

May 25, 2022

# Supply Chain Emergency Ordinance





# Agenda

- Supply Chain Shortage Impacts
- Code Change Request
- Rationale for Request
- Vendor Diversification
- Report to Council

# Supply Chain Shortage Impacts

- Primarily impacting Infrastructure Bureaus but felt citywide.
- Existing Vendors under contract are unable to meet supply demands.
- Examples include:
  - Steel Pipes
  - Technology Purchases (laptops, docks, monitors, etc.)
  - Chemical Supplies
  - Light Poles/Bollards
  - Housing Materials
  - Vehicles and Parts

# Code Change Request

Change to PCC 5.33.130 – Emergency Procurements:

- Increases the Chief Procurement Officer's (CPO) authority for Goods purchases from \$150,000 to \$500,000.
- Will require Bureau Director approval and CPO concurrence.
- Temporary through June 30, 2023

# Rationale for Request

- Materials costs have dramatically increased and are no longer able to be procured under the existing CPO authority amount.
  - Year-to-Year examples (source, US Bureau of Labor Statistics, PPI Commodity Data, as of Dec 2021)
    - Metals – 90.3% increase
    - Lumber – 39.8% increase
    - Chemical Supplies – 36.7% increase
- Due to the supply chain issues, many vendors will not release or deliver materials until a fully executed agreement is in place.

# Vendor Diversification

- Most Goods purchasing in the City happens with large national or international vendors because of their ability to provide at scale.
- Smaller purchases (<\$500,000) particularly ones for emergencies are more likely to be sourced from local vendors, Minority, and Women-owned businesses.
- Bureaus will be required to document outreach efforts to Minority or Woman-owned business if they wish to execute an agreement under this expanded authority.

# Report to Council

- On or before April 1, 2023, the CPO will make a report to Council which provides the following:
  - A list of all agreements executed under this increased authority;
  - Demographic information on awarded firms, including place of business, COBID or other alternative certification status at the time of award, and amount awarded; and
  - A recommendation of if the authority should be extended due to continued supply chain issues.