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190835

Emergency Ordinance

*Amend Emergency Procurements Code to authorize an increase in the Chief Procurement Officer's signature authority to award, execute, amend, and terminate Emergency Procurement Contracts for Goods purchases to mitigate supply chain delays and shortages (amend Code Section 5.33.130)

Passed

The City of Portland ordains:

Section 1. The Council finds:

- 1. As a result of the COVID-19 pandemic and other logistics problems, worldwide supply chain and logistic issues for material goods have caused significant delays and shortages of critical goods particularly from vendors who provide materials at large scale. At a minimum, these shortages are expected to continue throughout the remainder of 2022 and into 2023.
- 2. These shortages and delays have continually impacted City Bureaus delaying projects and jeopardizing maintaining critical City operations. These delays have been most impactful to the City's infrastructure Bureaus who have had significant problems with currently contracted vendors providing necessary goods.
- 3. To mitigate this need Bureaus have entered into agreements with alternative vendors who are able to provide these goods at a smaller scale or by special order on an emergency basis.
- 4. Due to the limited scale of these purchases, many smaller and local businesses, including those owned by historically disadvantaged community members (e.g., Black, Indigenous, and People of Color (BIPOC), Women, etc.), can provide the required goods required in a timely fashion.
- 5. The Office of Management and Finance, Bureau of Revenue and Financial Services, Procurement Services Division has identified a need to streamline these Emergency Procurement Contract requests and set rules and procedures to ensure proper compliance with City Code.

Introduced by

<u>Mayor Ted Wheeler</u>

Bureau

Management and Finance

Contact

Biko Taylor Chief Procurement Officer

☑ <u>biko.taylor@portlandoregon.gov</u>

J 503-823-1095

Requested Agenda Type Regular

Date and Time Information

Requested Council Date May 25, 2022 **Time Requested** 15 minutes

Changes City Code

6. To address the City's supply-chain emergency, this Ordinance temporarily suspends application of City Code Subsections 5.33.130
E. and 5.33.130 F. and increases the Chief Procurement Officer authority for Goods related emergency procurement contracts from \$150,000 to \$500,000 or less.

NOW, THEREFORE, the Council directs:

- A. City Code Subsection 5.33.130 J. as shown in Exhibit A.
- B. When utilizing the authority granted in Subsection 5.33.130 J., the Chief Procurement Officer shall require the requesting bureau to submit a memorandum from the Commissioner-in-Charge or Director that outlines the required need, the name of the business awarded, the amount awarded, and any certification related to ownership diversity certification (e.g., COBID).
- C. The Chief Procurement Officer is directed to report to Council on or before April 1, 2023 on the status of supply chain issues impacting City Bureaus and make recommendations as to whether this authority shall be extended.
- D. The Chief Procurement Officer is directed to report to Council on or before April 1, 2023, on any agreements executed under this increased authority. This report must include the names of the businesses awarded, the amount awarded, and any certifications related to ownership diversity certification (e.g., COBID).
- E. The Chief Procurement Officer is directed to establish criteria to ensure that all applicable City procurement codes and requirements are followed.
- F. The Chief Procurement Officer may refer a request for an emergency procurement to the City Council for approval.

Section 2. The Council declares that an emergency exists because of ongoing supply chain shortages threatening critical City operations; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Documents and Exhibits

Exhibit A (22.12 Kb)

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council May 25, 2022

Auditor of the City of Portland Mary Hull Caballero

Impact Statement

Purpose of Proposed Legislation and Background Information

Since the beginning of the COVID-19 pandemic, many City Bureaus, particularly infrastructure Bureaus (e.g., Portland Bureau of Transportation, Portland Water Bureau, etc.) have had significant difficulties in procuring critical material Goods from existing contractors in a timely fashion.

Due to compounding national and international supply chain shortages, these problems have become more acute over the last Fiscal Year and are expected to continue throughout the next Fiscal Year.

By increasing the Chief Procurement Officers (CPO's) emergency procurement authority, Procurement Services will streamline the process and shorten the window from when a need is identified, and a contract is executed. This is especially important when procuring Goods as many vendors will not provide materials until a signed and executed contract is in place.

Financial and Budgetary Impacts

There will be little to no budgetary impact for this change. No new appropriations will be made because of this change.

Community Impacts and Community Involvement

Many of the identified Goods are currently bought in bulk and at large scale from large corporations and vendors.

Since all these purchases will need to be done with short-turnaround times our intent is to have the majority of these emergency authorizations will direct funds to small-to-medium sized local businesses who are able to fill orders at limited scale. We are also intending to closely track diversity related information with these purchases to ensure that the City's equity goals in contracting are met.

100% Renewable Goal

This action should have minimal impact on the City's 100% Renewable goal.

Budget Office Financial Impact Analysis

This ordinance temporarily increases the Chief Procurement Officer's authority for Goods related emergency procurement contracts from \$150,000 to \$500,000 or less. There should be little to no budgetary impact for this change.

Agenda Items

444 Regular Agenda in May 25-26, 2022 Council Agenda

Passed

Commissioner Dan Ryan Yea

Commissioner Jo Ann Hardesty Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea