



Lompoc City Council Agenda Item

City Council Meeting Date: April 6, 2010

TO: Laurel M. Barcelona, City Administrator

FROM: Ray Ambler, Purchasing & Materials Manager
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Subject: SUBJECT: ORDINANCE NO. 1563(10) AMENDING PROCUREMENT CODE TO ADJUST SEALED BID THRESHOLDS, TO IMPROVE BID AND PROTEST PROCEDURES FOR PURCHASING AND PUBLIC WORKS, AND TO DELEGATE AUTHORITY TO THE CITY ADMINISTRATOR TO AWARD CONTRACTS UP TO \$125,000.

Recommendation:

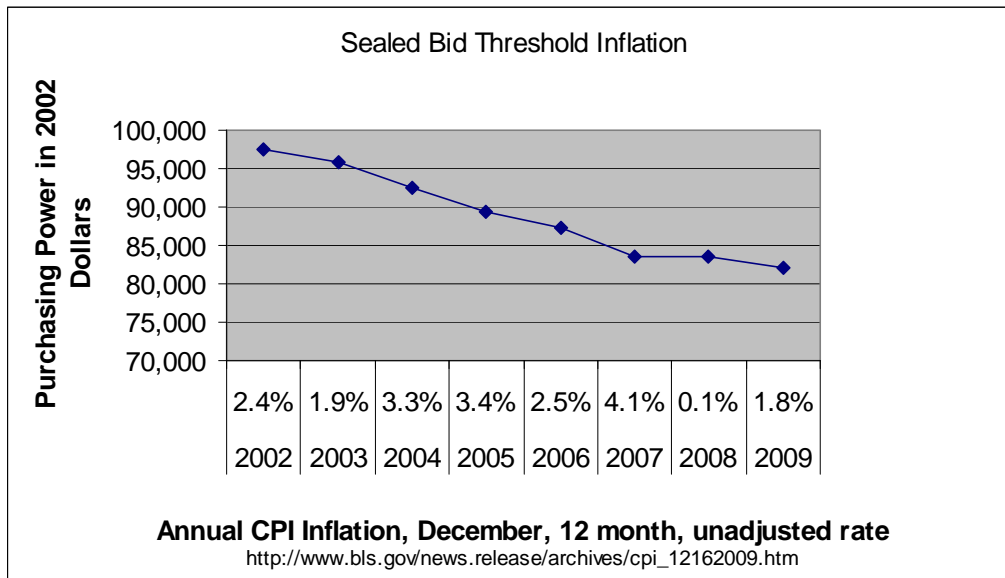
The City Council introduce Ordinance No. 1563(10) amending Sections 3.36.030, 3.36.040, 3.36.170, 3.40.020, 3.40.030, 3.40.050, 3.40.060 of and adding Section 3.36.165 to the Lompoc Municipal Code.

Discussion:

Currently Lompoc City Code, Chapter 3.36, requires sealed bids for procurement of goods and services costing more than \$100,000. It was last amended in 2002. Formal sealed solicitations typically take six or more weeks for specification, publication, solicitation, evaluation and Council award. For smaller purchases, the City historically receives multiple quotes and is able to award much more quickly. In most cases, the City receives many competitive bids, but the reduced solicitation and award requirements can cut the procurement time by 60% or more. Due to inflation, requiring a sealed solicitation can cause increasingly smaller inflation-valued purchases over the years.

Since 2002, the last threshold adjustments on items significant to the City included:

Diesel increased 105% (\$1.53 to \$3.19 per gallon)
Copper increased 377% (\$0.65 to \$3.10 per lbs)
Ford Crown Victoria 37% (\$16,491 to \$22,517 base each)



This graph shows the compounded multi-year decrease in purchasing power when deflated by the CPI (Consumer Price Index). Consumer prices increased, requiring a sealed bid process on 20% smaller procurement than in 2002. By way of comparison to similar agencies, the County of Santa Barbara requires sealed bids over \$25,000; the City of Santa Maria does not require sealed bids for the purchase of goods and services.

Periodically adjusting procurement thresholds for inflation means efficiently retaining the same solicitation and time efforts for equivalent purchases over time.

The Code is clearer and easier to understand when the procurement thresholds for Public Works and for Goods and Services are consistent for sealed bids, informal bids, and for small purchases.

Other Code amendments alter the protest process. The current process may allow a protest after award. The new protest process notifies interested parties and gives them five (5) business days to protest before an award. No protest will be accepted after the protest period.

First, there will be a pre-opening protest period for the solicitation documents, terms and conditions or specifications.

Second, when procurement staff select a sealed bid, staff will be required to send all interested parties a "Notice of Intent to Award", which includes information about the protest process and the time remaining for protest.

Third, there will be a post-opening protest period for grounds other than those stated in the solicitation documents. Protest grounds will include failure to follow the procedures required by the City Code or the solicitation document, or an

award based on criteria not contained in the solicitation documents. Protestors will have five (5) business days to protest following the Notice of Intent to Award. After the protest period, no protest will be considered.

Fiscal Impact:

There is no identifiable fiscal impact. There will be a shorter turnaround time for the procurement process.

Attachments:

[Ordinance 1563\(10\)](#)

Ray Ambler, Purchasing & Materials Manager

APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:

Brad Wilkie, Management Services Director

Larry Bean, Public Works Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Laurel M. Barcelona, City Administrator