

**CONTRACTING FOR
PROFESSIONAL, TECHNICAL
AND EXPERT SERVICES (PTE)
MANUAL**



BUREAU OF PURCHASES

**City of Portland, Oregon
Mayor Vera Katz**

February 2003



CITY OF PORTLAND, OREGON

BUREAU OF PURCHASES

Mayor Vera Katz

Sue Klobertanz, Director
1120 SW Fifth Ave Rm 750

Portland OR 97204

(503) 823-6855

Fax (503) 823-6865

www.ci.portland.or.us

February 5, 2003

The Bureau of Purchases is pleased to provide you with the most recent update of the Professional, Technical and Expert Service (PTE) Manual. This Manual responds to some of the findings identified in the December 2001 audit by the City Auditor. The changes also reflect and address some of the concerns expressed by the Mayor's Fair Contracting and Employment Forum and the City's internal Contract Coordinating Committee (C3).

On February 5, 2003 the City Council passed an ordinance that requires adherence to the processes and procedures identified within the Manual. Provisions within the Manual specifically address the Council's ongoing commitment to increased contracting opportunities for minority, women-owned and emerging small businesses (M/W/ESB). Providing consistency in the contracting procedures and processes and providing a one-stop information site for all vendors and contracting opportunities are all goals of the revised Manual.

The Manual is published to assist City staff in developing and managing successful PTE procurements while maintaining fair and open competition. The Manual's overall format has remained virtually the same and checklists continue to be included for each level of PTE procurement. Additionally, the QBS/RFQ process has been incorporated into this manual. With a more standardized approach to PTE contracting, potential consultants will be better able to respond to the various contracting opportunities, understand the rules and processes and quickly access information required for specific projects.

Sue Klobertanz
Director, Bureau of Purchases

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<p><i>SECTION I</i> REFERENCES AND RESOURCES</p>

The following is a list of web sites where various information may be located:

- Bureau of Purchases Intranet address www.purchasing.city
- Bureau of Purchases Internet address www.ci.portland.or.us/purchase
- Professional, Technical and Expert Services (PTE) manual, and forms contained in this manual www.purchasing.city/intra/pte.htm
- Equal Employment Opportunity certification information www.purchasing.city/intra/eo.htm
- Minority-owned, woman-owned and emerging small business (M/W/ESB) information, search for qualified vendors, check status of a vendor www.cbs.state.or.us/external/omwesb
- City Code 5.68 <http://bpcnet.com/codes/portland.htm>
- Current formal amount for formal bids, set annually by City Auditor www.purchasing.city/intra/bigtk.htm

The following is a listing of phone numbers that may be helpful as bureau personnel work through the competitive proposal process:

Bureau of Purchases Director	Sue Klobertanz	503-823-6881
Procurement Manager	Jeff Baer, CPPO	503-823-6852
PTE Program Coordinator	B. J. Gibson, CPPO	503-823-7665
Sr. Procurement Specialist	Willette Rasumussen	503-823-5371
City Attorney's Office	Jim Van Dyke	503-823-4047
Legal Contracts/Documents Analyst	Dennis Harper	503-823-4399

II. OVERVIEW OF PTE SERVICES

Does your contracting situation fit this description?

“[A]ny individual or group, excluding regular City employees, who, for a fee, provide services or give professional advice regarding matters in the field of their special knowledge or training, to include but not limited to: *planners, architects, engineers, lawyers, accountants, doctors, dentists, ministers; and counselors in investments, insurance, advertising, graphics, training, public relations, communications, data processing and management systems. City Code §5.68.010.*”

- PTE services are frequently services that are to be performed by licensed professionals, although some services such as advertising, public relations, or web site design are considered PTE services and do not require professional licensing.
- Types of services not listed here may also be considered PTE. The Purchasing Agent will make such determinations on a case-by-case basis.
- If the work required in your contract does not appear to be PTE services and is over \$5,000, you need to work with the Bureau of Purchases to produce a regular services contract. Procurement of non-PTE services is governed by City Code 5.33, ORS Chapter 279, and City Purchasing Rules, and is under the authority of the Purchasing Agent.
- Individual City bureaus and offices may handle procurement of their PTE services, however, the Bureau of Purchases and the City Attorney’s Office personnel are available to help at any point in the procurement process. The Bureau of Purchases has procurement professionals who are trained in government purchasing techniques, policies, rules and regulations and experienced with PTE project development, contracting, and management. They can answer your questions, handle the contracting process for you, assist you with drafting the request for proposal or request for qualification, advertise and post the solicitation on the Bureau of Purchases website, solicit and accept proposals on your behalf, guide you through contract negotiations or help with project management details and issues.
- Questions? Contact Willette Rasmussen, Senior Procurement Specialist in the Bureau of Purchases at 503-823-5371 or the Legal Contracts/Documents Analyst in the City Attorney’s Office at 503-823-4399 (Dennis Harper).

III. GENERAL CONTRACT CATEGORIES, AMOUNTS AND GENERAL REQUIREMENTS

GENERAL REQUIREMENTS

There are three (3) general categories of PTE contracts, each with different procedures, based on the dollar amount of the contract. The following is a brief overview, of the procedures and requirements for consummation of the process . Please refer to the checklists in Section IV for detailed information.

A. SMALL – \$5,000 or Under

For PTE services under \$5,000, the PTE Purchase Order form #7530-999-007 is used as the contract document and is issued and encumbered through the Bureau of Purchases. At the bureau's discretion, the Agreement for PTE Services may be used in lieu of the purchase order, but the request for payment must be processed through the IBIS system, which requires the bureau to initiate a requisition and a purchase order number to be generated as the contract number or the terms and conditions of the PTE Purchase Order are used as the contract. Please note that Limited Purchase Orders (LPO's) cannot be used for PTE services.

Bureaus will contact at least three (3) vendors, compare offers between different consultants, rotate opportunities among different companies, and target opportunities to available minority-owned, woman-owned and emerging small business (M/W/ESB) firms. The PTE Worksheet is required to be completed for every contract with a copy submitted to the Auditor's Office; the PTE worksheet will prove to be a helpful tool for the bureau to use in tracking M/W/ESB usage as well as rotation of consultants. Bureau Directors must sign the PTE Worksheet.

Accompanying the purchase order will be some, or all, of the following documents and information (checklist is included in Section IV of this manual):

- (1) Workers Compensation Insurance Certificate **OR** complete Exhibit B, Section C ("Independent Contractor Certification Statement") of the Agreement for Professional, Technical, or Expert Services,
- (2) EEO Certification
- (3) General, Auto, Professional Liability insurance certificate(s)
- (4) Business License
- (5) PTE Worksheet - completed by project manager/signed by bureau director (note: the worksheet form provided on the Bureau of Purchases website is the only acceptable version).

B. INFORMAL - Over \$5,000 Up To Amount Set Annually By Auditor (currently \$20,703)

At the “informal” level, using a Request For Proposal (RFP) is recommended but not always necessary. Written offers will be solicited from at least three (3) vendors, at least one of which must be an M/W/ESB firm, and if one is not available, this must be so noted on the PTE work sheet. The Agreement for PTE Services is required. The agreement and PTE Worksheet must be completed, approved as to form by the City Attorney’s Office, the Bureau Director or Commissioner's signature prior to submittal to the Purchasing Agent.

Attachments and exhibits to the Agreement for PTE Services will include some or all of the following documents and information (checklist is included in Section IV of this manual):

- (1) Workers Compensation Insurance Certificate **OR** complete Exhibit B, Section C ("Independent Contractor Certification Statement") of the Agreement for Professional, Technical, or Expert Services,
- (2) General, Auto, Professional Liability insurance certificate(s)
- (3) EEO Certification
- (3) Business License
- (4) PTE Worksheet - filled out by project manager/signed by bureau director (note: the worksheet form provided on the Bureau of Purchases web site is the only acceptable version.)

C. FORMAL - Over Amount Set Annually By Auditor (currently over \$ 20,703)

The “formal” solicitation process is required for PTE services over the informal limit. A formal, written RFP must be issued and advertised for a minimum of three (3) days or more; bureaus are required to post the notice in the Daily Journal of Commerce or as deemed appropriate by the Purchasing Agent and also on the Bureau of Purchases website. M/W/ESB contracting and workforce requirements must be met as set forth in Section VI of this manual under Diversity in Employment and Contracting Requirements. The agreement must be authorized by ordinance and signed by the bureau Commissioner and the Auditor. An ordinance is required to authorize a “sole source” contract if special conditions supporting sole source are met. This language must clearly state that a sole source is being requested and that City Code 5.68 is being waived. The Agreement for PTE Services shall be used for these projects.

Attachments and exhibits to Agreement for PTE Services form will be some or all of the following documents and information (checklist is included in Section IV of this manual):

- (1) Request for Proposals, Request for Qualifications followed by a subsequent Request for Proposal, or Qualification Based Request for Qualifications, or Request for Standard Services
- (2) Consultant’s written proposal
- (3) EEO Certification
- (4) Workers Compensation Insurance Certificate **OR** complete Exhibit B, Section C ("Independent Contractor Certification Statement") of the Agreement for Professional, Technical, or Expert Services,
- (5) General, Auto, Professional Liability insurance certificate(s)
- (6) Business License

- (7) PTE Worksheet - filled out by project manager/signed by bureau director (note: the worksheet form provided on the Bureau of Purchases web site is the only acceptable version.)

The preceding documents are available for downloading at www.purchasing.city/intra/pte.htm

**IV. PTE CONTRACTING CHECKLISTS
FOR EACH CONTRACT CATEGORY**

Each of the following sections addresses the contract requirements based upon their dollar values [for detailed descriptions of most of these requirements, see Section VI. – “Other Information”].

