

*Information and Guidelines
for City Bureaus, Departments and Offices*

CITY OF PORTLAND PURCHASING MANUAL

Obtaining Goods, Construction and Personal Services



City of Portland, Oregon
Bureau of Purchases

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Revision January 2001

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SECTION ONE

GENERAL INFORMATION

I. INTRODUCTION

Purchases of goods and services by City bureaus are made in accordance with State law, City Ordinances and established policies. This Manual is intended to assist City employees in carrying out this responsibility and to provide procedures for all types of purchases. There may be more than one method to procure a good or service and all City employees are encouraged to work with the staff of the Bureau of Purchases to determine the best method for any procurement.

Procurement Division staff in the Bureau of Purchases are professionals with extensive training in procurement methods, knowledgeable about state and local procurement laws and rules and are considered the City's purchasing experts. Involvement of the procurement staff early in the procurement process will save your Bureau time and effort. A listing of procurement staff may be found in the Bureau of Purchases intranet web page at www.purchasing.city/intra/staff.htm.

Public agencies are not permitted to acquire goods and services in the same way as private corporations. Instead, the purchasing process is designed to show the public that public funds are spent wisely and fairly, and at the least possible cost.

State law and City policy also requires the City to meet environmental, societal and social objectives when spending public dollars. For example, the city is encouraged to use recycled materials and otherwise reduce the negative impact of public purchases on the environment, and to provide economic opportunities to minority, women-owned and emerging small businesses.

Generally, all goods and services must be procured after advertising the need for products and services, and by awarding a contract to the lowest responsive, responsible bidder. A *responsive* bidder is one who has complied with all the requirements found in the bid solicitation document and agrees to be bound by its terms and conditions (PCC 5.33.010.53). A *responsible* bidder is one who has the ability to provide the material, equipment or service as required by the solicitation document (5.33.010.52).

In determining the lowest bid, the City may take into account factors such as life-cycle cost (total cost of ownership), early payment discounts, and other factors. The City may not, however, use subjective evaluation factors to award a contract, unless an exemption exists that permits their use. (A discussion of alternative contracting methods is found in Section Two, Chapter X. Alternative Contracting Methods).

Bidders are not eligible for an award of a contract unless they are registered with the City of Portland as an Equal Employment Opportunity (EEO) employer, unless the award amounts to less than \$2,500 in any calendar year. Bidders may become certified as EEO employers by contacting the Bureau of Purchases and filling out an EEO certification form.

This Manual is divided into the following sections:

- I. General purchasing information.
- II. A description of the most common types of purchasing methods used in the City and step-by-step checklists.
- III. A glossary of purchasing definitions.
- IV. Samples of common forms and documents used in public procurement procedures. Many forms are found on the Bureau of Purchases web page.

This Manual is intended to be a basic guide to assist all City employees with the purchasing process. It is not designed to answer every question that may arise. Nothing in this Manual limits the Bureau of Purchases' authority to act in accordance with state law or City Code or policy. Similarly, nothing in this Manual takes precedence over those requirements. Finally, nothing in this Manual is intended to limit any authority an individual Bureau may have.

The web page, rather than this Manual, will have the most up to date information.

NOTE: Procedures for contracting Professional, Technical and Expert Services are not covered in this manual. Complete information on PTE purchasing can be found at the Bureau of Purchases' Intranet web page, by going to www.purchasing.city/intra/pte.htm.

II. FAIR CONTRACTING STRATEGY

In February 1994, City Council approved the Fair Contracting and Employment Strategy. The Strategy established policy to improve construction contracting and employment opportunities for minority, women-owned and emerging small businesses. The strategy calls for the City to “achieve race and gender parity in the amount it spends to procure goods and services by awarding contracts to a diverse and competitive group of local contractors while providing significant employment opportunities to minorities and women”. Major elements of the strategy, which is revised from time to time, are summarized below.

Good Faith Efforts

Construction contracts estimated to cost more than \$200,000 require bidders to perform a good faith effort (GFE) to provide sub-contracting opportunities to State certified minority, women-owned and emerging small businesses. Bureaus are required to identify sub-contracting opportunities in their specifications. The Bureau of Purchases will determine if the contractors have complied with the good faith effort requirements.

Workforce Training and Hiring

Any bidder awarded a construction contract over \$200,000 and any subcontractor with work totaling more than \$100,000 on that contract must be a State-registered training agent and provide apprenticeship opportunities to minority and women apprentices.

Sheltered Market Program

City Council has authorized up to one-half of the City's construction contracts estimated to cost between \$50,000 and \$200,000 to be bid first through Sheltered Market Program registered firms. These firms have been prequalified through the City's prequalification process and are accepted into the Sheltered Market Program based on their status as a Certified M/W/ESB with maximum gross earnings of \$1M per year. Firms in the program are eligible to bid on SMP contracts for a three-year period. After three years their participation in the program is reviewed and the firms are either graduated from the program or re-enrolled. Contracts with federal funding and LID contracts are not bid in the Sheltered Market Program at this time.

III. CITY OF PORTLAND'S PURCHASING AUTHORITY, RULES AND POLICIES

State law found in Oregon Revised Statutes Chapter (ORS) 279 governs the procurement process for public entities. In addition, the City has adopted additional rules located in Portland City Code (PCC) Chapter 5.33. PCC Chapter 5.33 may be found on the City's web page at www.ci.portland.or.us. Published copies of the code are also available from the City Auditor's Office.

The State of Oregon and the City of Portland have established *policies* that affect public purchasing. Following each policy is the City Code reference point(s).

- 1. Purchasing from City employees:** The City will not purchase any goods or services from City employees unless City Council specifically authorizes the purchase or the purchase is necessary during a state of emergency and the Mayor approves of the purchase. This prohibition includes purchasing any goods or services from any business in which a City employee is associated as a director, officer, owner or employee, or any corporation in which a City employee owns or has owned 10 percent or more of any class of stock at any point in the preceding calendar year. (PCC 5.33.050.A, 5.33.060.A)
- 2. Purchasing goods and services from Qualified Rehabilitation Facilities:** The City will assist QRF's by identifying opportunities and assisting bureaus to contract with QRF's for any goods or services offered by the QRF's. Temporary personnel services, janitorial services, and products such as safety vests and first aid kits are just some of the available contracting opportunities. (PCC 5.33.050.B, 5.33.060.B)
- 3. Purchasing recycled materials and products:** The City will promote the purchase of products made from recycled materials and the recycling of waste materials. A price preference will be considered in the purchase of materials and supplies manufactured from recycled materials. (PCC 5.33.050.C, 5.33.060.C)
- 4. Purchasing recycled oil products:** The City will not exclude recycled oils when purchasing lubricating and industrial oils. (PCC 5.33.050.D, 5.33.060.D)
- 5. Purchasing retreaded tires:** The City will use retreaded tires on the non-steering wheels of City vehicles (with exceptions). (PCC 5.33.050.E, 5.33.060.E)

Brand Names: City Code prohibits the purchase of goods strictly by specific brand name. However, in practice, it may be difficult to describe a certain item without using a brand name or manufacturer. In this case, it is permissible to add the words "or equal" as long as this practice is not used to limit choice to one producer or is not used to avoid writing specifications. (PCC 5.33.110.D)

IV. AUTHORITY AND RESPONSIBILITIES OF THE CITY COUNCIL

ORS Chapter 279 authorizes the City Council to (ORS 279.055):

- Act as the local contract review board
- Adopt local purchasing rules
- Exempt specific projects from some of the competitive bidding requirements of ORS Chapter 279 (ORS 279.015)

In addition, City Council may delegate its authority in accordance with City practices. City Council has delegated to City Appropriation Unit managers the authority to issue limited purchase orders (LPO's) for single purchases not to exceed \$5,000 for the purchase of materials and services, with the exception of Professional, Technical and Expert (PTE) services. Appropriation Unit managers may also be provided with the use and management of procurement cards within their units for single purchases not to exceed \$5,000.

V. AUTHORITY AND RESPONSIBILITIES OF THE PURCHASING AGENT

The City of Portland Purchasing Agent is authorized to (*PCC 5.33.030*):

- Advertise for bids or proposals without specific authorization from City Council, when the proposed purchase is within the current fiscal year budget.
- Award and execute contracts for amounts not exceeding \$500,000. For amounts over \$500,000, the Purchasing Agent will make a recommendation to City Council for award.
- Authorize final payment on contracts if the final contract amount does not exceed 125% of the original contract award provided the total contract does not exceed \$500,000.
- Adopt forms, procedures and administrative rules for all City purchases, regardless of amount.

