

A red rectangular box containing the text "City Seal" in red font, serving as a placeholder for the official seal of the City.

Administrative Policies & Rules  
ARB -ADM-1.05

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## **Professional Technical and Expert Services Manual**

### **INFORMATION & GUIDELINES - CONTRACTING FOR PROFESSIONAL, TECHNICAL AND EXPERT SERVICES (PTE)**

*Administrative Rule Adopted by Bureau Pursuant to Rule-Making Authority*

Please select a section from the list below or browse the entire document:

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#### ***Section 1 - Introduction***

Professional, Technical and Expert Services (PTE) are the general responsibility of individual City bureaus and offices. This manual is published as a guide to assist City staff in managing successful PTE procurements. The manual has been substantially redesigned and is now shorter and more focused. Checklists have been developed for each category of PTE procurement. Examples of standard forms for advertisements, standard terms and conditions, requests for proposals, M/W/ESB outreach, worksheets and final contracts are included.

Following these checklists, examples, and methods should make PTE procurements relatively simple, as well as provide City-wide standards for PTE contracting. The Bureau of Purchases is available to assist individual City bureaus and offices with professional service procurements at any time. This includes handling the actual procurement process for bureau project staff who wish to devote time to non-procurement matters.

With a standardized approach to PTE contracting, potential contractors can more easily respond to RFP's from various City bureaus. Firms can better understand our rules and processes, as well as our commitment to increased business opportunities for minority-owned, woman-owned and emerging small businesses (M/W/ESB).

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

Bureau of Purchases Intranet address: <http://www.purchasing.city>

Bureau of Purchases Internet address: [www.ci.portland.or.us/purchase](http://www.ci.portland.or.us/purchase)

Professional, Technical and Expert Services (PTE) manual, and forms contained in this manual - <http://www.purchasing.city/intra/pte.htm>

Equal Employment Opportunity certification information:  
<http://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](http://www.cbs.state.or.us/external/omwesb)

City Code Title 5 - <http://bpc.iserver.net/codes/portland>

Current formal amount for formal bids, set annually by City Auditor - <http://www.purchasing.city/intra/bigtk.htm>

Sue Klobertanz, Purchasing Director

Jefrey L. Rogers, City Attorney

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## ***Section II - Definition 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.”

- Types of services not listed here may also be considered PTE. The Purchasing Agent will make such determinations on a case-by-case basis.
- PTE services are frequently (but not always) services that are to be performed by licensed professionals.

- If the work in your contract does not sound like PTE services, and it is over \$5,000, then you should work with the Bureau of Purchases to produce a regular services contract. Procurement of non-PTE services is governed by City Code Title 5, ORS Chapter 279, and City Purchasing Rules, and falls under the authority of the Purchasing Agent.
  - Questions? Contact the PTE Contract Liaison in Purchasing at 823-6852 (Craig Johnsen), or the Contracts Project Manager in the City Attorney's Office at 823-4399 (Dennis Harper).
  - Individual City bureaus and offices may handle procurement of their PTE services, however, the Bureau of Purchases and the City Attorney's Office can assist you. The Bureau of Purchases has trained purchasing professionals who are familiar with government purchasing techniques, policies, rules and regulations. They can answer your questions and handle the contracting process for you, assist you with drafting the request for proposal, advertise, solicit and accept proposals on your behalf, and guide you through contract negotiations.
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### ***Section III - Overview of Contract Categories, Amounts & General Requirements***

#### **A. THE TYPES OF PTE CONTRACTS**

There are three categories of PTE contracts, each with different forms and/or procedures, based on the amount of the contract. The following is a brief overview, but not a complete description. Please refer to the checklists in Section IV for detailed information.

##### **PURCHASE ORDER - \$5,000 or Under**

The standard purchase order may be used as the contract for professional services when the total dollar amount is \$5,000 and under. Purchase orders are issued and encumbered through the Bureau of Purchases. The Model Agreement for PTE Services may still be used for the contract, but the request for payment can be processed through the IBIS system, where a purchase order number will be generated as the contract number. Please note that Limited Purchase Orders (LPO's) cannot be used for PTE services.

Bureaus are expected to contact a least three vendors, compare offers between different consultants, rotate opportunities among different companies, and target opportunities to available minority-owned, woman-owned & emerging small business (M/W/ESB) firms. The PTE Worksheet is required and is 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.

##### **INFORMAL - Over \$5,000 Up To Amount Set Annually By Auditor (currently \$19,806)**

At the “PTE Informal Process” level, using a Request For Proposal (“RFP”) is desirable but not always necessary. Written offers should be solicited from at least 3 vendors, at least one of which should be an M/W/ESB firm, if available. The Model Agreement for PTE Services shall be used. The contract and PTE Worksheet must have a Bureau Director or Commissioner's signature.

