

Council Business Meeting

September 3, 2019

Agenda Item	Approval of a Special Procurement – Repairs to pumps, motors and related equipment	
From	Paula Brown, PE Mike Morrison	Public Works Director Public Works Superintendent
Contact	paula.brown@ashland.or.us ; (541) 552-2411 michael.morrison@ashland.or.us ; (541) 552-2325	

SUMMARY

This Special Procurement will allow the Public Works staff to directly award public contracts on an as needed basis to highly skilled and reliable contractors to perform troubleshooting, repairs, maintenance and services required to maintain large scale industrialized pumps, motors, gear boxes and related equipment used for critical plant and field operations. The term of this Special Procurement will begin on September 1, 2019 and end on June 30, 2024.

This item was initially on the August 20, 2019 agenda but pulled before Council took action to allow staff to insert a maximum amount for the purchases. This is a five-year contract and staff is requesting a maximum of \$500,000.

POLICIES, PLANS & GOALS SUPPORTED

City Council Goals:

Goal 1: Develop current and long-term budgetary resilience

- Continue to improve the budget process: transparency, rigor, innovation, community involvement, and collaboration

Goal 2: Analyze City departments/programs to gain efficiencies, reduce costs and improve services

- Implement a cost recovery plan and analysis for each department that coincides with the annual review of fees and charges and revenues

Goal 3: Enhance and improve transparency & communication

Maintain Essential Services

Department Goals:

- Maintain existing infrastructure to meet regulatory requirements and minimize life-cycle costs
- Maintain and improve infrastructure that enhances the economic vitality of the community
- Evaluate all city infrastructure regarding planning management and financial resources

PREVIOUS COUNCIL ACTION

None

BACKGROUND AND ADDITIONAL INFORMATION

A Special Procurement sourcing method is used for the purpose of seeking an exemption from the competitive bid process, custom designing a contracting approach, or the direct selection or award of a public contract or for a series of contracts. The Special Procurement Approval Request Form with written findings is attached for your review and consideration.

The City Council, acting as the Local Contract Review Board, may approval this request for a Special Procurement if it is determined, based on written findings, that the Special Procurement will be unlikely to encourage favoritism in the awarding of public contracts or to substantially diminish competition for public

contracts, and result in substantial cost savings or substantially promote the public interest in a manner that could not be realized by complying with the requirements that are applicable in ORS 279B.055, 279B.060, 279B.065, or 279B.070.

FISCAL IMPACTS

Funds are budgeted each fiscal year for equipment repairs and maintenance.

STAFF RECOMMENDATION

Staff recommends City Council, acting as the Local Contract Review Board, approve this Special Procurement.

ACTIONS, OPTIONS & POTENTIAL MOTIONS

1. I move to approve the Special Procurement which will allow public contracts to be directly awarded for the repair and maintenance of large scale industrialized pumps, motors, gear boxes and related equipment.
2. I move that staff solicit bids in accordance with the procurement requirements set forth in AMC 2.50.

REFERENCES & ATTACHMENTS

Attachment 1: Form #9, Special Procurement, Request for Approval (Written Findings)

**SPECIAL PROCUREMENT
REQUEST FOR APPROVAL**

To: City Council, Local Contract Review Board
From: Mike Morrison, Public Works Superintendent
Date: August 20, 2019
Subject: REQUEST FOR APPROVAL OF A SPECIAL PROCUREMENT

In accordance with ORS279B.085, this request for approval of a Special Procurement is being presented to the City Council for approval. This written request for approval describes the proposed contracting procedure and the goods or services or the class of goods or services to be acquired through the special procurement and the circumstances that justify the use of a special procurement under the standards set forth ORS 279B.085(4).

- 1. **Requesting Department Name:** Public Works
- 2. **Department Contact Name:** Mike Morrison
- 3. **Type of Request:** Class Special Procurement Contract-specific Special Procurement
- 4. **Time Period Requested:** From September 10, 2019 To: June 30, 2024
- 5. **Total Estimated Cost:** Cost will be determined by the actual repairs, maintenance and technical services that are required to be outsourced to maintain large scale industrialized pumps, motors, gear boxes and related equipment used for critical plant and field operations. CONTRACT MAXIMUM: \$500,000
- 6. **Short title of the Procurement:** Repairs and maintenance for large scale industrialized pumps, motors, gear boxes and related equipment.

Supplies and/or Services or class of Supplies and/or Services to be acquired:

Repairs, maintenance and technical services required to maintain large scale industrialized pumps, motors, gear boxes and related equipment used for critical plant and field operations.

7. Background and Proposed Contracting Procedure: Provide a description of what has been done in the past and the proposed procedure. The Agency may, but is not required to, also include the following types of documents: Notice/Advertising, Solicitation(s), Bid/Proposal Forms(s), Contract Form(s), and any other documents or forms to be used in the proposed contracting procedure. Attach additional sheets as needed.