VI. AUTHORITY AND RESPONSIBILITIES OF CITY BUREAUS

- Appropriation Unit managers have been delegated the authority by the Purchasing Agent to issue limited purchase orders (LPO's) for single purchases not to exceed \$5,000 for the purchase of materials or services that are not professional, technical or expert services.
- Appropriation Unit managers may be provided with the use and management of procurement cards within their units for single purchases not to exceed \$5,000, or to levels smaller than \$5,000.
- Bureaus are required to follow the purchasing procedures that are described in this manual for all City procurements.
- Bureaus must clearly determine and define their procurement needs, and to distinguish between requirements and preferences.
- Provide the Bureau of Purchases all available information on costs, service history, other costs to your bureau and any information or experience with vendors.
- Schedule adequate time to allow the purchasing process to be performed correctly.
- Ensure that a project is appropriately funded before the purchasing process is carried out.
- Provide the Bureau of Purchases with adequate plans, specifications and all other information that may be required to carry out its function.
- Ensure that all its employees are trained and knowledgeable regarding the City's purchasing procedures.
- Prepare findings and submit to the Bureau of Purchases all requests for exemptions to public purchasing requirements.
- Maximize contracting opportunities for minority-owned, women-owned and emerging small businesses.

NOTE: All City employees are encouraged to provide comments and evaluation to the Bureau of Purchases on these procedures and planned rule changes at all times.

VII. PAYMENT AUTHORIZATIONS

The Payment Authorization is used for the following categories of payments:

- Payment of taxes, liens and similar obligations
- Transfer or investment of City funds and repayment of loans or bond maturities and interest
- Reimbursement of the petty cash account for the Police Bureau (evidence procurement)
- Payment for hospital services, ambulance services, refunds and other expenditures where payment without approval of the Purchasing Agent is authorized by City Code
- Payment of newspaper, magazine subscriptions and books under \$5,000
- Payment of insurance
- Organization dues and memberships under \$5,000
- Seminars and conferences

The Payment Authorization form should be signed by an authorized person and sent through the Bureau's Accounts Payable department. Additional information regarding the Payment Authorization may be provided by Accounts Payable.

This manual is concerned with City Purchases that are not handled by a Payment Authorization.

VIII. THE FORMAL BID THRESHOLD

There are numerous mentions in this manual to “informal” and “formal” purchases. The City Charter and Code exempt purchases below the formal bid threshold from some of the competitive bidding requirements of state law. The formal bid threshold changes each year based on changes of the Consumer Price Index. Purchases for goods or services in amounts totaling less than the set formal bid threshold are commonly referred to as “informal purchases”.

IX. PROTEST PROCEDURES

Bidders are permitted to challenge the City’s decision to award a contract. PCC 5.33.320 and 5.33.350 describe in detail the protest and appeal procedures when a bid process is officially protested.

A bidder has seven (7) days from the issuance of the notice of intent to award to file a bid protest. The protest must be filed in writing to the Purchasing Agent and must specify the grounds upon which the protest is based. A valid protest must 1) come from an actual bidder or proposer for the contract, and 2) who claim to be the rightful awardee. That is, a protest is not valid if filed by a bidder who cannot show they would be awarded the contract if their protest were accepted.

The Purchasing Agent reviews the protest and issues a written decision. If the bidder disagrees with the decision of the Purchasing Agent, the decision may be appealed to a Purchasing Board of Appeals, a three-member board appointed by City Council. The request for appeal must be filed with the Purchasing Agent within seven (7) days from the date of the written decision. The request must describe the specific reason for the appeal request, and is limited to those matters that were raised in the original protest letter.

The Board will hear the protest and issue a written decision. If the bidder is not satisfied with the Board’s decision, it may ask that its protest be considered by City Council if a request is made within seven (7) days from the date of the Board’s written decision.

City Council may decide to hear the appeal, or to adopt the decision of the Board without further hearing. If they decide to hear the appeal, the protesting bidder may be heard at a Council meeting as scheduled by the Council Clerk. Any decision regarding the matter made by Council is final.

A bidder that wishes to protest further is permitted under state law to ask the Circuit Court of Multnomah County to review the Board’s or Council’s decision.

X. EXCEPTIONS AND EXEMPTIONS TO COMPETITIVE BIDDING REQUIREMENTS

A. Exceptions and Exclusions to competitive bidding requirements

The State of Oregon does not require that all contracts issued by the City be procured through competitive bidding. The following types of contracts are ones that are not required to follow that formal process. **However, other procedures have been established to contract for these goods and services.** (PCC 5.33.070, 5.33.080)

- Contracts with other public agencies (Intergovernmental agreements)
- Contracts with qualified non-profit agencies providing employment opportunities for disabled individuals (Qualified Rehabilitation Facilities)
- Contracts for products, services or supplies if the value is less than \$5,000
- Contracts between public agencies for goods or services where the good or service have been competitively bid by the other public agency.
- Contracts for Professional, Technical and Expert Services
- Contracts for Parks Concessions
- Contracts which, through the evidence of findings, may benefit from an alternative contracting process. The findings must show that, at a minimum, substantial cost savings will result from the use of an alternative process, and that it is unlikely that the exemption will encourage favoritism or diminish competition (Construction contracts require additional findings covered in Section Two, (X).
- Emergency purchases. An emergency is defined as "... circumstances creating a substantial risk of loss, damage, interruption of services or threat to public health or safety that could not have been reasonably foreseen and requires prompt award and execution of a contract to remedy the situation". (ORS 279.015)

B. Exemptions from competitive public bidding

State law also permits the City to **exempt** some contracts, or classes of contracts from some requirements of competitive public bidding (PCC 5.33.090). **Again, other procedures have been established for these types of purchases.** All purchases exceeding \$5,000, including exemptions must be presented as a request for purchase to the Bureau of Purchases.

- Contracts for the sale of advertising in City publications
- Purchases under the City's formal bid threshold (informal bid limit).
- Purchases from a sole source or single seller
- Manufacturer direct purchases
- Price regulated items, such as postage, electricity, garbage and water service
- Advertising contracts
- Copyrighted materials
- Investment and/or borrowing contracts
- Rating Agency Contracts
- Underwriter contracts
- Bond insurance, surety bonds, letters or lines of credit
- Insurance contracts
- Annual Supply Contracts
- Deficiency corrections

-
- Equipment maintenance, repair and overhaul
 - Purchase of used property or equipment
 - Information Technology contracts
 - Telecommunications Systems hardware and software
 - Telecommunications Services
 - Gasoline, diesel fuel, heating oil, lubricants and asphalt products
 - Hazardous material removal or oil cleanup

This Manual sets forth procedures for “typical” contracts. However, exceptions, exemptions and state and local laws may require different procedures in some circumstances.

XI. ENVIRONMENTALLY PREFERABLE PURCHASING

A. Policy

The City of Portland is committed to efficient use of resources and other sustainable actions. The City's intentions are shown in the following commitments made by City Council:

- City Energy Policy (Adopted August '79, Updated April '90). This policy has a goal of promoting a sustainable energy future by increasing energy efficiency in all sectors of the City by ten percent by the year 2000.
- CO2 Emission Reduction Strategy (Adopted November '93). This strategy has a goal of reducing carbon dioxide (CO2) emissions 20 percent below 1990 levels by 2010.
- Sustainable City Principles (Adopted November '94). These principles were adopted to promote a sustainable future that meets today's needs without compromising the ability of future generations to meet their needs, and accept responsibility to:
 - Support a stable, diverse, and equitable economy
 - Promote the quality of the air, water, land, and other natural resources
 - Conserve native vegetation, fish, wildlife habitat, and other ecosystems
 - Minimize human impacts on local and worldwide ecosystems

Environmentally preferable purchasing (EPP) is one specific action that can help the City meet these broad policy objectives. EPP's purpose is to expand and promote the City's use of environmentally preferable products and services. The City can promote the use of environmentally preferable products in its acquisition of goods and services to the extent that it is consistent with all federal, state and local laws.

Environmental factors that should be considered in selecting products include life cycle analysis of:

- Pollutant releases
- Waste generation
- Recycled content
- Energy consumption
- Depletion of natural resources; and
- Potential impact on human health and the environment.

City bureaus shall use, where practicable, reusable products, recycled-content products, and recyclable products.

