually monitor insurance certificates to ensure the City remains an additional insured and that the other party has sufficient coverage.

2.50.140 Protests of Procurement Process & Solicitation Award

- A. The Uniform Administrative Appeals Process outlined in AMC 2.30 shall apply to all protests of the procurement process and award of public contracts except that the timelines of this section shall govern when determining whether an appeal is filed timely.
- B. Timelines for Submitting Protests.
 1. Protests regarding the process or specification shall be received no later than ten (10) calendar days prior to bid closing.
 2. Protests regarding the award of the contract shall be received within seven (7) calendar days from the notice of intent to award the public contract.
- C. Failure to strictly comply with the applicable protest requirements, including but not limited to the required elements for the written protest required by the Model Rules and the Oregon Public Contracting Code, payment of the applicable appeal fee pursuant to AMC 2.30, and time for filing as specified in this section, shall constitute jurisdictional defects resulting in the summary dismissal of the appeal.

SECTION 2. Repeal. The existing Ashland Municipal Code Chapters 2.50 [Rules of Procedure for Public Contracting] and 2.52 [Rules of Procedure for Personal Service Contracts] are hereby repealed in their entirety. Any municipal code provisions in conflict with the provisions contained herein are also hereby repealed.

SECTION 3. Severability. The sections, subsections, paragraphs and clauses of this ordinance are severable. The invalidity of one section, subsection, paragraph, or clause shall not affect the validity of the remaining sections, subsections, paragraphs and clauses.

SECTION 4. Savings. Notwithstanding this amendment/repeal, the City ordinances in existence at the time any criminal or civil enforcement actions were commenced, shall remain valid and in full force and effect for purposes of all cases filed or commenced during the times said ordinance(s) or portions thereof were operative. This section simply clarifies the existing situation that nothing in this Ordinance affects the validity of prosecutions commenced and continued under the laws in effect at the time the matters were originally filed.

SECTION 5. Codification. Provisions of this Ordinance shall be incorporated in the City Code and the word "ordinance" may be changed to "code", "article", "section", "chapter" or another word, and the sections of this Ordinance may be renumbered, or re-lettered, provided however that any Whereas clauses and boilerplate provisions (i.e. Sections 2-5) need not be codified and the City Recorder is authorized to correct any cross-references and any typographical errors.

The foregoing ordinance was first read by title only in accordance with Article X, Section 2(C) of the City Charter on the ____ day of _____, 2010 and duly PASSED and ADOPTED this ____ day of _____, 2010.

Barbara M. Christensen, City Recorder

SIGNED and APPROVED this ____ day of _____, 2010.

John Stromberg, Mayor

Reviewed as to form:

Richard Appicello, City Attorney