Background: Contracts are directly awarded to contractors based on competency, qualifications, certifications, workmanship, expediency, availability and competitive pricing.

Proposed procedure: Public Works is seeking an exemption from the competitive bid process to DIRECTLY AWARD public contracts on an as needed basis to highly skilled and reliable contractors to perform troubleshooting, repairs, maintenance and services required to maintain large scale industrialized pumps, motors, gear boxes and related equipment used for critical plant and field operations.

8. **Justification for use of Special Procurement:** Describe the circumstances that justify the use of a Special Procurement. Attach relevant documentation.

Work to repair large scale industrialized pumps, motors, gear boxes and related equipment must be outsourced. The City contracts with a number of qualified and competent contractors available to perform these specialized services. These contractors also have access to repair parts and materials. Some contractors only service specific brands and models of equipment. Transporting these types of equipment require hoists and forklifts. Oftentimes, troubleshooting is required to determine what repairs and maintenance are required to repair a specific piece of equipment. Depending on the repairs needed, the work may be performed onsite or offsite. There are also critical pieces of equipment that require immediate attention if a problem develops, and the work must also be completed immediately.

9. **Findings to Satisfy the Required Standards:** This proposed special procurement:

X (a) will be unlikely to encourage favoritism in the awarding of public contracts or to substantially diminish competition for public contracts because:

The City contracts with a number of qualified, highly skilled and competent contractors to perform these types of services. The City considers competency, qualifications, certifications, reliability, expediency, availability and competitive pricing when making the decision as to who will perform the required services on large scale industrialized pumps, motors, gear boxes and related equipment. If the City is contacted by additional competent contractors and/or becomes aware of additional skilled contractors, they too will be considered to perform these types of services.

(Please provide specific information that demonstrates how the proposed Special Procurement meets this requirement.); **and**

X (b)(i) will result in substantial cost savings to the contracting agency or to the public because:

It is vital to minimize the amount of time the system is down and/or not available; therefore, repairs and maintenance on this equipment must be performed correctly in a timely manner to minimize the amount of time the system is unavailable.

(Please provide the total estimate cost savings to be gained and the rationale for determining the cost savings); **or**

X (b)(ii) will otherwise substantially promote the public interest in a manner that could not practicably be realized by complying with the requirements of ORS 279B.055, 279B.060, 279B.065, or 279B.070, or any rules adopted thereunder because:

It is in the City's best interest to contract with highly skilled qualified contractors in order to maintain continuous plant and field operations.

(Please provide specific information that demonstrates how the proposed Special Procurement meets this requirement.)

Public Notice:

Pursuant to ORS 279B.085(5) and OAR 137-047-0285(2), a Contracting Agency shall give public notice of the Contract Review Authority's approval of a Special Procurement in the same manner as a public notice of competitive sealed Bids under ORS 279B.055(4) and OAR 137-047-0300. The public notice shall describe the Goods or Services or class of Goods or Services to be acquired through the Special Procurement and shall give such public notice of the approval of a Special Procurement at least seven (7) Days before Award of the Contract.

After the Special Procurement has been approved by the City Council, the following public notice will be posted on the City’s website to allow for the seven (7) day protest period.

Date Public Notice first appeared on www.ashland.or.us – [if approved, September 3, 2019]

PUBLIC NOTICE
Approval of a Special Procurement

First date of publication: [if approved, September 3, 2019]

A request for approval of a Special Procurement was presented to and approved by the City Council, acting as the Local Contract Review Board, on [if approved, September 3, 2019]

This “**Class Special Procurement**” (sourcing method) was processed to seek an exemption from the competitive bid process to directly award public contracts on an as needed basis to highly skilled and reliable contractors to perform troubleshooting, repairs, maintenance and services required to maintain large scale industrialized pumps, motors, gear boxes and related equipment used for critical plant and field operations. It is imperative that the City maintain this equipment in a manner that ensures their continued use and safe operation. Public contracts will be awarded to contractors based on competency, expediency, workmanship, availability and competitive pricing.

It has been determined based on written findings that the Special Procurement will be unlikely to encourage favoritism in the awarding of public contracts or to substantially diminish competition for public contracts, and result in substantial cost savings or substantially promote the public interest in a manner that could not be realized by complying with the requirements that are applicable in ORS 279B.055, 279B.060, 279B.065, or 279B.070.

An affected person may protest the request for approval of a Special Procurement in accordance with ORS 279B.400 and OAR 137-047-0300. A written protest shall be delivered to the following address: City of Ashland, Purchasing Representative, Kari Olson, 90 N. Mountain Avenue, Ashland, OR 97520. The seven (7) day protest period will expire at 5:00pm on [if posted September 3, 2019, the protest period will expire September 10, 2019].

This public notice is being published on the City’s Internet World Wide Web site at least seven days prior to the award of a public contract resulting from this request for approval of a Special Procurement.