### **FORMAL - Over Amount Set Annually By Auditor (currently over \$19,806)**

The formal process is required for professional services over the informal limit . An RFP must be issued and advertised for a minimum of 3 days or more. 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 contract must be authorized by ordinance and signed by the Mayor & the Auditor. An ordinance is required to authorize a “sole source” contract if special conditions supporting sole source are met. The Model Agreement for PTE Services shall be used for these projects.

## **B. THE BASIC WRITTEN CONTRACT**

Depending upon the amount and category above, your basic written contract will be either:

(1) a Purchase Order (clearly stating scope of work or with details attached)

OR

(2) a Model PTE contract (online at <http://www.purchasing.city>)

## **C. OTHER NECESSARY DOCUMENTS**

Accompanying the purchase order or Model PTE Contract form will be some, or all, of the following documents and information (instructions and examples are included in sections III-V):

(1) Workers Compensation insurance certificate OR complete Section C of Exhibit B to Contract, "Independent Contractor Certification Statement" (always required)

(2) General, Auto, Professional Liability insurance certificate(s)  
(required in most cases)

(3) Business License  
(must be provided unless the contractor is exempt from needing one)

(4) PTE Worksheet - filled out by project manager/signed by bureau director  
(required for all PTE purchases)

(The worksheet form provided in this manual is the only acceptable version.)

AND, if formal process is used:

(5) Request for Qualifications, or

(6) Request for Proposal, or

(7) Request for Standard Services

*The preceding documents are available for downloading at [www.purchasing.city/intra/pte.htm](http://www.purchasing.city/intra/pte.htm)*

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#### ***Section 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. \$5,000 AND UNDER CHECKLIST**

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 # is in IBIS through accounts payable -- EEO & insurance may be checked at <http://www.purchasing.city/intra/eo.htm>) [ ]

Work with contractor to meet requirements [ ]

Submit Vendor Master Update form to A/P if vendor number needed [ ]

6. OBTAIN BUREAU MANAGER'S/COMMISSIONER'S APPROVAL, 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

60 or 30-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 strongly encouraged (Can be downloaded from City intranet at <http://www.purchasing.city>) [ ]

*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 & 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 & 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 by Internet at [www.cbs.state.or.us/external/omwesb](http://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 [ ]

Look up at <http://www.purchasing.city/intra/eo.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 CONTRACT DOCUMENTS: [ ]



Model Agreement for PTE Services (May be downloaded from City intranet at <http://www.purchasing.city>) [ ]

Select optional provisions on Page 4 of the Model Agreement for PTE Services [ ]

Fill out Contractor's Scope of Work and Payment Schedule (see instructions with Model Agreement for PTE Services for 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 manager or Commissioner

(The worksheet form that is 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 [ ]

~ 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

60 or 30-day cancellation notice

City listed as certificate holder

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

12. OBTAIN CONTRACTOR'S SIGNATURE ON FINAL CONTRACT [ ]

13. OBTAIN CITY ATTORNEY'S APPROVAL ON FINAL CONTRACT [ ]

14. OBTAIN OTHER CITY SIGNATURES AND FILE WITH AUDITOR [ ]

Purchasing and Auditor must receive copy of PTE Worksheet, contract, and insurance documents.

(The worksheet form that is provided in this manual 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 CONTRACT

PROCESSING 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 strongly encouraged

(Can be downloaded from City intranet at <http://www.purchasing.city>)

*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 & 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. 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 [ ]
- 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 [ ]

Look up at [www.ci.portland.or.us/purchase](http://www.ci.portland.or.us/purchase) 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 CONTRACT DOCUMENTS: [ ]

Model Agreement for PTE Services (Can be downloaded from City intranet at <http://www.purchasing.city>) [ ]

Select optional provisions on Page 4 of the Model Agreement for PTE Services [ ]

Fill out Contractor's Scope of Work and Payment Schedule (see instructions with model form for 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 manager or Commissioner

(The worksheet form that is provided in this manual is the only acceptable version.)

*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

*Auto Liability Insurance* [ ]

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

*Professional Liability insurance* [ ]

Coverage amount in accordance with contract  
60 or 30-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 CONTRACT OR ORDINANCE IF NEEDED [ ]

12. OBTAIN CONTRACTOR'S SIGNATURE ON FINAL CONTRACT [ ]

13. OBTAIN CITY ATTORNEY'S APPROVAL ON FINAL CONTRACT [ ]

14. WRITE/FILE ORDINANCE FOR COUNCIL APPROVAL [ ]

Purchasing and Auditor must receive a copy of PTE Worksheet, contract, and insurance documents

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

[ ]

16. NOTIFY CONTRACTOR TO BEGIN WORK AFTER CONTRACT ? PROCESSING IS

COMPLETE [ ]

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### *Section 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 requires that compensation requirements of a contractor shall be one of the elements evaluated in the selection process. In addition, all contracts must contain a maximum, not-to-exceed total compensation amount within the agreement.