City bureaus shall require, whenever practicable, its vendors, contractors, and consultants to use recycled-content paper on all documents submitted to the City and to use other environmentally preferable products, as appropriate.

The City shall give preference to the purchase of materials and supplies manufactured from recycled materials as provided by ORS 279.570(1). The City can give preference to the purchase of materials and supplies manufactured from recycled materials if:

1. The recycled product is available;

2. The recycled product meets applicable standards;
3. The recycled product can be substituted for a comparable non-recycled product;
and

Recycled product costs do not exceed the costs of non-recycled products by more than five percent (5%).

B. EPP Definitions

Environmentally Preferable Product: A product that has a lesser or reduced negative effect on human health and the environment when compared with competing products that serve the same purpose. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, and the disposal of the product. This term includes, but is not limited to, recyclable products, recycled products, and the reusable products.

Life Cycle Analysis: The comprehensive examination of a product's environmental and economic effects throughout its lifetime, including new material extraction, transportation, manufacturing, use, and disposal.

Post-Consumer Recycled Material: A finished material which would normally be disposed of as solid waste, having completed its life cycle as a consumer item. Post consumer waste does not include manufacturing waste.

Practicable: Satisfactory in performance and available at a fair and reasonable price.

Recyclable Product: A product that, after its intended end use, can demonstrably be diverted from the City's solid waste stream for use as a raw material in the manufacture of another product, preferably higher value uses.

Recycled Material: Any material that would otherwise be a useless, unwanted or discarded material except for the fact that the material still has useful physical or chemical properties after serving a specific purpose and can, therefore, be reused or recycled.

Recycled Paper: A paper product with not less than:

- (1) Fifty percent (50%) of its total weight consisting of secondary waste materials; or
- (2) Twenty five percent (25%) of its total weight consisting of post-consumer waste.

Recycled Product: All materials, goods and supplies, not less than fifty percent (50%) of the total weight of which consists of secondary and post-consumer waste with not less than ten percent (10%) of its total waste consisting of post-consumer waste. Recycled product also includes any product that could have been disposed of as solid waste, having completed its life cycle as a consumer item, but otherwise is refurbished for reuse without substantial alteration of the product's form.

Reusable Product: A product, such as a washable food or beverage container or a refillable ballpoint pen, that can be used several times for an intended use before being discarded.

Secondary Waste Materials: means fragments of products or furnished products of a manufacturing process which has converted a virgin resource into a commodity of real economic value, and includes post-consumer waste, but does not include excess virgin resources of the manufacturing process. For paper, secondary waste materials does not include fibrous waste generated during the manufacturing process such as fibers recovered

from waste water or trimmings or paper machine rolls, mill broke, wood slabs, chips, sawdust or other wood residue from a manufacturing process.

C. EPP Sample Specification Language

In preparing technical specifications, Bureaus should incorporate statements promoting sustainable practices and principles. Possible examples include:

Example: Bidders able to supply products containing recycled material which meet performance requirements are encouraged to offer them in bids and proposals.

Example: Bidders shall use recycled paper for the products of all printed and photocopied documents related to the fulfillment of the contract and shall ensure that, whenever possible, the cover page of each document be printed on recycled paper which bears an imprint identifying it as recycled paper.

Example: Contractors/Bidders shall use both sides of paper for copying and printing and shall use recycled and recyclable products whenever practicable in the submission of the proposal and the fulfillment of the contract.

Example: It is the policy of the City of Portland to use recycled and environmentally preferable materials whenever practicable. Bidders able to supply products containing recycled materials (especially post-consumer recycled materials) which meet performance requirements are encouraged to offer them in bids and proposals.

Waste Management:

Example: The City wants to recycle as much material as possible during demolition and the demolition schedule has been planned to maximize the amount of recycling, reuse, and salvage that can be achieved during demolition.

Example: The City requires the contractor to recycle, reuse, and salvage as much material as possible. The demolition schedule was planned to allow for selective removal and sorting of materials.

Example: The contractor is responsible for removing and reusing, recycling, or salvaging all other materials associated with the demolition of the buildings, pavement, vegetation, utilities, and any other site improvements.

D. EPP Considerations Regarding Office Supplies and Equipment

Bureaus purchase much of their own office supplies through City requirements (annual supply) contracts, and office equipment using Limited Purchase Orders or Procurement Cards. The following suggestions will help to promote the City's Sustainable City Principles when purchasing office supplies and equipment.

Paper products, envelopes: Specify products containing the highest possible post-consumer content, and require that no chlorine or chlorine derivative was used in the paper marking process. Also, specify no old growth timber content.

Misc. Supplies, Diskettes, Sticky Notes, Toner: Packaging should be minimal, and able to be reused, is biodegradable or recyclable. Ask for packaging printed with soy based inks. Request supplies that have high recycled content and are biodegradable.

Furniture, Chairs, Desk, Tables, Partitions: Specify products that can be recycled when no longer needed, and that contain biodegradable or high recycled content in materials. The products should emit low VOC emission. The products should have recyclable, biodegradable, returnable/reusable or recycled content in packaging. There should be no persistent toxic and no heavy metals in the dyes and finishes. Specify only certified sustainable wood products. Look for used items before buying new. Donate items that are no longer of use.

Flooring: When possible specify low odor carpet with natural jute backing. Consider natural linoleum (made with wood resin), cork flooring, or ceramic tiles as alternatives to vinyl flooring. Look for certified green labeled carpet and adhesives, natural fibers or some recycled fiber content. Consider a manufacturer who maintains a product take-back program. Consider lease options. Tack down carpet instead of gluing, or ask for low-solvent adhesives.

Office Equipment, Printers, Copiers and Fax Machines: Specify Energy Star™ equipment. This label ensures that these products have the highest level of energy efficiency. Ensure that copiers have duplex capabilities, handle recycled paper containing 100% post consumer waste, and have energy saving features. The same options should be specified for printers and fax machines.

When specifying Energy Star™ equipment, include language to indicate that the equipment "shall meet the Energy Star specifications for energy efficiency". Examples of products with Energy Star specifications include: Computers, HVAC, Appliances, Lighting fixtures, and many other products.

E. EPP Purchasing Resources

There are a number of resources that can help you make the most environmentally preferable purchase. These resources include entities within the City, a number of published materials, and informative web sites.

The list below is not intended to be complete – nor is it intended as an endorsement. These resources can be consulted as you specify products and services for purchase:

City Resources

- Portland Office of Sustainable Development (OSD). OSD is a new City bureau (created by merging the Energy Office and the Solid Waste and Recycling Division of BES). OSD has a keen interest in environmentally preferable purchasing. Reach Curt Nichols or any of the OSD staff by phone at 3-7222 or by interoffice mail at 106/706.
- Portland's Green Building Initiative (GBI). A part of OSD is focused on green building products and design. This initiative is an integrated, conservation-based effort to promote resource-efficient building and sustainable site design practices. Reach Rob Bennett or other GBI staff at 3-7725 or by interoffice mail at 106/706.
- Portland's employee-based "Green Team". The green team is a Citywide group of employees that get together to promote sustainable business practices in the workplace. They do this by:
 - Acting as a clearing house for employee ideas
 - Partnering to implement projects such as the "Surplus Office Supplies" web site

- Educating City employees by coordinating training opportunities
- Developing a communications network to get information to all City employees
- The Bureau of Environmental Services' Pollution Prevention program. Additional details on pollution prevention opportunities are available from Margaret Nover, the Pollution Prevention specialist with BES. Reach her at 3-7623 or by interoffice mail at 106/1000.
- The Bureau of Purchases has a number of EPP training modules, including one focused on Energy Star procurement.