A. SMALL CONTRACT CHECKLIST

[\$5,000 AND UNDER]

1. DETERMINE NEED, OBTAIN BUREAU APPROVAL(S) _____
2. ESTIMATE COSTS _____
3. SOLICIT PROPOSAL(S) _____
 - Contact at least three potential contractors _____
(including a MBE/WBE/ESB if available)
 - Explain purpose/describe scope of work _____
 - Identify minimum qualifications _____
 - Overview of constraints, if any _____
 - Verbally discuss any requirements _____
 - Receive simple, written cost proposal _____
by mail or fax
4. COMPARE PROPOSALS AND SELECT CONTRACTOR _____
5. CONFIRM EEO CERTIFICATION, INSURANCE
CERTIFICATION REQUIREMENTS AND VENDOR
NUMBER OF THE CONTRACTOR _____
 - Check with Bureau of Purchases to verify or obtain _____
EEO Certification [vendor number is in IBIS through Ac-
counts Payable -- EEO and insurance may be checked at
http://www.purchasing.city/ibiztrak/vendor_info.htm]
 - Work with contractor to meet requirements _____
 - Submit Vendor Master Update form to A/P if vendor _____
number needed
6. OBTAIN BUREAU DIRECTOR’S/COMMISSIONER’S AP-
PROVAL AS NECESSARY _____
7. PREPARE PURCHASE REQUISITION AND
SUBMIT TO BUREAU OF PURCHASES _____

8. PREPARE OTHER DOCUMENTS:

~ATTACHMENTS REQUIRED~

PTE Worksheet _____

Identify other contractors considered, or explain why this is sole source
Include M/W/ESB information
If contracted with this firm before, explain why again
Obtain signature of Bureau director or Commissioner
[The worksheet form provided in this manual is the only acceptable version]

Workers Compensation Insurance Certificate _____

Showing current dates of coverage, compliance with Oregon
law and contractor signs certification in Section A at top of Exhibit B

~ OR ~

Contractor certifies that he/she meets independent contractor
standards by marking at least four criteria in Section C at bottom of
Exhibit B (Independent Contractor Certification) to the Agreement for
PTE Services _____

~ AND ~

City project manager reads and signs Section B (Standards)
in the middle of Exhibit B of the Agreement for PTE Services _____

~ATTACHMENTS REQUIRED UNLESS WAIVED BY CITY ATTORNEY'S OFFICE~

General Liability Insurance Certificate _____

Must include valid effective and expiration dates
Limits of coverage in accordance with the contract
Additional insured endorsement naming City
30-day cancellation notice
City listed as certificate holder

Auto Liability Insurance _____

Most important when driving is specifically required by the scope of work

Professional Liability Insurance _____

Coverage amount in accordance with contract
30 or 60-day cancellation notice
City listed as certificate holder

9. ENTER REQUISITION INFORMATION INTO IBIS AND
FILE A COPY OF ATTACHMENTS WITH PURCHASING _____

10. NOTIFY CONTRACTOR TO BEGIN WORK AFTER
PURCHASE ORDER HAS BEEN ISSUED

—

B. INFORMAL PROCESS CHECKLIST

[Over \$5,000, but under formal amount set annually by City Auditor - current amount can be found at <http://purchasing.city/intra/council.htm>]

- 1. DETERMINE NEED, OBTAIN BUREAU APPROVAL(S) _____
- 2. ESTIMATE COSTS _____
- 3. WRITE REQUEST FOR PROPOSAL _____
Use of Standard RFP form strongly recommended [may be downloaded from City intranet at <http://www.purchasing.city/intra/pte.htm>]

RFP should include the following elements:

- Announcement _____
- Project overview (purpose) _____
- Scope of work _____
- Professional services required (minimum qualifications) _____*
- Work City will perform _____
- Project schedule _____
- Submittal (proposal submission/information requirements) _____
- Proposal review and selection process (including evaluation criteria with relative weight shown) _____
- Proposal due date/time _____
- Diversity in employment and contracting _____
- General terms/conditions, insurance requirements _____
- Notice of scheduled pre-proposal conference, if any _____
- Overview of constraints, if any _____

If the project is very simple, has a very small dollar amount and can be easily explained, it may be handled through a simplified RFP process. This could be done by faxing a short RFP document and receiving offers by fax. It is imperative, however, that all proposers receive the same information, which should include the above items.

*If a Request for Qualifications (RFQ) is sent out prior to the actual RFP, qualification issues will have been determined in that process. Firms selected to receive the RFP should then be evaluated on:

- Project approach/understanding _____
- Experience and qualifications _____
- Compensation requirements _____
- Diversity in employment and contracting _____
- Supporting information _____
- Other criteria of importance to your bureau _____

4. OBTAIN PROPOSALS _____
 Must contact at least three firms. If available, at least one firm contacted should be a State certified minority-owned, woman-owned or emerging small business [certification information may be reviewed at www.cbs.state.or.us/external/omwesb]

5. EVALUATE PROPOSALS RECEIVED _____

6. SELECT PROPOSAL MOST ADVANTAGEOUS TO CITY _____
 Notify all candidates of award decision

7. CONFIRM EEO CERTIFICATION, INSURANCE CERTIFICATION REQUIREMENTS AND VENDOR NUMBER WITH CONTRACTOR _____
 [see also http://www.purchasing.city/ibiztrak/vendor_info.htm]
 OR
 check with Bureau of Purchases to verify or obtain _____ certification
 Work with contractor to meet requirements _____
 Submit Vendor Master Update form to A/P if vendor _____ number needed

8. NEGOTIATE TOTAL NOT-TO-EXCEED COST WITH CONTRACTOR _____

9. OBTAIN BUREAU MANAGER'S/COMMISSIONER'S APPROVAL AS NECESSARY _____

10. PREPARE AGREEMENT DOCUMENTS: _____
 Agreement for PTE Services [may be downloaded from City intranet at <http://www.purchasing.city/intra/pte.htm>] _____

 Select optional provisions [ref. page 4 of the Agreement for PTE Services] _____

 Fill out Contractor's Scope of Work and Payment Schedule [ref. instructions with Agreement for PTE Services for suggestions] _____

~ATTACHMENTS REQUIRED~

- PTE Worksheet _____
- Identify other contractors considered, or explain why the action is sole source
- Include M/W/ESB information
- If contracted with this firm before, explain why
- Obtain signature of Bureau manager or Commissioner

[The worksheet form that is provided on the Bureau of Purchases website is the only acceptable version]

Workers Compensation Insurance Certificate

Showing current dates of coverage, compliance with Oregon law and contractor signs certification in Section A at top of Exhibit B

~ OR ~

Contractor certifies that he/she meets independent contractor standards by marking at least four criteria in Section C at bottom of Exhibit B

~ AND ~

City project manager reads and signs Section B in the middle of Exhibit B

***~ATTACHMENTS REQUIRED
UNLESS WAIVED BY CITY ATTORNEY'S OFFICE~***

General Liability Insurance Certificate

- Must include valid effective and expiration dates
- Limits of coverage in accordance with the contract
- Additional insured endorsement naming City
- 30-day cancellation notice
- City listed as certificate holder

Auto Liability Insurance

- Most important when driving is specifically required by the scope of work.

Professional Liability Insurance

- Coverage amount in accordance with contract
- 30 or 60-day cancellation notice
- City listed as certificate holder

11. CONSULT WITH BUREAU OF PURCHASES OR CITY ATTORNEY'S OFFICE ON DRAFT AGREEMENT AS APPROPRIATE

12. OBTAIN CONTRACTOR'S SIGNATURE ON FINAL AGREEMENT

13. OBTAIN CITY ATTORNEY'S APPROVAL ON FINAL AGREE-

MENT

14. OBTAIN OTHER CITY SIGNATURES AND FILE WITH AUDITOR
Purchasing and Auditor must receive copy of PTE Worksheet, agreement, and insurance documents [note: the worksheet form that is provided on the Bureau of Purchases website is the only acceptable version] _____

15. ENTER REQUISITION INTO IBIS FOR PURCHASING
TO ENCUMBER FUNDS _____

16. NOTIFY CONTRACTOR TO BEGIN WORK AFTER PURCHASE
ORDER HAS BEEN ISSUED OR PROCESSING OF AGREEMENT
IS COMPLETE _____

C. FORMAL PROCESS CHECKLIST

[Over formal amount set annually by City Auditor - current amount can be found at <http://purchasing.city/intra/council.htm>]

- 1. DETERMINE NEED, OBTAIN BUREAU APPROVAL(S) _____
- 2. ESTIMATE COSTS _____
- 3. WRITE REQUEST FOR PROPOSAL _____
 Use of Standard RFP format strongly recommended [may be downloaded from City intranet at <http://www.purchasing.city/intra/pte.htm>]

RFP should include the following elements:

- Announcement _____
- Project overview (purpose) _____
- Scope of work _____
- Professional services required (minimum qualifications) _____
- Work City will perform _____
- Project schedule _____
- Submittal (proposal submission/information requirements) _____
- Proposal review and selection process (including evaluation criteria with relative weight shown) _____
- Diversity in employment and contracting _____
- General terms/conditions, insurance requirements _____
- Overview of constraints, if any _____
- Notice of scheduled pre-proposal conference, if any _____

*If a Request for Qualifications (RFQ) is sent out prior to an actual RFP, qualification issues will have been determined in that process. Firms selected to receive the RFP should then be evaluated on:

- Project approach and understanding _____
- Experience and qualifications _____
- Compensation requirements _____
- Diversity in employment and contracting _____
- Supporting information _____
- Other criteria of importance to your bureau _____

Other necessary information to be included:

- Proposal due date/time _____
- General terms/conditions _____
- Insurance requirements _____

- 4. PRE-PROPOSAL MEETING (if required) _____
 - The pre-proposal agenda to be developed by project manager to follow draft pre-proposal agenda _____

- Copy of agenda to be filed with contract documents _____
5. OBTAIN PROPOSALS _____
- If criteria for a sole source agreement are met, _____
 prepare an ordinance for authorization by Council _____
 without formal RFP process _____
- ~ OR ~
- Advertise in *Daily Journal of Commerce* for three _____
 consecutive days or as deemed appropriate by the _____
 Purchasing Agent and on the Bureau of Purchases _____
 website _____
- Advertise in other local papers as budget permits _____
 [e.g. *Skanner, Observer, El Hispanic News, Just Out,* _____
Asian Reporter, etc.] _____
- Mail to several firms already known to have interest _____
 in this type of work _____
- Seek out minority-owned and woman-owned firms _____
- Maintain mail list - add further requests for proposals _____
 from ads to mail list _____
- Respond to substantive questions regarding RFP _____
 via written addendum to all RFP holders _____
- Establish evaluation committee _____
- Minimum three members - must include member _____
 from outside of City, unless Commissioner waives _____
 requirement _____
- Establish standardized method for evaluations _____
 by members _____
5. EVALUATE PROPOSALS RECEIVED _____
- Based upon criteria in RFP _____
- Determine if interviews are required _____
- Schedule interviews, score and evaluate _____
6. SELECT PROPOSAL MOST ADVANTAGEOUS TO CITY _____
- Based on scoring of written proposals and interviews _____
- Notify all candidates of award decision _____
7. CONFIRM EEO CERTIFICATION, INSURANCE CERTIFICATION _____
 REQUIREMENTS AND VENDOR NUMBER WITH CONTRACTOR _____
- [see also http://www.purchasing.city/ibiztrak/vendor_info.htm _____
 or check with Bureau of Purchases] _____
- Work with contractor to meet requirements _____
- Submit Vendor Master Update form to A/P if _____
 vendor number needed _____