**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 to 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 K, Notification Of Awards & Protest](#) on page 35 for guidelines to follow on protests before and 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 are not subject to competitive bidding requirements. However, IGA's must be approved to form by the City Attorney and authorized by Ordinance.

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

No. Ordinance 167191, passed 12/16/93, exempts medical exam services from the RFP process.

**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.

(The worksheet form that is provided in this manual is the only acceptable version.)

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

Yes. 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 contractor may be selected without following these requirements, but the bureau or responsibility unit so selecting shall report its action to the City Auditor." This is reported on the PTE Worksheet.

**10. 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.

***Purchasing -***

Craig Johnsen 823-6852 (Email: Johnsen, Craig or PUCRAIG)

Carol O'Reilly 823-5057 (Email: O'Reilly, Carol or PUCO)

Receptionist 823-5047 Fax: 823-6865

***City Attorney -***

Dennis Harper 823-4399 (Email: Harper, Dennis)

Receptionist 823-4047 Fax: 823-3089

**11. 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 package is 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 Model 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

**12. 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.

**13. 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 Model Agreement for PTE Services. Workers Compensation 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.

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## ***Section VI - Other Information***

### **A. REQUEST FOR QUALIFICATIONS (RFQ)**

In certain complex, multi-phase projects, or in projects that will require substantial work on the part of proposers to submit accurate, competitive pricing proposals, another method may be used for proposal solicitation. This method is commonly known as the two-step, or multi-step competitive sealed proposal method.

With this method, the RFQ contains the same information as the single-step 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. REQUEST FOR PROPOSAL (RFP)**

## **DEVELOPING THE RFP (REQUEST FOR PROPOSAL)**

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 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.

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 (RFQ). 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. A sample RFQ is included in this manual.

Note that in most cases, an RFQ is only the first step in a two-step process; once the number of qualified firms has been decided, these firms are then invited to submit proposals for the specific project. An RFP is prepared and the normal RFP procedure is followed. (A sample RFP is included in this manual.)

### **STEP ONE: 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.

### **STEP TWO: 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 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 counted, 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>

You may also contact the Bureau of Purchases for assistance, 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 (we currently use the Daily Journal of Commerce) for three consecutive days. Project announcements may also be placed in other publications, such as The Scanner, 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.

### **STEP THREE: 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 proposers have been certified as an Equal Employment Opportunity (EEO) employer prior to submission of the proposal (see statement regarding EEO certification on General Instructions and Conditions). 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 (Refer to Section F, EVALUATION CRITERIA, for a detailed discussion on 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

## DEVELOPING A SCOPE OF WORK

Of all the items listed above, the "scope of work" is, of course, 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.

## **STEP FOUR: 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 consecutive days. 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 final selection.

## 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.



**Example:**

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.

**D. 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:

**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.

#### **■ M/W/ESB Notification/ Outreach**

- 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, 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.

- **Followup**

- 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.

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

## ■ **M/W/ESB Notification/ Outreach**

- Obtain list of certified M/W/ESB firms from State certification list, or other source, by categories consistent with anticipated subconsulting 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, Skanner, Oregonian, 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.

## ■ **Followup**

- 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.

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 project 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.

## **E. 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.

## **F. 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 & 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 D, Diversity in Employment and Contracting Requirements, on page 28.

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.

## **G. 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 Sample RFP shows an example of carefully defined evaluation criteria for a particular project.

The proposal scores are totaled by each committee member independently, 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 PTE Procurement Specialist at 823-6855.



## **H. 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.

## **I. EVALUATION COMMITTEE RESPONSIBILITIES**

The evaluation committee performs a service not only to the project manager and 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.

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 preproposal meeting or a required letter of intent? Proposers that fail to meet important minimum requirements may be considered nonresponsive and disqualified from further consideration. It is important, however, to determine if a submission failure is "material" or "immaterial" to the proposal evaluation.

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 Purchasing.

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. For example, 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. 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.

## **J. 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. "Shortlisting:" 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.

## **K. NOTIFICATION OF AWARD & 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 notification of award. 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 determination has been 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.

Protests on specifications should be addressed to the project manager or 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 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 (Exhibit D). The addendum must be sent in time to reach potential proposers prior to the proposal deadline.

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. PTE contracts under the formal amount are normally 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 PTE Contract Liaison in the Bureau of Purchases is experienced in handling procurement protests and can be reached at 823-6852.

## **L. 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 Purchasing 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 contractor 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 contractor, 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.

## **M. ETHICS**

Ethics are always a consideration when contracting for goods or services on behalf of the City, and PTE services are no exception. Bureaus 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 need to 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 bureaus should strive to conduct their PTE contracting activities with the highest degree of integrity.

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## ***HISTORY***

Submitted for inclusion in PPD November 21, 2002.

Originally adopted by Bureau of Purchases and Office of the City Attorney April 2000.

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