Publications

- **“The Lean and Green Supply Chain: A Preaxial Guide for Materials Managers and Supply Chain Managers to Reduce Costs and Improve Environmental Performance”** A publication of EPA's Environmental Accounting Project. Copies of this document and other Environmental Accounting Project documents can be obtained free of charge through their website (www.epa.gov/opptintr/acctg) or by calling the US EPA's Pollution Prevention Information Clearinghouse at 202-260-1023.
- **“EPP Update”** An EPA periodical devoted to Environmentally Preferable Purchasing. Back issues are available from the EPA National Service Center for Environmental Publications. Subscription information and other details are available on-line at www.epa.gov/opptintr/epp.
- **“Environmental Purchasing Starter Kit”** A tool created by the National Association of Counties (NACo) to encourage purchasing with the environment in mind. To order a starter kit (no cost for NACo members, \$10 for others) by calling NACo at 202-393-6226 or visiting their website at www.naco.org/programs/environ/purchase.cfm.
- **“Environmentally Preferable Purchasing Guide: A reference manual for products you buy”** A reference manual created by the Solid Waste Management Coordinating Board in Minnesota. More information about this manual is available by calling the Minnesota Office of Environmental Assistance at 651-296-3417 or by visiting their web site at www.swmcb.org.
- **“Specifying Energy-Efficient Products: A Guidebook for State and Local Government Property and Facility Management Organizations”** A guidebook prepared by the Consortium for Energy Efficiency to help property and facility management professionals in state, county and local governmental bodies learn more about the many important reasons to specify energy-efficient products when constructing a new facility or renovating an existing one. More information on this guidebook is available at www.ceefornt.org/gov/purch/purch-main.php3.
- **“State and Local Government Pioneers: How State and Local Governments are Implementing Environmentally Preferable Purchasing Practices”** This document was not finalized at last check, but is due to be published soon and will be available from EPA.

Web Sites

In addition to the web sites mentioned above, a comprehensive web resource with a lot of information and extensive links is available from the Pollution Prevention Resource Center (PPRC) on their web site at www.pprc.org. Two specific resources on this site are:

- “Topic Report: Environmental Purchasing” created in July 2000 (www.pprc.org/pprc/pubs/topics/envpurch.html) and
- “Sustainability and Green Procurement: Getting down to brass tacks” created November 1999. (www.pprc.org/pprc/pubs/newslets/news1199.html)

XII. FINAL PAYMENT AUTHORIZATION

PCC 5.33.030(A)(5) authorizes the Purchasing Agent to approve final payment on construction projects that meet the following criteria:

- the final contract amount does not exceed 125% of the original contract award, and,
- the contract is not an emergency contract as defined in ORS 279.015(4)(a) and (5), and PCC 5.33.090(D)(1)(a).

Final payments for construction projects whose final contract amount does exceed 125% of the original contract award, and emergency contracts as defined above, must still be approved by City Council

There may be instances where, due to the nature of the project, the Bureau prefers to have final payment approved by Council even though the Purchasing Agent could approve it. Such a project might be one for which the Bureau wishes to publicly announce completion; or it might be a particularly troublesome project for which Council has requested the final payment be handled publicly. In general, however, most construction final payments will be processed through the Bureau of Purchases.

Bureaus should format the final payment authorization request in the form of the Report to the Purchasing Agent (Final Payment Authorization) (See Exhibit XIV). This report form is available on the Bureau of Purchases Intranet web page by going to www.purchasing.city. Form items in parentheses must be replaced by the required information and appropriate documentation should be attached. The signature lines are not defined, as Bureaus have different internal approval requirements. Follow your Bureau procedures for internal approvals.

When the document is properly signed it should be forwarded with the necessary documentation to the Bureau of Purchases, 106/1313. The Bureau will review the documentation and confirm that subcontractors have been paid, and will take appropriate action if this or other issues require the attention of the project manager, City Attorney or Auditor's Office. Once the review is complete the Purchasing Agent will sign the document and the package will be forwarded to the Auditor's Office for processing. A signed copy of the Report to the Purchasing Agent will also be forwarded to the project manager.

The entire process is expected to take approximately 3-4 days, assuming no outstanding issues develop. This should significantly improve the turn-around time for the vast majority of Final Payment approvals versus sending the request for approval to City Council.

SECTION TWO

**BASIC PURCHASING PROCEDURES
AND CHECK-LISTS****I. PETTY CASH – PURCHASES OF \$100 OR LESS****A. Introduction:**

Petty cash is used for purchases not exceeding \$100 per item, although a higher amount may be approved in writing by the Commissioner-in-Charge of a bureau or designated Bureau Director (PCC 5.52.010.B). It is generally used to purchase miscellaneous supplies and off-premises services. Each Bureau has its own petty cash fund; some Bureaus may have multiple petty cash funds.

B. Procedure / Checklist

When using personal funds to purchase an item:

- a. Purchase the item
- b. Retain a receipt
- c. Complete the Petty Cash Request and Voucher form (see Exhibit I, Petty Cash Request and Voucher)
- d. Secure the signature of the person in your Bureau authorized to approve the reimbursement
- e. Deliver the form to the Petty Cash custodian who will reimburse you

When using Bureau funds to purchase an item:*

- a. Complete the Petty Cash Request and Voucher form, filling in the approximate amount the item will cost
- b. Secure the signature of the Appropriation Unit, Responsibility Unit head or a designated representative
- c. Deliver the form to the Petty Cash custodian who will give you the funds requested
- d. Purchase the item retaining a receipt
- e. Deliver the receipt to the Petty Cash custodian and return any change
- f. If the purchase was more or less than anticipated, a new Petty Cash Request and Voucher form must be completed

*Not all Bureaus allow for advance payment of petty cash funds; check with your Bureau's Petty Cash Custodian for prior approval.

II. LIMITED PURCHASE ORDER (LPO) – PURCHASES OF \$5,000 OR LESS

A. Introduction

A Limited Purchase Order (LPO) is used when the amount for materials, services, or supplies is \$5,000 or less. The authority to use LPO's has been granted to City bureaus by City Council. Bureaus that do not follow the LPO procedures set by the Purchasing Agent may have their authority to use LPO's restricted or revoked.

The LPO can save time and reduce paperwork. The limitation of \$5,000 applies to each purchase or project, rather than to a unit price. NOTE: multiple LPO's cannot be issued to avoid the \$5,000 limitation. Purchases over this amount must be requested through the Bureau of Purchases.

A LPO may not be used to purchase materials and/or services managed by General Services' Fleet Division, Communications Division or Printing and Distribution Division (except by the divisions managing those materials or services) or for Professional, Technical or Expert Services.

B. Procedures / Checklist

1. If the purchase is over \$2,500, the Bureau of Purchases recommends that (3) vendor quotes be obtained, including quotations from available qualified minority and women-owned businesses.

To be eligible to receive a contract, vendors must meet the following requirements:

- a. If services are to be performed on City property, a policy of public liability insurance listing the City of Portland as an additional insured is required. The limits under this policy shall not be less than \$200,000/\$500,000 for bodily injuries, including death, and \$500,000 for property damage per occurrence.
- b. Proof of Worker's Compensation insurance for all subject workers and subcontractors.
- c. Certification as an Equal Employment Opportunity (EEO) Employer.
- d. Construction service vendors must provide Construction Contractor's Board license number.
2. Select the vendor with the lowest quoted amount. Freight and payment terms must be considered when evaluating competitive quotes.
3. Obtain an LPO form (see Exhibit II, Limited Purchase Order) and an approval signature from the Appropriation Unit head or a designated representative before making the purchase with the selected vendor.

- 4. Complete and sign the LPO.
- 5. Whenever possible, the vendor issues an invoice at the time of purchase indicating items purchased and their cost. If not, the vendor must send an invoice to the LPO issuer at a later time indicating the LPO number.
- 6. Forward appropriate copies of the LPO form along with the vendor invoice to the accounts payable department that processes the Bureau's invoices, and retain the Bureau copy. Accounts Payable will pay only those invoices accompanied by copies of the LPO.

NOTE: Rental and lease agreements require the approval of the Purchasing Agent. Use City Standard Rental Agreement form, available from Printing and Distribution.

III. PROCUREMENT CARD PURCHASES

In many bureaus the use of a City procurement card has reduced the use of LPO's or replaced them altogether. The Bureau of Purchases has established a procurement card program that provides the City many benefits in terms of reduced paperwork and fewer payments.

Procurement card usage is limited to \$5,000 for a single purchase or project. Bureau Authority Units may limit use of the cards to even lower dollar amounts. The Bureau Authority Unit determines who is eligible within the Bureau to receive a procurement card and in some Bureaus are authorized to issue a card in a specific employee's name. Each individual issued a procurement card must sign an agreement of responsibility with regard to the card's use, and will be held accountable for unlawful or unauthorized purchases with the card. Vendor requirements are the same regardless of whether a procurement card or an LPO is used.

Benefits

Prior to the procurement card program, every small transaction, whether by limited purchase order, petty cash voucher or payment authorization required individual processing and an individual check. Use of the procurement card limits the amount of processing required, and all purchases are paid with one monthly check just like a personal credit card.

Further, under the City's current contract with Bank of America, a rebate is issued yearly depending on the cumulative amount purchased on City procurement cards. The City saves money by eliminating processing costs, by limiting the number of checks issued, and by receiving a rebate.