- 8. NEGOTIATE TOTAL NOT-TO-EXCEED COST WITH CONTRACTOR _____
- 9. OBTAIN BUREAU MANAGER'S/COMMISSIONER'S APPROVAL AS NECESSARY _____
- 10. PREPARE AGREEMENT DOCUMENTS: _____
 - Agreement for PTE Services [may be downloaded _____
 - from City intranet at <http://www.purchasing.city/intra/pte.htm>] _____
 - Select optional provisions on Page 4 of the Agreement for PTE Services _____
 - Fill out Contractor's Scope of Work and Payment Schedule [see also instructions for completion of form for additional suggestions] _____

~ATTACHMENTS REQUIRED~

PTE Worksheet _____

Identify other contractors considered, or explain why this is sole source
 Include M/W/ESB information
 If contracted with this firm before, explain why again
 Obtain signature of Bureau director or Commissioner
 [The worksheet form that is provided in this manual is the only acceptable version]

Evaluator's Statement of Independence and Conflict of Interest Certificates to be completed and signed by each member of the Evaluation Committee _____

Workers Compensation Insurance Certificate _____

Shows current dates of coverage, compliance with Oregon law, and contractor signs Section A at top of Exhibit B

~ OR ~

Contractor certifies that he/she meets independent contractor standards by marking at least four criteria at bottom of Exhibit B _____

~ AND ~

City project manager reads and signs Section B in the middle of Exhibit B _____

~ATTACHMENTS REQUIRED UNLESS WAIVED BY CITY ATTORNEY'S OFFICE~

General Liability Insurance Certificate _____

- Must include valid effective and expiration dates
- Limits of coverage in accordance with the contract
- Additional insured endorsement naming City
- 30-day cancellation notice
- City listed as certificate holder/additional insured

Auto Liability Insurance _____

- Most important when driving is specifically required by the scope of work

Professional Liability insurance _____

- Coverage amount in accordance with contract
- 30 or 60-day cancellation notice
- City listed as certificate holder/additional insured

11. CONSULT WITH BUREAU OF PURCHASES OR THE CITY ATTORNEY’S OFFICE FOR HELP WITH DRAFT OF AGREEMENT OR ORDINANCE IF NEEDED _____

12. OBTAIN CONTRACTOR’S SIGNATURE ON FINAL AGREEMENT _____

13. OBTAIN CITY ATTORNEY’S APPROVAL ON FINAL AGREEMENT _____

14. WRITE/FILE ORDINANCE FOR COUNCIL APPROVAL
Purchasing and Auditor must receive a copy of PTE Worksheet, agreement, and insurance documents _____

15. ENTER REQUISITION INTO IBIS FOR PURCHASING TO ENCUMBER CONTRACT/AGREEMENT FUNDS _____

16. NOTIFY CONTRACTOR TO BEGIN WORK AFTER AGREEMENT PROCESSING IS COMPLETE _____

D. REQUEST FOR QUALIFICATIONS*

[Over formal amount set annually by City Auditor - current amount can be found at <http://purchasing.city/intra/council.htm>]

1. DETERMINE NEED, OBTAIN BUREAU APPROVAL(S) _____

2. ESTIMATE COSTS _____

3. WRITE REQUEST FOR QUALIFICATIONS _____

Use of Standard RFQ strongly recommended [current form may be downloaded from City intranet at <http://www.purchasing.city>]

RFQ will include the following elements:

- Announcement _____
- Project description and background _____
- Scope of work _____
- Qualification requirements _____
- Work City will perform _____
- Submittal [qualification submission/information requirements] _____
- Qualification review and selection process (including evaluation criteria with relative weight shown); interviews may be held if it is determined that it would benefit the process. _____
- Diversity in employment and contracting _____
- Overview of constraints, if any _____

Other necessary information/document to be included:

- General terms/conditions, insurance requirements _____
 - Date and time of pre-qualification meeting (if any) and determination of mandatory/non-mandatory attendance _____
- Establish standardized method for evaluations _____

4. PRE-SUBMITTAL MEETING (if required) _____

- The pre-submittal agenda to be developed by project manager to follow draft pre-submittal agenda outline _____
- Copy of agenda to be filed with contract documents _____

5. OBTAIN RESPONSES TO RFQ'S _____

- Advertise in *Daily Journal of Commerce* for three consecutive days or as deemed appropriate by the Purchasing Agent and on the Bureau of Purchases website _____
- Advertise in other local papers as budget permits (e.g., *Skanner, Observer, El Hispanic News, Just Out, Asian Reporter*, etc.) _____
- Mail to several firms already known to have interest in this type of work and maintain mailing list - add further requests for qualifications from ads to mail list _____
- Seek out minority-owned and woman-owned firms _____
- Respond to substantive questions regarding RFQ via _____

- Written addendum to all RFQ holders
- Establish evaluation committee with a minimum of three (3) members - must include one (1) member from outside of City, unless the Commissioner waives the requirement _____
- Establish standardized method for evaluations _____
- 6. EVALUATE RESPONSES RECEIVED _____
- Based solely upon criteria in RFQ _____
- Utilized previously established criteria (ref. D.3 above) _____
- Determine if interviews are required _____
- Schedule interviews, score and evaluate _____
- 7. INTERVIEW HIGHEST RANKED TWO OR MORE RESPONSES _____
- 8. SEND OUT REQUEST FOR PROPOSAL TO FINAL TWO OR MORE PROPOSERS _____
- Those short listed firms selected to receive the RFP will be evaluated on:
- Project approach and understanding _____
- Project expectations _____
- Experience and qualifications _____
- Compensation requirements _____
- Diversity in employment and contracting _____
- Supporting information _____
- Proposal submission/deadline _____
- Other evaluation criteria of importance to the bureau _____
- Other necessary information/documents to be included:*
- General terms/conditions _____
- Insurance requirements _____
- Agreement for PTE Services [example – marked as appropriate] _____
- 9. SELECT PROPOSAL MOST ADVANTAGEOUS TO CITY _____
- Notify all candidates of award decision _____
- 10. CONFIRM EEO CERTIFICATION, INSURANCE CERTIFICATION REQUIREMENTS AND VENDOR NUMBER WITH CONSULTANT _____
- Look up **www.ci.portland.or.us/purchase** or check with Bureau of Purchases _____
- Work with consultant to meet requirements _____
- Submit Vendor Master Update form to A/P if vendor number is needed _____

- 11. NEGOTIATE TOTAL NOT-TO-EXCEED COST WITH BEST PROPOSER _____
- 12. OBTAIN BUREAU DIRECTOR'S/COMMISSIONER'S APPROVAL AS NECESSARY _____
- 13. PREPARE AGREEMENT DOCUMENTS _____
 - Agreement for PTE Services [may be down-loaded from City intranet at <http://www.purchasing.city>] _____
 - Select optional provisions as identified on Page 4 of the Agreement for PTE Services _____
 - Fill out contractor's scope of work and payment schedule [in accordance with Instructions for Completing Agreement for PTE Services] _____

~ATTACHMENTS REQUIRED~

PTE Worksheet _____

- Identify other consultants considered or document why it is considered a sole source
 - Include M/W/ESB information
- [note: worksheet form found on the Bureau of Purchases website is the only acceptable version]

Evaluator's Statement of Independence and Conflict of Interest Certificates to be completed and signed by each member of the Evaluation Committee _____

Workers Compensation Insurance Certificate _____
Shows current dates of coverage, compliance with Oregon law, and consultant signs Exhibit B, Section A (top) of the Agreement for PTE Services

~OR~

Consultant certifies that he/she meets independent contractor standards by marking at least four (4) criteria in Exhibit B of the Agreement for PTE Services, _____

~AND~

City project manager reads and signs as applicable Exhibit B, Section B of the Contract for PTE Services _____

INSURANCE REQUIREMENTS [unless waived by City Attorney's Office*]:

General Liability Insurance Certificate _____

- Must include valid effective and expiration dates
- Limits of coverage in accordance with the contract
- Additional insured endorsement naming City _____
- 30-day cancellation notice
- City listed as certificate holder

Auto Liability Insurance _____

- Most important when operating a motorized vehicle is specifically required within the scope of work

* On a case-by-case basis and upon discussion with the project manager, the City Attorney’s Office may waive particular insurance requirements based upon special circumstances, limited risk exposure, and other factors. Conversely, situations and projects may present themselves that increased requirements be appropriate.

Professional Liability insurance _____

- Coverage amount in accordance with contract
- 30 or 60-day cancellation notice
- City listed as certificate holder/additional insured

14. CONSULT WITH BUREAU OF PURCHASES OR THE CITY ATTORNEY’S OFFICE FOR HELP DRAFTING AGREEMENT OR ORDINANCE, AS NEEDED _____
15. OBTAIN CONSULTANT’S SIGNATURE ON FINAL AGREEMENT _____
16. OBTAIN CITY ATTORNEY’S APPROVAL ON FINAL AGEEMENT _____
17. WRITE/FILE ORDINANCE FOR COUNCIL APPROVAL _____
 - After Council approval, Mayor, Commissioner or City Auditor will sign contracts or may authorize the Purchasing Agent to so sign _____
 - Bureau of Purchasing and City Auditor must receive a copy of the PTE Worksheet, contract, and insurance documents _____
18. ENTER REQUISITION INTO IBIS FOR PURCHASES TO ENCUMBER CONTRACT FUNDS _____
19. NOTIFY CONSULTANT TO BEGIN WORK AFTER AGREEMENT PROCESSING IS COMPLETE _____

E. QUALIFICATION BASED SELECTION/REQUEST FOR QUALIFICATIONS

[for architectural, engineering and land surveying projects with federal highway funding exceeding \$400,000 AND with 35% or more State funding – reference also <http://purchasing.city/intra/council.htm>]

- 1. DETERMINE NEED, OBTAIN BUREAU APPROVAL(S) _____
- 2. ESTIMATE COSTS _____
- 3. WRITE REQUEST FOR QUALIFICATIONS _____
Use of standard QBS/RFQ required [current form may be downloaded from City intranet at <http://www.purchasing.city>]

RFQ will include the following elements:

- Announcement _____
- Project description and background _____
- Scope of work _____
- Qualification requirements _____
- Work City will perform _____
- Submittal (qualification submission/information requirements) _____
- Qualification review and selection process (including evaluation criteria with relative weight shown); interviews may be held if it is determined that it would benefit the process _____
- Diversity in employment and contracting _____
- Overview of constraints, if any _____

Other necessary information to be included:

- General terms/conditions, insurance requirements _____
- Date and time of pre-proposal meeting (if any) and determination of mandatory/non-mandatory attendance _____
- Establish standardized method for evaluation by committee _____

- 4. PRE-SUBMITTAL MEETING (as required) _____
 - The pre-submittal agenda to be developed by project manager to follow draft pre-submittal agenda outline _____
 - Have roster for attendees to sign in along with extra copies of the RFQ _____
 - Copy of agenda to be filed with contract documents _____
- 5. OBTAIN RESPONSES TO RFQ _____
Advertise in *Daily Journal of Commerce* for three consecutive days or as deemed appropriate by the Purchasing agent and on the Bureau of Purchases website _____
 - Advertise in other local papers as budget permits (e.g., _____

Skanner, Observer, El Hispanic News, Just Out, Asian Reporter, etc.)

- Mail to several firms known to have interest in this type of work. _____
 - Maintain mailing list - add further requests for responses from ads to mailing list _____
 - Seek out minority-owned and woman-owned, ESB firms _____
 - Respond to substantive questions regarding RFQ via written addendum to all RFQ holders _____
 - Establish evaluation committee with a minimum of three (3) members - must include one (1) member from outside of City of Portland staff, unless the Commissioner waives the requirement _____
 - Establish standardized method for evaluations by members _____
6. EVALUATE RESPONSES RECEIVED _____
- Based solely upon evaluative criteria in RFQ
 - Utilize previously established criteria (ref. E.3 above)
 - Select the most qualified proposal; rank in order
 - Interviews may be held with the top ranked proposers, but will have previously been selected on a case-by-case basis and by necessity provide a value-added component to the evaluation process. The interview must have previously been identified in the RFQ [ref. 3.0 above].
 - Notify all candidates of award decision
7. CONFIRM EEO CERTIFICATION, INSURANCE CERTIFICATION REQUIREMENTS AND VENDOR NUMBER WITH CONSULTANT _____
- Look up **www.ci.portland.or.us/purchase** or check with Bureau of Purchases _____
 - Work with consultant to meet requirements _____
 - Submit Vendor Master Update form to A/P if vendor number is needed _____
8. NEGOTIATE WITH THE MOST QUALIFIED PROPOSER _____
9. NEGOTIATE TOTAL NOT-TO-EXCEED COST WITH CONSULTANT _____
10. OBTAIN BUREAU DIRECTOR'S/COMMISSIONER'S APPROVAL AS NECESSARY _____
11. PREPARE AGREEMENT DOCUMENTS: _____
- Agreement for PTE Services [may be down-loaded from City intranet at <http://www.purchasing.city>] _____
- Select optional provisions as identified on Page 4 of the Agreement for PTE Services _____
 - Fill out Contractor's Scope of Work and Payment Schedule _____

[in accordance with Instructions for Completing Agreement for PTE Services]

~ ATTACHMENTS REQUIRED ~

PTE Worksheet _____

- Identify other consultants considered or document why it is considered a sole source
- Include M/W/ESB information
- The bureaus will obtain signature of bureau director or Commissioner and forward to the Auditor's Office with an extra copy to the Bureau of Purchases [note: worksheet form found on the Bureau of Purchases website is the only acceptable version]

Evaluator's Statement of Independence and Conflict of Interest Certificates to be completed and signed by each member of the evaluation committee [ref. Attachment F] _____

Workers Compensation Insurance Certificate _____

Shows current dates of coverage, compliance with Oregon law, and consultants signs Exhibit B, Section A (top) of the Agreement for PTE Services

~ OR ~

Consultant certifies that he/she meets independent contractor standards by marking at least four (4) of the criteria in Exhibit B of the Agreement for PTE Services, _____

~ AND ~

City project manager reads and signs as applicable Exhibit B, Section B of the Agreement for PTE Services _____

INSURANCE REQUIREMENTS (unless waived by City Attorney's Office*):

General Liability Insurance Certificate _____

- Must include valid effective and expiration dates
- Limits of coverage in accordance with the contract
- Additional insured endorsement naming City
- 30-day cancellation notice
- City listed as certificate holder

* On a case-by-case basis and upon discussion with the project manager, the City Attorney’s Office may waive particular insurance requirements based upon special circumstances, limited risk exposure, and other factors. Conversely, situations and projects may present themselves that increased requirements be appropriate.

Auto Liability Insurance _____

- Most important when operating a motorized vehicle is specifically required within the scope of work

Professional Liability Insurance _____

- Coverage amount in accordance with contract
- 30 or 60-day cancellation notice
- City listed as certificate holder/additional insured

12. CONSULT WITH BUREAU OF PURCHASES OR THE CITY ATTORNEY’S OFFICE FOR HELP DRAFTING AGREEMENT OR ORDINANCE, AS NEEDED _____
13. OBTAIN CONSULTANT’S SIGNATURE ON FINAL AGREEMENT _____
14. OBTAIN CITY ATTORNEY’S APPROVAL ON FINAL AGREEMENT _____
15. WRITE/FILE ORDINANCE FOR COUNCIL APPROVAL _____
 - After Council approval, Mayor, Commissioner or City Auditor will sign contracts or may authorize the Purchasing Agent to so sign _____
 - City Auditor’s Office must receive copies of PTE Worksheet, agreement, and insurance documents; Bureau of Purchases must receive a copy of the PTE worksheet _____
16. ENTER REQUISITION INTO IBIS FOR PURCHASES TO ENCUMBER AGREEMENT FUNDS _____
17. NOTIFY CONSULTANT TO BEGIN WORK AFTER PROCESSING OF AGREEMENT IS COMPLETE _____

V. FREQUENTLY ASKED QUESTIONS

1. **I have a requirement for a designer and I expect to spend only about \$1,000 for their services. Do I still need to obtain three proposals?**

Yes. PTE contracts of \$5,000 or less still require competitive quotes. It is not necessary to send out a formal request, but for professional services, it is always a good idea to have faxed or mailed written proposals from at least three prospective consultants, of which at least one should be an M/W/ESB firm.

2. **I am working on an RFP for engineering services and plan to negotiate the scope of work and project approach with the selected contractor. Do I have to specify the amount of budgeted funds in the RFP?**

Yes. The City Code 5.68.100-120 requires that compensation requirements of a consultant shall be one of the elements evaluated in the RFP selection process (the only exception is for architects, engineers and land surveyors by utilizing the QBS process). In addition, all contracts must contain a maximum, not-to-exceed total compensation amount within the contract.

3. **What is the City's policy regarding protests on the outcome of RFP evaluations?**

Proposers who are not selected for a PTE contract have the right to review the selection process, and file a protest if they feel the City has not awarded appropriately. Any protest should be considered and reviewed, and a response issued within a reasonable time period.

(See section VI M, Notification Of Awards and Protests on page 42 for guidelines to follow on protests after award of contract.)

4. **I wish to contract for professional services with a State University Engineering Department. Do I need to send out an RFP and execute a PTE contract?**

No. Contracts between governmental agencies can be executed as inter-governmental agreements, and as such, are not subject to competitive bidding requirements. However, all IGA's must be approved as to form by the City Attorney and authorized by ordinance regardless of the contract amount.

5. **Our bureau must provide certain employees with medical exam services on a regular basis. Is an RFP required?**

No. Medical exam services are exempt from the RFP process. See City Code §5.68.020

6. **Our project requires legal services in another City. What is the process?**

City Code §5.68 requires the City Attorney's approval of all outside legal services, and can assist with the contracting process. Contact your bureau's attorney or the Office Manager in the City's Attorney's Office.

- 7. I am writing an RFP to hire a sign maker for some building signs. The sign maker will both design and install the signs, based upon our ideas. Since there is design work involved, does this require a PTE contract?**

Although some design services might be involved, the primary focus of the project is the purchase of goods (signs), and not technical expertise. A buyer in the Bureau of Purchases can assist you. Remember, deliverables (reports, equipment, goods, etc.) are usually an incidental facet of a PTE project; the primary focus of a PTE project is the use of the provider's expertise.

- 8. Can I use a Limited Purchase Order (LPO) to pay for PTE services?**

No. LPO's cannot be used to pay PTE invoices. Your Commissioner must approve all PTE expenditures prior to contract or PO execution. Since an LPO is normally processed after receipt of goods or services, it is not appropriate.

Monies may be encumbered through a Purchase Requisition, signed by your Commissioner. Remember to include the PTE Worksheet with the requisition (note: the worksheet provided on the Bureau of Purchases website is the only acceptable version.)

- 9. Is it permissible to 'sole source' a consultant?**

Yes. The City may purchase a particular service available from only one source, without using a competitive selection process after documenting the solicitation file with findings to support the determination that the service is available from only one source. Approval must be received by the Bureau Director and the Purchasing Agent prior to awarding the contract.

- 10. What defines an "emergency" PTE services contract?**

City Code Chapter 5.68 provides that "...if any emergency exists such that following the requirements of this Chapter would adversely affect the City's interest, or if it is known that only one party is available to provide services or expertise required for a project, then a consultant may be selected without following these requirements, but the bureau or responsibility unit so selecting shall report its action to the City Auditor." This information must be reported on the PTE Worksheet.

- 11. Should PTE RFP's and contracts be reviewed by the City Attorney's Office or Bureau of Purchases in advance?**

Although not technically required, it is highly recommended. The Purchasing Office, and if applicable, the Contracts Project Manager in the City Attorney's Office would be more than happy to look at your drafts. You can call, fax, email, send hard copies, or schedule a discussion.

Bureau of Purchases:

Barb Gibson, CPPO *503-823-7665 (e-mail: bgibson@ci.portland.or.us)*
Willette Rasmussen *503-823-5371 (e-mail: wrasmussen@ci.portland.or.us)*
Bureau of Purchases *503-823-5047 (Fax: 503-823-6865)*

City Attorney's Office:

Dennis Harper *823-4399* *(e-mail: dharper@ci.portland.or.us)*
Receptionist *823-4047* *Fax: 823-3089*

12. Who should sign contracts and in what order?

After a contract is finalized to the agreement of both parties, the contractor should sign it first (three copies), and attach all required insurance certificates. The documents are then forwarded to the City Attorney's Office, along with all insurance certificates, exhibits, and your PTE Worksheet, for approval as to form. The contract documents are then forwarded to the Auditor's Office for execution by the Commissioner in Charge. The Auditor's Office then assigns a contract number and distributes copies, keeping one original on file.