Benefits to the cardholder include:

- Convenience of purchasing without a limited purchase order, petty cash voucher or payment authorization
- Expedited delivery of goods
- Cash discounts – goods are paid for when received
- Expanded list of merchants from whom purchases can be made, and
- Reduced paperwork

Benefits to the City include:

- Simplified purchasing process
- Lower overall transaction processing costs per purchase
- Increased management information on purchasing histories
- Reduced paperwork
- Ability to set and control purchasing dollar limits and vendor access

Benefits to the vendor include:

- Expedited payments
- Reduced paperwork
- Lowered risk of nonpayment

The City's \$20 million in yearly small purchases include:

office supplies	advertising
work stations	construction supplies
computers	maintenance supplies
meeting rooms	fire fighting equipment
subscriptions	law enforcement supplies
registration fees	photo and video film
training fees	recreational equipment
consumables	temporary services

To receive procurement cards for your bureau's small purchases, contact your Bureaus' procurement card administrator, or Todd Kelley at 823-5513 ~ interoffice mail at 106/1313.

IV. INFORMAL PURCHASES- FROM \$5000 TO THE FORMAL BID THRESHOLD (NON-CONSTRUCTION)

NOTE: **Annual Supply Contract** procedures are described in Section Two, (VIII).
Emergency order procedures are detailed in Section Two, (IX).
Construction project procedures are detailed in Section Two, (V) and (VII).

A. Introduction:

The City has adopted an exemption from the competitive bidding system that allows it to avoid some procedural requirements of state law, but only when the amount of the Purchase is going to be below the Formal Bid Threshold. The Formal Bid Threshold is set by the City Auditor and changes every year based on changes in the Consumer Price Index. In the year 2000, that threshold is \$48,526.

Contracts cannot be awarded using the informal process if the amount of the contract exceeds the Formal Bid Threshold unless another exemption is obtained from City Council. In many cases it may be unlikely that an exemption can be obtained so Bureaus may wish to save time and use the formal bidding process (Part Two, Section VI) from the outset if they believe there is a reasonable chance the ultimate contract award amount may exceed the Threshold.

When bureaus need to acquire labor, materials, supplies, equipment, and miscellaneous services, an electronic **Purchase Requisition** is used to file their request with the Bureau of Purchases. The electronic purchase requisition provides the Bureau of Purchases with the information it needs to procure the needed items or service, and assures the Bureau of Purchases that funds are available for this purchase.

The Bureau of Purchases reviews the Purchase Requisition and solicits price quotations from a list of interested bidders. If a favorable quotation is received, a Purchase Order (PO) is issued to the vendor offering the City the lowest cost. The PO is the contract for such purchases unless the Purchasing Agent determines a more formal contract is in the best interests of the City.

The Purchase Requisition (PR) should be submitted far enough in advance to allow sufficient time for the Buyer to handle the informal price quotation process, ordering the item and receiving delivery. **Failure on the part of the requesting bureau to allow sufficient time for the Bureau of Purchases to perform its required operations is not sufficient grounds to request an emergency purchase or an exemption from the contracting process.** The time allotted for purchases should be based on previous experience for that type of purchase. It is the requesting bureau's responsibility to sufficiently plan ahead for its equipment, material and service needs.

- Do not use a PR to request items that can be handled by payment authorization or travel authorization (for information on travel expenditures, go to www.purchasing.city/intra/travel.htm/)
- Do not divide a single purchase to avoid "formal" purchasing procedures
- Do not submit a request to purchase items that can be purchased under your Authority Unit's delegated authority. These purchases (less than \$5,000) should be made on a Limited Purchase Order (LPO) or a procurement card (See Section Two, Numbers II and III)

The PO authorizes vendors to provide goods or services and encumbers funds for contracts and service agreements. It is issued to the vendor with copies to the requesting bureau. It includes the name of the vendor, quantity and description of items purchased, terms of payment and delivery, total amount, and delivery date—all essential parts of the contract with the vendor.

B. Procedure / Checklist:

- 1. Prepare an electronic Purchase Requisition (PR) through the City's IBIS financial system. Specific requisitioners have been designated in each City department. (see Exhibit III, Purchase Requisition). The PR must contain specifications in sufficient detail regarding the products and/or services requested.
 - a. Take great care in preparing specifications of the product or service requested on the PR. The greater the value of the purchase, the more detailed the specifications should be. The description of goods/services must be thorough enough for price quotation purposes, either alone or in conjunction with a pre-bid meeting conducted by a Bureau of Purchases representative. Remember the limitations on specifying products by brand name (see **Brand Names**, Part One, Section III). For repair or maintenance of owned equipment, the requisition should completely describe the work that must be done. If the source of a repair problem is not known, a complete description of the problem should accompany the requisition. In cases where initial work must be done to determine what needs to be done to solve the problem, the City will contract with the initial vendor if able to do the job.
 - b. To provide accurate product information, you may make contacts with vendors, but Bureau of Purchases retains the responsibility of vendor selection. However, you may submit suggested vendor contacts.
 - c. The City cannot purchase more than \$2,500 from a vendor in any fiscal year unless that vendor is EEO (Equal Employment Opportunity) certified. Advise vendors with whom you are in contact of this requirement. Certification forms may be found at www.ci.portland.or.us/purchasing.
 - d. Vendors who perform labor or services on City premises must present written evidence of worker's compensation and liability insurance before a PO can be issued or work commenced (see Exhibit V, Insurance Requirements). Encourage potential vendors to maintain current documents of insurance and EEO certification with Bureau of Purchases.
 - e. Rental/Lease Agreements – Whenever equipment must be rented or leased, a City Rental agreement should be used if at all possible. Any rental or lease agreement used must be first signed by the vendor and then approved as to form by the City Attorney's Office. Only the Purchasing Agent or designee is authorized to sign the rental or lease agreement. The buyer will seek competition for any rental or lease of equipment above \$5,000. Any rental/lease agreement for an amount over the informal limit must first be evaluated and approved by the Office of Financial Management (OMF).
 - f. Requests for the purchase or rental of a vehicle, or other wheeled equipment must be made through the Vehicle Services division of the Bureau of General Services.

- g. Requests for printed materials or printing services must be made through the Printing and Distribution division of the Bureau of General Services.
2. Enter the Purchase Requisition (PR) into the City's electronic financial system and route it for signature approval within your bureau.
3. Following approval, the PR is electronically forwarded to the appropriate buyer in the Bureau of Purchases. Your bureau should have a list of buyer responsibilities or you may obtain the list from www.purchasing.city/intra/staff.htm.
4. The buyer checks the requisition for completeness, obtains informal price quotations by phone or in writing, selects a vendor, ensures the vendor complies with all lease/rental, capital equipment, insurance, and EEO requirements, makes any necessary price corrections from the requisition estimates, and issues a Purchase Order.
5. The buyer then sends the Purchase Order to the vendor and a copy to your bureau Authority Unit (AU). An additional Purchase Order copy is maintained in the Bureau of Purchases files.
6. The vendor delivers the service or item and submits an invoice in duplicate to you.
7. Check the order to see if it meets the quantity and description specified on the PO. If so, sign and date a photocopy of the purchase order and check the "Final Receiving" box to certify completion. Forward this copy to the designated person in your Bureau to enter it into bureau records.
- a. **Incomplete Orders:** If the order is NOT complete (not all items requested are included), sign and date a photocopy of the PO and check the "Partial Receiving" box to indicate items received. Send this form to the designated system receiving person. Upon completion of the order, forward another photocopy of the PO to the bureau's receiving person.
- b. **Insufficient Orders:** If the quality is NOT correct, or the quantity is NOT correct (more or less of an item than the number requested), do NOT accept the order and immediately advise the vendor of the problem. If the vendor does not provide a satisfactory solution, contact the buyer and provide documentation of the problem.
- c. **Changed Orders:** If a change is required in the PO after it is issued, you should contact your buyer to discuss the change. Your buyer will explain the appropriate steps required.
- d. **Cancellation:** If you must cancel the PO because of non-delivery of goods/services by the vendor, issuance of PO to the wrong vendor, etc., contact the Buyer in the Bureau of Purchases.
- e. **Closure:** To close a PO after partial payment, contact the Senior Administrative Specialist in the Bureau of Purchases.