If substantive changes or revisions to the Agreement for PTE Services are proposed, bureaus should work with the City Attorney on such revisions prior to finalizing the contract.

Order for contract signing:

- 1. Contractor*
- 2. City Attorney*
- 3. Commissioner*
- 4. Auditor*

13. When is an ordinance necessary?

An ordinance is required for all PTE contracts over the formal dollar amount and on all Inter-Governmental Agreements (IGA), regardless of the amount. The ordinance should be filed with the Council office after the consultant has signed the contract and it has been approved as to form by the City Attorney.

14. What types of insurance are necessary?

General, auto, and professional liability are required unless waived by the City Attorney.

***Workers Compensation** is always required. If a contractor does not have commercial coverage (or is not self-insured), then they must be legally exempt from the requirement, which is determined through their certification in Exhibit B (Independent Contractor Certification Statement) of the Agreement for PTE Services. Workers Com-pensation coverage must comply with Oregon Revised Statutes 656.017.*

***General Liability** provides coverage for lawsuits/claims asserted by third parties in regards to the contractor's work/matters arising from that work. The limits of coverage required are spelled out in the contract specifications. The insurance must name the City as an additional insured, and that endorsement must be on a proper form. The certificate must provide 30 days notice of cancellation to the City.*

***Auto Liability** is appropriate if the contractor must drive or use motor vehicles as part of the contract work. There are many different types of coverage. Check with City Attorney or Bureau of Purchases for information.*

***Professional Liability** covers misconduct, negligence, errors or omissions in professional services, and lack of ordinary skill. Generally, if a state certification or license is required (such as engineers, architects, teachers, etc.) this insurance is appropriate.*

The City Attorney's Office may waive general, auto, or professional liability if those types of insurance are not required.

15. When are we required to utilize the Qualification Based Selection method and for what services?

The Qualification Based Selection method became effective for registered engineering, architectural or land surveying services in July 2002. The Revised City Code 5.68.100-120 requires that if the project exceeds \$400,000 and a minimum 35% or more of the funding is derived from State funds, or has federal funding, evaluation will be based solely on their qualifications and compensation requirements will not be an element of the selection process but will be negotiated with the most qualified proposer following the evaluation process. This process may also be utilized for services under the \$400,000 if determined to be in the best interest of the City. All contracts must contain the maximum, not-to-exceed total compensation amount within the contract.

16. Does the co-mingling of federal, state and local funds for project expenditures in a single account mandate having to use the QBS process for projects over \$400,000?

It may. For example, local government transportation funds are often budgeted in the same account as monies from the State Highway Trust Fund (gas tax).

- 17. When working on an engineering proposal, do Revenue Sharing dollars meet the criteria of a State grant or loan under the QBS requirements?**

Since revenue sharing can apply to a wide variety of situations in which the State government shares revenue with local governments, only revenue sharing that qualifies as a grant or loan (or money from the State Highway Fund) can trigger QBS requirements. Loans and monies from the State Highway Fund are relatively easy to identify but grants are a little harder. First, the definition of a “grant” is a gift for a specific purpose (Webster’s Third International Dictionary). If the City receives money from the State for a particular project that it does not need to pay back, then it is probably a grant and provided other conditions are met, the QBS procedure would apply. But revenue sharing that is not tied to a specific project probably would not qualify as a grant and would most likely not require use of the QBS procedures.

- 18. Must all committee members evaluating either a request for proposal or request for qualifications sign the Evaluator’s Statement of Independence and Conflict of Interest, or can the project manager sign one for the entire committee?**

Each member of the evaluation committee is required to read and sign and date their own EVALUATOR’S STATEMENT OF INDEPENDENCE AND CONFLICT OF INTEREST STATEMENT and each member’s signed statement must be included as part of the RFP file and attached to the PTE worksheet for the project. No, the project manager cannot sign one blanket statement on behalf of all the evaluation committee members.

VI. PROCEDURES AND PROCESSES

A. REQUEST FOR PROPOSAL (RFP)

DEVELOPING THE REQUEST FOR PROPOSAL (RFP)

Use the Request for Proposal (RFP) process to receive as many good ideas to accomplish the project as possible, and when there are a limited number of vendors available to respond to your proposal. The RFP asks proposers to give their qualifications, explain their expertise, describe how they will be compensated, and propose a solution or path to the problem described. We use RFP's in place of the low bid process because:

- Price alone is not the sole determining factor.
- A firm's expertise, experience, ability to grasp the problem and propose a clear solution, and level of commitment to the project must also be considered.
- A firm price may not be definable before the project is completed.

DETERMINE A NEED

When a bureau or office decides that a needed service or solution to a problem cannot be, or is best not performed by City personnel, and a private firm is the best alternative to provide these services, the RFP process begins. Each bureau or office may have specific approval and procedure routes to follow. Consult the appropriate manager or other personnel in your bureau to find the proper procedure required (if any) to initiate an RFP for professional, technical or expert services.

ESTIMATE COSTS/ DETERMINE RFP PROCESS

If the RFP project cost estimate is less than the formal amount, an informal process can be followed. City Code requires that all Professional, Expert and Technical services be obtained through a competitive process. At least three (3) firms must be contacted and given the opportunity to submit a proposal. At least one firm contacted should be either a certified Minority Business Enterprise (MBE), Women Business Enterprise (WBE), or Emerging Small Business (ESB). To be included, the firm must be certified as an MBE, WBE or ESB by the State Office of Minority, Women and Emerging Small Business.

The City of Portland does not conduct its own certification process. You can look up individual firms or specific categories listing certified firms at the State Internet site:

<http://www.cbs.state.or.us/external/omwesb/index.html> or you may also contact the Bureau of Purchases for assistance, 503-823-6855.

If an M/W/ESB business is not contacted, an explanation must be given on the PTE Worksheet submitted to the Auditor's Office or Bureau of Purchases. Purchasing cannot process a PTE contract without this information.

If the RFP project cost estimate is greater than the informal limit, the project must be advertised in a newspaper with statewide circulation (the *Daily Journal of Commerce* is currently used) for three (3) consecutive days or as deemed appropriate by the Purchasing Agent and on the Bureau of Purchases website is strongly recommended. Project announcements may also be placed in other publications, such as *The Skanner*, *Observer*, *El Hispanic News*, *Just Out*, or *Asian Reporter*, in order to provide outreach to minority firms wishing to submit proposals on City projects. These advertisements are placed at the discretion of the individual project manager or bureau director.

Additional requirements are imposed on this more formal process, such as establishment of a proposal evaluation committee, and approval of the resultant contract by City Council. These additional requirements are discussed in greater detail below.

B. WRITE THE REQUEST FOR PROPOSAL

The Request for Proposal should contain all the information needed by the prospective proposers to prepare a concise, complete proposal. The elements common to any complete RFP include:

- A background statement describing your organization
- A problem statement, including the purpose of the RFP
- A "scope of work" describing the services to be performed, deadlines for work products, etc., a description of "deliverables" (written reports or byproducts of the services performed), and performance specifications
- Minimum qualifications, if any
- An overview of constraints - size, project completion deadline, duration, location, budget, etc.
- General Instructions and Conditions
- Inclusion of model M/W/ESB outreach requirements based on contract size, adapted as appropriate to the particular project needs and opportunities (See section D., below)

- A statement regarding Equal Employment Opportunity Affirmative Action requirements. City Code requires that all contractors be certified as an Equal Employment Opportunity (EEO) employer. If there is a question regarding this requirement, it can be answered by the Bureau of Purchases, (503)823-6855.
- A notice of any scheduled pre-proposal conference, and whether it is mandatory or optional.
- Proposal evaluation information for applicants (ref. Section F, EVALUATION CRITERIA)
- A description of the proposal evaluation process and timeline for award
- Names of City personnel to contact for answers to questions regarding the RFP
- The proposal due date and time
- Estimated cost
- Sample Agreement for PTE Services

C. **DEVELOPING A SCOPE OF WORK**

Of all the items listed above, the "scope of work" is the most important, and should be given comprehensive attention. The scope of work, like the technical specifications of any other type of bid or proposal, should clearly set forth the boundaries within which the contractor shall perform. Failure to adequately define the required tasks here may result in confusion, misunderstandings, delays and increased costs in achieving the project objectives. A carefully prepared scope of work is an easy to follow description of the project requirements and a timeline necessary to meet the requirements.

Is it always possible to clearly state the scope of work for a given project? No. There are situations when the nature of the project requires that the contractor's role may not be fully defined until the project has been started. In other situations, it may be best to simply state the problem clearly and ask the respondents to propose a method of solution and define the scope of work needed to achieve the desired result. Given enough clear, concise information about the reason for the project and the desired outcome, the responding proposers will have the opportunity to showcase their creativity and expertise in their proposals.

If the contract needs amending at some point to include additional work, it is important that the scope of work be amended in such a way that it clarifies what new services are required and corresponds to the description provided in the original scope of work.

The scope of work is equally important in "informal" and "formal" projects. Should an informal project be finalized as a purchase order, the scope of work can be referenced in the P.O. as the project definition document (i.e. an attached letter describing the services).

At any point in the development of a proposal or contract, you may wish to consult the Bureau of Purchases or the City Attorney's Office for assistance in expressing your needs in a clear, concise manner that will be understood by all parties.

D. OBTAIN PROPOSALS

INFORMAL PROCESS

If the project is estimated to cost less than the current informal limit, at least three firms must be contacted to provide proposals. At least one (and preferably more) of the three firms should be a certified M/W/ESB. This may be conducted by fax or in writing, depending upon the complexity of the project. Each firm should be given the same information and allowed an equal amount of time to respond. Each firm's proposal should be kept confidential until after the contractor has been selected. The practice of "shopping" quotes on projects, or providing one firm's proposal information to a second firm and asking the second to better the proposal of the first, is unethical.

FORMAL PROCESS

Projects estimated to be greater than the current informal limit must be advertised in the City's official paper of record (currently, the Daily Journal of Commerce) for three (3) consecutive days or as deemed appropriate by the Purchasing Agent and on the Bureau of Purchases website is strongly recommended. Advertisements may also be placed with other publications as listed in Section D below, Diversity in Employment and Contracting. Additionally, an initial list of firms may be sent the RFP, with subsequent requestors added to the RFP holders list as they are received.

A definite due date, time and place of delivery of the proposal must be clearly stated in the RFP. It is important to allow sufficient time for proposers to prepare a complete response to the RFP; usually, two to three weeks is sufficient. However, requests for particularly complex proposals may require a response time of a month or more. Proposals shall not be accepted after the deadline, and should be refused or returned unopened.

At the deadline, a list of proposals received should be made available to anyone wishing the information. The list should include the names of the respondents only; information contained within the proposals should be kept confidential until after evaluation and official notice of award.

Protests on specifications and requests for clarification should be addressed to the project manager or senior procurement specialist with sufficient time prior to the proposal deadline to address the issue, make any necessary corrections and inform all potential proposers. The RFP should contain a statement defining the time period during which specification protests and clarification questions will be accepted (usually no less than five working days prior to proposal deadline).

RFP changes with respect to protests or requests for clarification should be sent to all potential proposers in the form of an Addendum. The addendum must be sent in time to reach proposers prior to the proposal deadline.

E. DIVERSITY IN EMPLOYMENT AND CONTRACTING REQUIREMENTS

To help promote diversity in our PTE contracts, and in accordance with the City's Fair Contracting and Employment Strategy, the following evaluation criteria should be used in RFP's for PTE contracts:

Select and insert ONE that applies to your project

PTE CONTRACTS UNDER \$100,000

The City values diversity in its workforce and in the workforce of those who contract with the City. The City recognizes and appreciates that individuals are different, and that diversity is an advantage. The City encourages, supports and nurtures diversity, and encourages any firm contracting with the City to do the same.

The response shall include a formal statement of nondiscrimination in employment by the proposing firm. The response shall also address the following:

- ◆ Current diversity of workforce, including procedures relating to outreach and recruitment of minorities and women;
- ◆ History of subconsulting and partnering with certified minority-owned, woman-owned and emerging small businesses (M/W/ESB); and
- ◆ Efforts made relating to outreach and recruitment of M/W/ESB firms on this project.

PTE CONTRACTS OVER \$100,000 AND UNDER \$250,000

The City values diversity in its workforce and in the workforce of those who contract with the City. The City recognizes and appreciates that individuals are different, and that diversity is an advantage. The City encourages, supports and nurtures diversity, and encourages any firm contracting with the City to do the same.

I. Workforce Diversity

Provide a narrative description of how your firm is currently utilizing minorities and women throughout your workforce. Describe whether and how your firm has historically provided opportunities for minorities and women to receive training and work within the firm. If your company currently has under-representation of minorities or women, describe how you might propose to remedy the under-utilization over time.

II. Subconsultant Utilization

Provide a narrative description of the company's experience in promoting participation on the part of minority-owned, woman-owned and emerging small business (M/W/ESB) enterprises as partners, consultants or suppliers on previous projects. Discuss any innovative or particularly successful measures that your firm has undertaken. Include a list of those certified M/W/ESB firms with which the firm has had a contractual relationship during the last 12 months.

III. Project Subconsultant Plan

Provide a detailed outreach program or plan for obtaining maximum utilization of M/W/ESB firms on this project. Include in the plan a detailed schedule of events and

those steps which will or have been taken to maximize M/W/ESB participation. The plan should include the following minimum elements:

Proposer Process Requirements

Divisions of Work

Identification by proposing firm of the probable subconsultant and teaming opportunities by type of work, potential size of subcontract, etc.

Follow-up

- ◆ Document all proposals received from M/W/ESB firms; and
- ◆ Follow up by phone with all competitive proposals from M/W/ESB firms to clarify any questions which may arise. If M/W/ESB proposals are not utilized, note reasons for this decision.

Documentation and Reporting

- ◆ Indicate the firm name of all subconsultants on the project, whether M/W/ESB certified, proposed scope of work, estimated involvement for each firm as a percentage of total contract dollars.

M/W/ESB Notification/ Outreach /Mentoring Suggestions

- ◆ Obtain list of certified M/W/ESB firms from State certification list, or other source, by categories consistent with anticipated subconsulting and teaming opportunities;
- ◆ Mail/FAX information on subconsulting opportunities at least two weeks prior to submission deadline to all or a selection of firms on the State certified list;
- ◆ Advertise in the *Daily Journal of Commerce* for three (3) consecutive days or as deemed appropriate by the Purchasing Agent and on the Bureau of Purchases website (additional publications may include, but not be limited to: *Oregonian*, *Skanner*, *Observer*, *El Hispanic News*, *Just Out*, *Asian Reporter*, and/or other trade publications); initiate and document other outreach which would maximize notice to wide range of potential subconsultants; and
- ◆ Conduct preproposal meeting with potential M/W/ESB subconsultants in order to encourage collaboration and partnering.

FOR PTE CONTRACTS OVER \$250,000

The City values diversity in its workforce and in the workforce of those who contract with the City. The City recognizes and appreciates that individuals are different, and that diversity is an advantage. The City encourages, supports and nurtures diversity, and encourages any firm contracting with the City to do the same.

I. Workforce Diversity

Provide a narrative description of how your firm is currently utilizing minorities and women throughout your workforce. Describe whether and how your firm has historically provided opportunities for minorities and women to receive training and work within the

firm. If your company currently has under-representation of minorities or women, describe how you might propose to remedy the under-utilization over time.

II. Sub-consultant Utilization

Provide a narrative description of the company's experience in promoting participation on the part of minority-owned, woman-owned and emerging small business (M/W/ESB) enterprises as partners, consultants or suppliers on previous projects. Discuss any innovative or particularly successful measures that your firm has undertaken. Include a list of those certified M/W/ESB firms with which the firm has had a contractual relationship during the last 12 months.

III. Project Subconsultant Plan

Provide a detailed outreach program or plan for obtaining maximum utilization of M/W/ESB firms on this project. Include in the plan a detailed schedule of events and those steps which will or have been taken to maximize M/W/ESB participation. The plan should include the following minimum elements:

Proposer Process Requirements

Divisions of Work

Identification of probable subconsulting opportunities by type of work, potential size of subcontract, etc.

Follow-up

- ◆ Document all bids received from M/W/ESB firms and process utilized to encourage M/W/ESB collaboration; and
- ◆ Follow up with all competitive bids from M/W/ESB firms to clarify any questions which may arise. If M/W/ESB bids are not utilized, note reasons for this decision.

Documentation and Reporting

- ◆ In RFP response, indicate the firm name of all subconsultants proposed to work on the project, whether M/W/ESB certified, proposed scope of work, estimated involvement for each firm as a percentage of total contract dollars.

M/W/ESB Notification/ Outreach /Mentoring Suggestions

- ◆ Obtain list of certified M/W/ESB firms from State certification list, or other source, by categories consistent with anticipated subconsulting and teaming opportunities;
- ◆ Mail/FAX information on subconsulting opportunities at least two weeks prior to submission deadline to all or a selection of firms on the State certified list;
- ◆ Advertise (in the *Daily Journal of Commerce* for three (3) consecutive days or as deemed appropriate by the Purchasing Agent and on the Bureau of Purchases website (additional publications may include, but not be limited to: *Oregonian*, *Skanner*, *Observer*, *El Hispanic News*, *Just Out*, *Asian Reporter*, and/or other trade publications); initiate and document other outreach which would maximize notice to wide range of potential subconsultants; and
- ◆ Conduct preproposal meeting with potential M/W/ESB subconsultants in order to encourage collaboration and partnering.

In addition to the above minimum requirements, the firm should describe any plans to provide innovative mentoring, technical or other business development services to M/W/ESB team members needing or requesting such services. This type of additional M/W/ESB team support is not mandatory, however inclusion of additional elements may enhance the competitiveness of the proposal. Possible elements of an expanded M/W/ESB Plan are shown below:

- Extraordinary outreach efforts regarding announcement of subconsulting opportunities to minorities, women and emerging small business organizations through pertinent organizations or channels;
- Commitment to provide administrative assistance, financial, technical or other support to the subconsulting team;
- If appropriate to the project, creation of Aproject within a project≅ opportunities for one or more M/W/ESB firms to develop small prime contracting skills under mentorship of the proposer;
- If appropriate to the project, equipment sharing programs to reduce costs for M/W/ESB firms; and
- Experience at fostering M/W/ESB firms and minorities and women in the workforce; demonstration of success in working with M/W/ESB firms and minorities and women in the workforce; complete and innovative plan for accomplishing and supporting maximum utilization of M/W/ESB firms.

F. EVALUATION PROCESS

Proposal Evaluation

Professional, technical and expert services are evaluated and awarded based on several factors. These factors are determined during the preparation of the RFP and should be clearly described in the RFP itself. When a project is informally handled, it is equally important to have established evaluation criteria prior to making the initial contacts. This allows the project manager to judge the proposers on an equal basis; it provides a "yardstick" that minimizes arbitrary decisions and helps to provide an objective determination of the proposer most qualified to handle the project.

As per City Code, projects greater than the current informal limit shall have established a proposal evaluation committee to review and score proposals. The evaluation committee should include at least three members, of which one is not a City employee, but is familiar or expert in the particular area of consideration. In certain instances, the Commissioner may waive the requirement of including a member outside City government. Should there be a compelling reason to request waiver of this requirement, the project manager should obtain his or her Commissioner's approval in writing.

G. EVALUATION CRITERIA

Following is a discussion of recommended evaluation criteria used in the RFP process, followed by information on weighting evaluation criteria for specific RFP's. Items marked with a " □ " are required, and all other items are recommended for use in evaluating professional, technical and expert service proposals.

□ • **Compensation Requirements**

Compensation requirements must be used as one criteria in evaluating proposals. Compensation need not be the primary criterion, however. Unlike projects for public improvements, which are awarded based on the low bid that meets the specifications, professional service contracting selection must include an examination of the relative estimated cost of the project against the other evaluation factors.

It is not necessary that a firm, not-to-exceed price be presented in a proposal, particularly if the project is complex, extends over a long period of time, or if the tasks are not yet clearly defined. The request for compensation requirements is included so evaluators can judge whether or not a particular approach is too costly, and if firms with comparable experience are also price competitive. A firm, not-to-exceed contract amount will be negotiated with the successful contractor as the contract must have a fixed limit.