V. INFORMAL CONSTRUCTION CONTRACTING – PROJECTS OVER \$5,000 BUT LESS THAN THE FORMAL BID THRESHOLD (\$48,526)

A. Introduction

Construction contracts refer to both public improvement and public works contracts as defined by state law (ORS 279.011(8) and 279.348(3)). Such contracts include all types of construction, reconstruction, major renovation or painting to City facilities. This section discusses purchasing procedures for informal construction contracts, which are those that are over \$5,000, but less than the Formal Bid Threshold.

Construction contracts do NOT include routine repair, operation, or maintenance of an existing City facility or property. This means work like window washing, parking operations or custodial services are not considered construction projects.

Informal construction projects do NOT require a formal bid process. Unlike formal bids, they do NOT need to be advertised in the newspaper or submitted in a sealed envelope. Instead, Contractors are contacted by a buyer from the Bureau of Purchases and asked to submit written informal price quotations (IPQ's) for a specific project. Typically, there will be at least three IPQ's to evaluate. Like formal competitive bidding, however, the contract is awarded based on cost. In this case, to the contractor submitting the lowest responsive and responsible informal price quotation.

Bureaus often do not have detailed plans or blue prints for contracts at amounts under the Formal Bid Threshold. Sometimes only a general description of the work is available, and a site visit may be offered or required. However, the description should include a narrative of the work required, square footage, product specifications, industry standards, and even sketches or drawings. The Bureau of Purchases will work with bureaus to make sure that adequate information is provided to potential contractors.

NOTE: Construction Contracts under \$5,000: Informal construction projects whose total cost is projected to be less than \$5,000 may be handled by the procedures described under Limited Purchase Orders, Section Two, (II).

Local Improvement District (LID) projects regardless of cost require the formal procedures described in Section Two (VII), Formal Construction Contracting.

Property owners initiate these projects, and, consequently, the public is assessed all or part of the cost. The Bureau of Purchases handles LID projects in much the same manner as all other construction projects, by advertising for bids, awarding to the lowest responsive and responsible bidder, and writing the contract for the project. However, funds for LID projects are not encumbered in the City's financial system. Therefore, the bureau does not issue requisition forms and the Bureau of Purchases does not issue purchase orders for these contracts.

B. Procedure / Checklist

1. Bureau determines the construction need and obtains necessary bureau approvals.
2. Bureau estimates project costs.

- 3. Bureau submits the electronic purchase requisition (PR) (See Section Four, (III), or a Specification Transmittal Memo (See Section Four, (VIII) signed by bureau authority unit. These documents provide the Bureau of Purchases assurance that funding is available for the project.
- 4. Bureau drafts and submits technical specifications or project description. Include all available data, any standard industry specifications and project schedule.
- 5. Buyer reviews specifications for clarity, suggests additions and revisions, and adds other necessary documents (informal price quotation form, instructions and contract provisions, prevailing wages, if necessary, etc.).
- 6. Based on the scope of work, Bureau of Purchases compiles a list of potential contractors.
 - a. Generally, between five (5) to eight (8) contractors are sent the request to submit an informal price quotation (IPQ). This size of pool ensures adequate competition and usually results in at least three (3) informal price quotations.
 - b. Sheltered Market Program contractors are contacted first. If additional contractors are required, certified minority, women or emerging small businesses (M/W/ESB) contractors will be contacted. Thereafter, the City will then solicit IPQ's from other contractors.
 - c. The Purchasing Agent may permit limited exceptions to this procedure. If a project requires specialized experience or expertise, or other special circumstances exist, bureaus may request an exemption from the Purchasing Agent.
- 7. Bureau of Purchases distributes bid specifications to designated contractors.
- 8. A site visit or meeting may be necessary to give contractors a better understanding of the project requirements.
- 9. Bureau of Purchases accepts IPQ's until the established closing time.
- 10. Bureau of Purchases reviews submitted IPQ's for responsiveness to bid requirements.
- 11. Bureau of Purchases provides results to bureau project manager who then authorizes buyer to proceed or reject the IPQ based on the available budget.
- 12. If the lowest responsive IPQ is within the available budget, the buyer will issue a purchase order or other contract document. If a purchase order is issued, the buyer will first verify and/or request and receive:
 - Workers compensation insurance certificate
 - General liability insurance certificate
 - City of Portland EEO certification
 - City of Portland business license
 - Construction Contractors Board (CCB) registration number

- 13. If a contract is issued, the buyer will:
 - Verify/request and/or receive the items identified in no. 12 above;
 - Obtain the contractor's signature on the contract copies;
 - Forward the documents to the Auditor's office;
 - Issue an award notice to the Bureau of Labor and Industries.

- 14. The Auditor's office will obtain approval as to form from the City Attorney's Office and will obtain the remaining required signatures. Once the contract copies are complete, the Auditor will issue a contract number and distribute the contract copies.

- 15. Bureau completes a PR, and forwards it to the buyer if not done earlier.

- 16. Bureau notifies contractor to begin work once an executed contract or purchase order is received.

VI. PURCHASES OVER THE FORMAL BID THRESHOLD (NON-CONSTRUCTION)

A. Introduction

Competitive sealed bidding is the most commonly used method for acquiring supplies, services and equipment for the City's use. The contract award is based solely on the requirements set forth in the solicitation documents, and the availability of the solicitation documents must be advertised to the general public. Bids are publicly opened, read at the time and place stated in the solicitation documents, and evaluated for compliance with specification requirements.

If the goods, equipment or services are estimated to cost less than \$500,000, the Purchasing Agent may award and execute a contract for the goods, equipment or service. If the cost estimate is more than \$500,000, City Council must approve the award and execution of the contract by ordinance. To expedite this process, the Bureau should obtain the ordinance before the time bids are opened.

In some cases, competitive sealed bidding may not be determined to be the best method of acquiring the needed goods, equipment or services. For a discussion on alternative contracting methods, see Section Two, (X).

B. Procedure / Checklist

- 1. The bureau determines a need and receives internal approval for preparing a specification.
- 2. The bureau estimates the material, equipment or service costs and, if greater than \$500,000, files an ordinance authorizing the award and execution of the contract and providing for payment.
- 3. The bureau prepares a technical specification.
 - a. The specification is a clear and complete description of the essential qualities that the goods or equipment should have. For purchases of services, a minimum standard of performance and a clear scope of work are required.
 - b. Specifications may be in the form of a written description, drawing, standard plans, industry standards or other descriptive references, or any combination of the above.
 - c. Specifications should be broad enough to ensure that adequate competition exists. See Part One, Section III, **Brand Names**.
- 4. Prepare and enter a Purchase Requisition (PR) into the City's electronic financial system and route it for signature approval within your bureau. The technical specification may be included in the comments section of the PR if feasible, or may be sent to the buyer separately.
- 5. Following bureau approval, the PR is electronically forwarded to the appropriate buyer in the Bureau of Purchases. Your bureau should have a list of buyer assignments or you may obtain the list from www.purchasing.city/intra/staff.htm.

- 6. The buyer reviews the technical specification and if necessary, works with the bureau to ensure the specification is clear, concise and broad enough to ensure viable competition.
- 7. The buyer will complete the bid package by adding additional bidder information and required standard documents. This may include, but may not be limited to:
 - a. Bid number, due date and time
 - b. General Conditions and Instructions to Bidders
 - c. Non-Collusion Affidavit Form (See Exhibit VI)
 - d. Bid Bond Form (See Exhibit VII)
 - e. Proposal Form
 - f. Assignment of Anti-trust Language
 - g. Insurance requirements (See Exhibit V)
- 8. The Buyer prepares an advertisement for bids.
- 9. The buyer receives, publicly opens, tabulates and evaluates bids on the scheduled bid due date.
 - a. Bids are not accepted unless the vendor or contractor is EEO (Equal Employment Opportunity Employer) certified.
 - b. Bids are checked for signature, mathematical errors, bid bond, if required, and variances to specifications, among other things.
- 10. The buyer forwards a copy of the bid tabulation and bid documents to the bureau.
- 11. If necessary, the bureau reviews the apparent low bidder for technical compliance, and prepares a recommendation to award or to not award the project, depending upon funds availability or changes to the Bureau's programs or plans.
- 12. The Bureau of Purchases will prepare and distribute a **Notice of Intent to Award** to all bidders on the project. The City shall post notice of the City's intent to award contracts on the City's web page or by written notice posted at the Bureau of Purchases. For contracts in excess of \$500,000, an additional written notice of intent to award shall be mailed by regular mail to all bidders or proposers in addition to posting as provided above. Bidders will have seven (7) days from the date of this notice to file a bid protest.
- 13. If there is no protest, the bid award will be prepared for approval. If the contract is greater than \$500,000, the Bureau of Purchases will prepare a Report to Council recommending award of the project to the lowest responsive and responsible bidder. If the contract is \$500,000 or less, the Purchasing Agent will award, and execute the contract.
- 14. The buyer will prepare a contract (or, in limited circumstances, prepare a Purchase Order) and forward to the Auditor's Office to obtain the necessary signatures. If a purchase order document is all that is required, skip to step number 18 below.
- 15. The City Auditor obtains the contract signatures and any additional required documents (e.g., insurance certificates). The successful bidder must return the signed contract and required documents within ten (10) business days.