□ • **Experience**

The experience of the firm on similar projects may be a valuable yardstick for their future performance. Is the experience recent, or in the distant past? How similar in size and complexity were the projects to the one presently proposed? References should be requested and checked with care. However, talented and resourceful firms with little relevant experience may bring a fresh approach.

□ • **Expertise**

Expertise differs from experience in that it refers to the qualifications of the individuals to be used on the project proposed. Have their education and training prepared them to adequately perform the required tasks? Is the proposer supplying adequate personnel to fully complete the project in the required period? It is a good practice to request the names, qualifications and background of any people who will be assigned to the project.

□ • **Project Approach**

How well does the proposer understand your requirements? Have they clearly stated their methodology for achieving the goals stated? Can the firm meet your time requirements? This should be an important evaluation criterion with any project. A firm that does not address all the issues clearly in their proposal may not be the best candidate for award.

□ • **Diversity in Employment and Contracting**

The City values diversity in its workforce and in the workforce of those who contract with the City. The City recognizes and appreciates that individuals are different, and that diversity is an advantage. The City encourages, supports and nurtures diversity, and encourages any firm contracting with the City to do the same, maximizing M/W/ESB business participation with regard to all City contracts.

All requests for proposals distributed by City bureaus and offices must contain language stressing the City's commitment to maximizing minority-owned and woman-owned business participation as described in Section E, Diversity in Employment and Contracting Requirements, on page 34.

All businesses should be encouraged to subcontract with minority-owned, woman-owned, and emerging small businesses if subconsulting is necessary. Any preproposal meetings with potential proposers should also be used as forums to reinforce the City's position with regard to M/W/ESB participation in City contracting.

Both the sample advertisement and the General Terms and Conditions samples illustrate this language. Also see the evaluation criteria shown in the sample RFP.

- **Capacity**

Does the firm have the necessary personnel, equipment, insurance, bonding, capital, etc. to successfully complete the project? Are they currently buried under other projects to the point where they cannot devote adequate time to yours? If part of the work will be subcontracted, to whom? It is important to find this out before contract award.

- **Years in Business**

As an evaluation criterion this may be very misleading. A new partnership of experienced personnel may be highly qualified to do the task although they may have just "hung their shingle."

- **Certification**

Are the personnel certified to perform the work? In other words, will engineers be doing the engineering, etc. This may be incorporated into expertise, above.

H. EVALUATION CRITERIA WEIGHTING

Each criterion should be given a point value or weight, and a scale may be developed to help the evaluation committee assign point values to each criteria for each proposal submitted. The RFP should describe the weight given to each criteria. This allows the respondents to tailor their proposals according to the importance given to each criteria. It may be assumed, if values are not shown, that each criterion is of equal value.

The weighting (score value) each criteria receives will be an important factor in the process outcome. The factors most likely to have the greatest impact on successful project completion should be given the most value; therefore, if the project needs a unique approach to solve a particular problem, then "project approach" should carry the most weight. If the approach is not as important as the fact that the professionals carrying out the tasks are very experienced in this endeavor, then "project team expertise" may be valued most.

Each of the evaluation criteria contained in the RFP may require a precise definition in narrative form to indicate what it is and how it will be used. In other words, there should be a description of the standard indicating the desired performance for each criterion. The step-by-step evaluation and scoring procedures which are to be followed to assure objectivity and thoroughness in comparative analysis of the proposals should also be described.

The proposal scores are totaled independently by each committee member, then totaled for the group, for each proposal. Generally, the highest three or four scoring proposers may be given opportunities to present oral presentations to the committee. These presentations are scored and a final total score is decided for each of the remaining proposers. The proposer scoring the highest is then offered the contract. Assuming contract terms can be agreed upon by both parties, the contract is prepared, and, if greater than the informal limit, presented to Council with an ordinance for approval.

Should you require assistance in weighting evaluation criteria on a specific project, please contact the Bureau of Purchases Senior Procurement Specialist at 503-823-5371.

I. BASIS OF AWARD

The criteria described in the RFP as the basis of award in any project should be the only criteria the evaluation committee uses to judge the merits of the respective proposers. For this reason, the project manager should select and describe in the RFP each criterion carefully. The more information the proposer is given with regard to the City's requirements and expectations, the better the proposer can respond to the City's needs. In so doing, the committee will be more capable of selecting the best qualified candidate for the project.

J. PRE-PROPOSAL MEETING

The pre-proposal meeting may be either mandatory or non-mandatory and this requirement will be identified within the RFP. The pre-proposal meeting is held with all prospective proposers prior to receipt of the proposals and is intended to acquaint the proposers with the scope of work, project and project location, technical aspects, restrictions, and deliverables. Additionally, a pre-proposal meeting allows proposers to ask questions, clear up any ambiguities, and ensure that all proposers have the same basis of understanding regarding the proposed project. A draft agenda is provided (see also the Bureau of Purchases website) to aid the bureaus with this process. In the case of the **mandatory** pre-proposal meeting, all proposers will sign in and from this time forward, only those who attended the pre-proposal meeting will be considered for the project and have their proposals reviewed. Since only those who were present at the pre-proposal meeting are the ones submitting proposals, the project manager will be allowed to answer the questions posed during the meeting, although it is highly recommended the questions and responses be recorded. Any clarifications or questions will be forwarded to the proposers as an addendum (see also the Bureau of Purchases website). Conversely, questions posed during a **non-mandatory** pre-proposal meeting will be collected and responses provided in the form of an addendum to assure that all proposers of record receive the same information [note: the draft

agenda for the pre-proposal meeting and addendum forms as found on the Bureau of Purchases website are the only acceptable forms].

K. EVALUATION COMMITTEE RESPONSIBILITIES

The evaluation committee performs a service not only to the project manager, the bureau or office issuing the RFP, but to the general public as well. It is charged with making a fair, unbiased determination of the proposal offering the best solution to the City's problem as described in the RFP.

Evaluation committee members should be chosen with care; knowledge of the subject matter, marketplace, City regulations and common sense are among the qualities committee members should possess. Committee members may come from other City bureaus or offices, other governmental jurisdictions, or the general public. At least one member of the committee must be from outside of City government and have expertise in the particular area of consideration. See City Code Section 5.68.050. Exception to this may be granted only by a Commissioner with a copy of the exception filed with the contract documents.

All evaluation committee members must be made aware of the Evaluator's Statement of Independence and Conflict of Interest Statement when initially asked to participate as an evaluator for the project. Additionally, each evaluator will be required to sign the Evaluator's State of Independence and Conflict of Interest Statement the prior to evaluating the responses to the solicitation. The Evaluator's Conflict of Interest Statement form will be signed by each evaluator for each project in which they are involved [note: the form provided on the Bureau of Purchases website is the only authorized statement for the City of Portland]. Bureaus should note that the same form cannot be used unilaterally for more than one project nor can it be signed by one person on behalf of the entire evaluation committee.

Prior to providing proposal copies to the committee members for scoring, the proposals should first be examined to determine that they meet the minimum requirements stated in the RFP. For example, were adequate copies of the proposal received by the filing deadline? Was there a mandatory pre-proposal meeting or a required letter of intent? Proposers who fail to meet important minimum requirements may be considered non-responsive and disqualified from further consideration. It is important, however, to determine if a submission failure is "material" or "immaterial" to the proposal evaluation.

The evaluation committee members will be provided with standardized scoring sheets listing the evaluation criteria and point value or weight scheme, so that all scores, when combined, provide a fair evaluation for each proposer. Each committee member will evaluate all proposals. If some committee members choose to evaluate only some of the proposals, the entire process can be suspect and could be challenged as being a departure from standard procedures and a breach of trust. As each evaluation committee member sits down to read the received proposals, he/she should have in hand the evaluation criteria as it was presented in the RFP. It is advisable to provide committee members with standardized scoring sheets listing the evaluation criteria and point value or weight scheme, so that all scores, when combined, provide a fair evaluation.

Summary scoring sheets of the committee's decision should be kept for future reference and a copy should be filed with the Bureau of Purchases.

Much of the evaluation will be subjective; that is, each reviewer may have differing opinions on the relative strengths and weaknesses in any given proposal. When costs are compared, however, it is important to objectively rank each proposal relative to the least cost offered.

[e.g., if proposal A estimates total costs at \$10,000, proposal B at \$12,500, proposal C at \$13,000, and proposal D at \$20,000, and the evaluation criteria lists 20 points maximum for compensation requirements, then proposal A would receive 20 points for their cost estimate. Proposal B, (when its cost is divided into proposal A's cost) would receive 80% of the total points available, or 16 points. Proposal C would receive 14 points, (70% of the maximum allowed), and Proposal D would receive 10 points, since its cost is twice that of proposal A.]

This method provides for fair determination of proposal costs relative to one another. Evaluators will take into account the level of services provided for the proposal cost stated when addressing the project approach section of the proposal. The lowest priced proposal may or may not provide the City with the best value.

The objective evaluation method above becomes more difficult when only hourly rates for personnel are provided, and the amount of time required to complete a project is open ended or not estimated. The proposers need as much information as possible to enable them to understand the scope of work and develop technical management and staffing plans in order to develop a viable price proposal. Conversely, the response to this same information provides the evaluation committee a uniform basis for evaluating proposals and considering prices. When a request for proposal asks for potential solutions to a problem that is poorly defined, a proposer may not be able to estimate costs. On rare occasions, the nature of an RFP may be such that costs will not even be considered until all the City's options for solution have been studied. For most RFP's produced by the City, however, the cost evaluation method described here provides an accurate evaluation of relative cost estimates.

L. PROPOSAL CLARIFICATION AND INTERVIEWS

In some instances clarification of certain points in a proposal is necessary. A designated member of the committee should be delegated to contact the proposer for clarification. However, no other additions, deletions, or substitutions should be allowed to the proposals. It is advisable to document all contacts for clarification; all records become public information after contract award and are subject to public review.

Depending upon the number of proposals received, it may be desirable to interview the most qualified candidates for award as determined by the proposal evaluation scores. This is particularly true when more than one candidate appears qualified to carry out the project. In other cases, a single candidate may emerge as clearly the most qualified for the project. "Short-listing:" is the term used to describe the elimination of all but the most qualified candidates. In

most instances, it is appropriate to "shortlist" to the three (if available) candidates most likely to meet the City's requirements.

During interviews, proposers are generally allowed a period of time to deliver an oral presentation of their proposal, followed by questions from the evaluation committee. All candidates should be allowed an equal amount of time for their presentations. It is often helpful to have a list of questions prepared beforehand, or at least an outline of areas to be covered in the questioning process. Interviews are generally scored similarly to the written proposals, and, after deliberation on the part of the evaluation committee, a single proposer is selected as the most qualified candidate to perform the work.

M. NOTIFICATION OF AWARD AND PROTESTS

Once the committee has reached consensus on the award, all proposers should be notified of the committee's decision. Proposers not awarded the contract may wish to review the selection procedures and scoring. They should courteously be given the opportunity to come in and review the other proposals that were submitted, as well as the final score sheet showing points awarded on the various criteria in the RFP. All proposal documents are considered public record and can be viewed by anyone after a contract has been awarded (proprietary information designated by the proposer as a trade secret does not become public record). Allowing small firms to view successful proposals helps them to understand the process and how to improve their future submittals.

Occasionally, proposers who are dissatisfied with the outcome of a PTE selection process may protest the City's decision. Protests are to be filed in writing to the bureau issuing the RFP within seven (7) days of the City's announcing the awarding of a contract. If the RFP was issued by Purchasing on behalf of the bureau, the protest should be directed to the Bureau of Purchases.

Protests should specifically state the reason for the protest, which should address a perceived breach of State law, City Code, or a deviation from the award criteria stated in the RFP. Each protest will be handled fairly and evaluated by the City based upon the merits of the protest.

The bureau receiving the protest must respond in writing within seven (7) days of receipt of the protest. Until the protest has been resolved or a final determination made by the bureau, the contract award process will be put on hold. If it is determined that proper procedures have not been followed by the evaluation committee, it may be necessary to correct or amend the award decision.

Valid protests are those that identify a breach of City Code or state law, point out inconsistencies within the RFP, or clearly show discrimination or severely limit competition. Protests that center around the results of the evaluation committee deliberations are generally not viewed as valid grounds for protest, unless it can be shown there was clearly a departure from the evaluation process as described.

If the protesting firm is dissatisfied with the bureau's response to their protest, they have the option of appealing the award decision to the Bureau Director and/or the City Council. Generally, PTE contracts under the formal amount are approved by the Bureau Director and contracts over the formal amount are approved by Council. Each week, the City Council normally approves PTE contracts on their consent agenda. It is the right of any vendor or citizen to address the Council at these public meetings and voice their concerns about a particular project or contract.

If questions arise during a PTE protest, the Bureau of Purchases can serve as a resource, even if Purchasing was not involved in the RFP process. The Senior Purchasing Specialist, Willette Rasumussen is experienced in handling procurement protests and may be reached at 503-823-5371.

N. CONTRACT ADMINISTRATION

Contract administration is a critical function in the PTE contracting process. The City needs to ensure that the contracted services are in fact being received, and that the services are of the necessary quality. In short, the bureau needs to make sure they are getting what they are paying for.

The contracting bureau is responsible for administering the contract. This includes monitoring the performance of the contractor, approving payments, processing amendments and resolving any problems with the project.

Once a contract is awarded, the City Auditor will issue a contract number for tracking purposes. This contract number is used by Purchases to encumber the contract funds that the bureau pays against.

Most contracts for PTE services are given a "not-to-exceed" dollar amount. This contract amount is normally based upon the contractor's proposal and includes all of the costs the City expects to incur on the project. As a rule, payments to the contractor are made in increments based on the amount of work completed, as described in the Scope of Work portion of the contract. The amount paid on a contract should be roughly equivalent to the amount of work completed to date, so if you have paid 50% of funds to the contractor, the work should be about half completed.

It is the responsibility of the bureau project manager to monitor the work progress of the consultant and ensure that the work is being completed on schedule. The project manager also needs to make sure that timely payments are being made to the consultant, and that no problems have arisen that will require changes to the Scope of Work, dollar amount, or contract length. If unforeseen issues do arise, the project manager will then be in a position to properly initiate changes to the contract through an amendment process.

Contracts written for more than the informal limit must be approved for funding through the ordinance process, indicating dollar limit and providing allowance for extensions in length of

contract and increases in value that may be expected to occur during the course of a contract. Any change beyond what is allowed by the ordinance and the original contract's scope of work requires an amendment to the contract and approval by ordinance. The project manager is responsible for ensuring that language contained in the additional scope of work does not conflict with information contained in the original document. The parties who signed the original contract are expected to sign the amendment.

Again, administering the contract once it is awarded is a very important part of the contracting process. The project manager, by monitoring the contractor's progress and dealing proactively with any problems or issues, can help ensure the project is completed on time and on budget.

O. ETHICS

Ethics are always a consideration when contracting for goods or services on behalf of the City, and PTE services are no exception. Bureau personnel should be aware of the Code of Ethics in Chapter 1.03 of the City Code. Ethics refers to the principles of conduct and behavior that all City employees must follow. Ensuring that the public trust is being served, that all vendors are treated fairly and equally, and that City employees are not to receive personal benefit from their position are a few of the major considerations. Accepting gifts from vendors or showing favoritism should always be avoided. Additionally, City Code prohibits the award of contracts to businesses that are owned by City employees. Even the appearance of impropriety can be damaging, so bureau personnel should strive to conduct their PTE contracting activities with the highest degree of integrity.

VII. VARIATIONS ON THE COMPETITIVE SELECTION PROCESS

A. REQUEST FOR QUALIFICATIONS (RFQ)

In certain complex, multi-phase projects that will require substantial work on the part of the proposers to submit accurate, competitive pricing or when the primary emphasis is the consultant's qualifications, the Request for Qualifications (RFQ) may be used. When the marketplace provides many potential providers and the project requires a high level of special expertise, you can reduce the number of proposals by first offering a Request for Qualifications. This method is commonly known as the two-step, or multi-step competitive sealed proposal method [note: the RFQ form found on the Bureau of Purchases website is the only acceptable form].

The RFQ limits responses to a firm's experience and expertise within the field of work required. Responses are evaluated and scored, and only firms scoring above a certain preset level, or a specified number of firms are given the opportunity to present a proposal. In most cases, an RFQ is only the first step in a two-step process; once the number of qualified firms has been determined, these firms are then invited to submit proposals for the specific project. An RFP is then prepared and the normal RFP procedures are followed [note: the RFP form found on the Bureau of Purchases website is the only acceptable form].

With this method, the RFQ contains much of the same information as the RFP, with the exception that a price proposal is not requested from all proposers. Rather, the evaluation criteria described in the RFQ is used to determine a "short list" of candidates scoring above a pre-determined minimum level of acceptance. Those candidates are then requested to prepare and submit price proposals due on a specific date. The price proposals are opened and evaluated, and used along with the original criteria scores, to determine the most advantageous proposal to the City.

B. THEME AND VARIATION: THE QBS/RFQ

Effective in July, 2002, a new type of Request for Qualifications process was added to the tools available to the City bureaus. This is the Qualification Based Selection specifically designed for projects requiring the services of registered engineers, architects and land surveyors, projects using federal highway dollars or those in excess of \$400,000 AND with 35% or more of the total dollars being State funded. While the Qualification Based Selection (QBS) process is designed for specific professional services contracts, it does not preclude City bureaus from utilizing this process for those projects under \$400,000. The QBS process is a multi-step competitive sealed proposal process that allows the agency to make a selection of one consultant based upon their

qualifications and identifies the bureau as having sole discretion in determining the selection criteria to be used as appropriate for the project.

The first part of the QBS/RFQ utilizes the basic RFQ process with the main tenant being the selection based upon consultants qualifications to perform the requested work. The proposers pricing policies and fees are NOT to be used as criteria for selection during this first step. This process allows for a fairly generic work statement or scope of work for the project but necessitates the bureau spend quality time developing the evaluation and selection criteria. The evaluation and selection criteria may include such information as experience with similar projects, past performance (check references), quality and cost control for past projects, other work load, organizational structure or ability to do the work without major surprises. **NO CONTRACT MAY RESULT FROM THE FIRST STEP OF THE RFQ PROCESS.**

Following the selection of the most qualified consultant, the bureau and consultant collaborate to refine the project objectives, develop a detailed project scope and then negotiate the project schedule, costing and other factors. If the City and most responsible consultant cannot agree on a level of consideration that is fair and reasonable to the agency, negotiations will be formally terminated. The City may then begin negotiating an contract with the second ranked candidate, and so on, until a contract is reached or the solicitation is terminated. A NOTE OF CAUTION: bureau personnel are prohibited from “shopping” between proposals, that is, using the pricing or other proposal criteria of one proposer against another in any of their negotiations. Once negotiations have been terminated with the first proposer and moved to the second, the negotiations with the first proposer cannot be reopened or re-evaluated.

C. REQUEST FOR STANDARD SERVICES (RFSS)

One of the most common complaints heard regarding the PTE process in the City is that the informal process must be followed for each and every small professional service purchase, regardless of the dollar amount to be expended. Often, bureaus have frequent requirements for an architect, engineer, or other professional to perform a small task. Spending the time to obtain proposals from three firms for a \$1,000 job is an inefficient use of City resources when it is required to be repeated over and over again. Purchases has developed a methodology to relieve City bureaus from this time consuming, and inefficient process: *the Request for Standard Services*.

The process begins with an analysis of the bureau's repetitive small PTE task requirements. For example, the Bureau of General Services often requires the use of an outside space planner to perform an analysis of a floor or office in the Portland Building. BGS worked with the Bureau of Purchases to define approximately how often these services are required in a year, and what the average cost of these services would be. Because the need for these services was frequent, it was determined that the RFSS process would be beneficial to the bureau:

[e.g., A special-format Request for Qualifications developed by the Bureau of Purchases was advertised and mailed to dozens of space planners. Numerous responses were submitted and each was evaluated based on criteria detailed in the

RFQ. The responses were ranked, and approximately eight firms were awarded contracts to provide services-as-required. These firms are called on a rotating basis to complete these frequent small tasks. The contracts are set up so that they have a specific maximum dollar amount. As each job is identified, the firm next on the list provides a cost estimate for the work based upon the rates they provided in their RFSS proposals. The bureau has the option of declining the proposal and going to the next firm on the list should the cost estimate appear excessive.]

Several bureaus within the City currently have RFSS processes set up for architectural, engineering, space planning, and other similar types of services for frequent, small dollar volume projects. It should be noted that when larger projects arise, or more complex type of work is needed, a separate RFP should be let. For more information on the RFSS process, contact the PTE liaison in the Bureau of Purchases. That person will be happy to assist your bureau in this process.