- 16. The City Auditor numbers the contract and distributes copies to Bureau of Purchases, the Bureau for whom the contract is designed, and the contractor or vendor.
- 17. After receiving the executed contract, Bureau of Purchases processes the PR to encumber the necessary funds for payment of the contract.
- 18. For service contracts, the Bureau requesting the services may now issue a Notice-to-Proceed to the Contractor to begin work on the project. The bureau must monitor the contractor throughout the life of the contract to ensure services are provided according to the requirements of the specifications, and to make payments to the contractor for all work performed according to the contract terms and conditions.
- 19. If the contract is for materials and/or equipment, the Bureau obtaining the materials or equipment is responsible to inspect any and all shipments, to process the receipt of goods or equipment into the City's electronic accounting system, and to issue payments to the vendor for completed work.

VII. FORMAL PUBLIC IMPROVEMENT (CONSTRUCTION) CONTRACTING

A. Introduction

Formal construction refers to those contracts that exceed the formal bid threshold. For contracts that are less than the formal bid threshold, refer to Section Two (V).

Construction contracts refer to both public improvement and public works contracts as defined by state law (ORS 279.011(8) and 279.348(3)). Such contracts include all types of construction, reconstruction, major renovation or painting to City facilities.

Construction contracts do NOT include routine repair, operation, or maintenance of an existing city facility or property. This means work like window washing, parking operations or custodial services are not considered construction projects.

Bidders on City construction projects greater than \$50,000 must first be **prequalified** by the City. Prequalification applications are available from the Bureau of Purchases. Completed prequalification applications are submitted to the Bureau of Purchases and then routed to the various Bureaus for review. The prequalification rules for the City of Portland is found in PCC 5.33.470.

All Local Improvement District (LID) projects regardless of cost require the formal procedures described below. Property owners initiate these projects, and, consequently, the public is assessed all or part of the cost. The Bureau of Purchases handles LID projects in much the same manner as all other construction projects, by advertising for bids, awarding to the lowest responsive and responsible bidder, and writing the contract for the project. However, funds for LID projects are not encumbered in the City's financial system. Therefore, the bureau does not issue purchase requisition forms and the Bureau of Purchases does not issue purchase orders for these contracts.

B. Approval Authority

The Purchasing Agent has the authority to award and execute contracts for amounts not exceeding \$500,000. For contracts above that amount, the Purchasing Agent recommends an award of the contract to City Council, who authorizes execution of the contract by ordinance. The originating bureau is responsible to prepare the ordinance.

C. Selection Methods

Competitive Sealed Bidding is the most common method for acquiring construction services. This involves advertisement, a written solicitation document, signed and sealed bids, and a public reading of the bids. Award is made to the lowest responsive, responsive bidder. See Section Two (X) for a discussion of alternative bidding procedures and requirements.

D. Fair Contracting and Employment Strategy

In February 1994, City Council approved the Fair Contracting and Employment Strategy. The Strategy established policy to improve construction contracting and employment opportunities for minority, women-owned and emerging small businesses. The strategy calls for the City to "achieve race and gender parity in the amount it spends to procure goods and services by

awarding contracts to a diverse and competitive group of local contractors while providing significant employment opportunities to minorities and women". Major elements of the strategy, which is revised from time to time, are summarized below.

Good Faith Efforts

Construction contracts estimated to cost more than \$200,000 require bidders to perform a good faith effort (GFE) to provide sub-contracting opportunities to State certified minority, women-owned and emerging small businesses. Bureaus are required to identify sub-contracting opportunities in their specifications. The Bureau of Purchases will determine if the contractors have complied with the good faith effort requirements.

Workforce Training and Hiring

Any bidder awarded a construction contract over \$200,000 and any subcontractor with work totaling more than \$100,000 on that contract must be a State-registered training agent and provide apprenticeship opportunities to minority and women apprentices.

Sheltered Market Program

City Council has authorized up to one-half of the City's construction contracts estimated to cost between \$50,000 and \$200,000 to be bid first through Sheltered Market Program registered firms. These firms have been prequalified through the City's prequalification process and are accepted into the Sheltered Market Program based on their status as a Certified M/W/ESB with maximum gross earnings of \$1M per year. Firms in the program are eligible to bid on SMP contracts for a three-year period. After three years their participation in the program is reviewed and the firms are either graduated from the program or re-enrolled. Contracts with federal funding and LID contracts are not bid in the Sheltered Market Program at this time.

E. General Schedule Overview

Certain times of the year are more advantageous than others for bidding particular items/projects. For example, the best time for construction bids is the first quarter of the calendar year. Contractors plan their yearly work at that time and, therefore, competition is more intense.

Bureaus should plan for at least forty (40) working days to accomplish the formal purchasing process for construction projects. Additional time will be required if the bid results are controversial. Bureaus are encouraged to allow additional time as bid protests or bidder errors may cause bids to be delayed or re-bid.

F. Procedures / Checklist

- 1. The bureau determines a construction need and obtains necessary bureau approvals. The bureau estimates the project costs and, if greater than \$500,000, files an ordinance authorizing the contract and providing for payment.

Note: An ordinance authorizing a contract and providing for payment will have a specific format, depending on the point in which it is submitted to Council, during the procurement process. The format will be different if it is submitted 1) prior to the project being advertised, 2) after advertisement, but before bids are received and opened, and 3) after bids have been opened. Consult your Buyer in the Bureau of Purchases for the proper format.

- 2. The Bureau project manager notifies Bureau of Purchases of the upcoming project and confers with appropriate buyer regarding the best bidding strategy.
- 3. Bureau prepares a technical specification.
 - a. Specifications may be in the form of a written description, drawing, standard plans, industry standards or other descriptive references, or any combination of the above.
 - b. A complete specification package should contain the following items:
 - Cover page with project name
 - Initial table of contents page
 - Names, addresses and phone numbers of important contacts page
 - Scope of work description
 - Proposal page
 - Amendments to the Standard Construction Specifications (If applicable)
 - Technical Specifications
 - Plans and/or Drawings – custom-designed for bids when necessary to clarify specifications.
- 4. The Bureau prepares a Specification Transmittal Memo (see Exhibit VIII, Specification Transmittal Memo) to accompany the Bid Specification Package. This is a standard form that provides important information to the Buyer, as well as assuring the Bureau of Purchases that sufficient funds have been reserved for the project.
- 5. The Bureau submits the Bid Specifications Package and Specification Transmittal Memo to the Appropriation Unit within the Bureau, and then follows the Bureau's set policies for final specification approvals. These may include approval by the Bureau Director or Commissioner-in-Charge.
- 6. Once all Bureau approvals are obtained and noted on the Specification Transmittal Memo, the documents are forwarded to the Bureau of Purchases for review.
- 7. The Buyer reviews the technical specification and if necessary, works with the Bureau to ensure the specification is clear, concise and broad enough to ensure viable competition.
- 8. The Buyer will complete the bid package by adding additional bidder information and required standard documents. This may include, but may not be limited to:
 - a. Bid number, due date and time
 - b. General Conditions and Instructions to Bidders
 - c. Non-Collusion Affidavit Form (Exhibit VI)
 - d. Bid Bond Form (Exhibit VII)
 - e. Assignment of Anti-trust language
 - f. Insurance requirements (Exhibit V)
 - g. Prevailing Wage information
 - h. Good Faith Efforts or Sheltered Market requirements
 - i. Workforce Training and Hiring requirements
- 9. The Buyer works with the bureau project manager to determine the bidding timeline, number of specifications to be printed and an initial mailing list.

- 10. The Bureau prints the required number of plan-and-specification copies and ensures they arrive at the Bureau of Purchases in time for distribution prior to the initial advertising date.
- 11. The Buyer advertises the bid or notifies the appropriate SMP contractors of the bid opportunity.
- 12. The Bureau of Purchases and the Bureau participate in any scheduled mandatory or optional pre-bid meetings.
 - a. The pre-bid meeting may be held at the project site if examination of the site with a bureau representative in attendance will be beneficial to the bidders.
 - b. The Buyer provides explanations of the various bidding requirements, timelines, etc.
 - c. The Bureau representative provides a project overview.
 - d. The buyer and bureau representative will take questions from prospective bidders at the pre-bid meeting. Questions that can be answered by referring to the specifications will be addressed at the meeting.
 - e. If the bureau determines that changes to the specifications are necessary, or questions raised at the pre-bid meeting could not be answered by referencing the specifications, the Bureau of Purchases will issue an addendum to the specifications to all registered planholders.
- 13. The Bureau of Purchases receives, opens, tabulates and evaluates bids on the scheduled bid due date.
 - a. As bids are received, the Bureau of Purchases ensures that bidders are EEO certified and prequalified to bid the contract per the specification requirements.
 - b. Opened bids are checked for signature, mathematical errors, bid bond, and variances to specifications, among other things.
 - c. The Bureau of Purchases reviews the bidder's good faith effort documentation according to the specification requirements.
- 14. Buyer advises the bureau of the lowest responsive and responsible bid and provides copies of the bid tabulation documents to the bureau.
- 15. The Bureau reviews the apparent low bidder for technical compliance if required, and informs the Buyer if there are any problems with acceptance of the bid, and notifies the Bureau of Purchases in writing of its approval or of problems noted.
- 16. The Bureau of Purchases will prepare and distribute a **Notice of Intent to Award** to all bidders on the project. The City shall post notice of the City's intent to award contracts on the City's web page or by written notice posted at the Bureau of Purchases. For contracts in excess of \$500,000, an additional written notice of intent to award will be mailed by regular mail to all bidders. Bidders will have seven (7) days from the date of notice to file a bid protest.

- 17. If there is no protest, the bid award will be prepared for approval. If the contract is greater than \$500,000, the Bureau of Purchases will prepare a Report to Council recommending award of the project to the lowest responsive and responsible bidder. If the contract is \$500,000 or less, the Purchasing Agent will award and execute the contract.
- 18. The Bureau of Purchases will prepare a contract and forward it to the Auditor's Office to obtain the necessary signatures.
- 19. The City Auditor obtains the contract signatures and approval of the City Attorney and any required documents (e.g., insurance certificates and performance bond). The successful bidder must return the signed contract and required documents within ten (10) business days.
- 20. The City Auditor numbers the contract and distributes copies to Bureau of Purchases, the Bureau, and the contractor.
- 21. After receiving the executed contract, the Bureau issues the purchase requisition and the Bureau of Purchases encumbers the necessary funds for payment of the contract.
- 22. The Bureau may now issue a Notice-to-Proceed to the Contractor to begin work on the project.
- 23. If a change order is required, the following process is used:
 - a. If the change order increases the amount of the original contract less than 25% and not more than a total contract price of \$500,000, the project manager may authorize the change order.
 - b. If the change order increases the original contract price in excess of 25%, but not more than a total contract price of \$500,000, it must be initially authorized by the project manager and then approved by Bureau Director and the Purchasing Agent.
 - c. If a change order increases the total contract price to exceed \$500,000, it must be authorized by City Council through an ordinance.
- 24. If the final contract amount is not more than \$500,000 the bureau must write a report to the Purchasing Agent declaring the project complete and accepted, and requesting final retainage be released to the Contractor. The report will include information on the original contract amount, any increases required, and a copy of the Contractor evaluation form signed by the project manager and the Contractor's representative.
- 25. If the final contract amount is greater than \$500,000, the report must be filed with the City Council.

NOTE: Federally Funded Projects may require special procedures. The funding agency may require formal bids at \$10,000 rather than the City's formal bid threshold. There may be special wording that must be incorporated in the specifications and certain requirements for minority/female business participation, for the amount of time a bid must be advertised, or for

federal review of bid results before award of contract. Specifications for federally funded items or projects must be reviewed and approved by Contract and Grants Compliance before the specifications are sent to the Bureau of Purchases. This action is necessary to insure that all Federal Grant requirements relating to procurement are met so that the grant will not be jeopardized.

VIII. REQUIREMENTS (ANNUAL SUPPLY) CONTRACTS

A. Introduction

Requirements contracts are for goods and services that are purchased routinely or repetitively throughout the year. Requirements contracts establish set prices, or a discount from a price list, for the required goods and/or services. These contracts must be used by all bureaus/offices needing like products or services unless the specification authorizes purchase from an alternate source.

Requirements contracts require an exemption from the competitive bidding process because they commit the City to purchasing an unknown quantity of goods or services in the future without competitive bidding although there is no present need for them. The City has adopted a general exemption from the competitive bidding process for requirements contracts. However, the Bureau of Purchases will determine whether particular circumstances meet that exemption's requirements.

The Bureau of Purchases prepares the bid package, with bureaus providing the technical specifications and quantity estimates, as well as final review of the packages. Depending upon the estimated total dollar value of one year of the contract, the Bureau of Purchases follows an informal price quotation or formal bid process, selects the vendor or vendors, and executes a contract. The Bureau(s) may then acquire the contracted items or services as required with a Contract Release Authorization (see Exhibit IV, Contract Release Authorization).

You may view the City's listing of current Requirements Contracts on the Bureau of Purchases intranet site at www.city/purchases. For information on specific contract items, obtain a copy of the contract from the requirements contracts Buyer in the Bureau of Purchases.

B. Procedure / Checklist

1. The Bureau of Purchases determines a large purchase that a bureau or several bureaus will need on a regular basis. You may suggest appropriate requirements contract ideas to the Bureau of Purchases.
2. Working with the Bureaus involved, Buyer coordinates preparation of specifications and goes through the appropriate procurement process to select a vendor or vendors most suitable for the purchase.
3. An Annual Supply Contract between the City and the vendor(s) is signed for one or multiple years.
4. Bureaus must then order such materials, supplies or services using a Contract Release Authorization (CRA), which has no monthly limit or invoice limit.

IX. EMERGENCY PURCHASES

A. Introduction

Bureaus may obtain goods/services required immediately due to emergency circumstances by requesting an Emergency Purchase Order number from the Bureau of Purchases. The City defines an emergency as “circumstances creating a substantial risk of loss, damage, interruption of services or threat to public health or safety that could not have been reasonably foreseen and requires prompt award and execution of a contract to remedy the condition.” (PCC 5.33.090.D.1.a) Failure of a Bureau to plan in advance for its purchases ordinarily does not constitute grounds for an emergency purchase.

Emergency orders are intended for circumstances that could not have been foreseen and avoided. The following types of requests will normally be denied: Restocking of supplies where no immediate danger to person or property exists; routine maintenance or repairs where work need not be performed immediately; out-of-state items where the only reason given for immediate need is that the item must be ordered from outside the state; and items for future projects or programs where the need for the items could have been established well before a deadline, e.g. decals for vehicles, patches for clothes, or bus tickets for programs.

Emergencies only permit the City to avoid some of the formal requirements of the competitive bidding process. They do not exempt the contract that results from the emergency from other requirements of Oregon law, like prevailing wage, standard terms and conditions required by law to be included in all public contracts and the like.

Whenever possible, the City should obtain competition in an emergency to the extent reasonable under the circumstances. Any measures undertaken to obtain competition should be documented and made part of the final purchase record in the Bureau of Purchases.

Unauthorized orders occurring during regular working hours, without the consent or direction of the Bureau of Purchases, will not be processed after-the-fact without specific authorization from City Council.

B. Procedure / Checklist

The amount of an emergency purchase and whether it is needed during working hours or non-working hours determine the appropriate procedure.

I. For emergency purchases of \$50,000 or less occurring during working hours, the procedure is as follows:

- 1. Contact Bureau of Purchases, explain the emergency and provide, if known, the name and contact person of the supplier/vendor you have contacted and the actual or estimated cost of the item or service.
 - a. If no vendor/supplier has been contacted, work with the Buyer to identify an appropriate source.
 - b. Note that if the emergency work requires construction, demolition, painting, or other work defined as “public works” (ORS 279.348(3)), all requirements of state law governing public works will still be in effect. This includes, but may not be limited to, paying prevailing wages on any

project whose cost exceeds \$25,000, providing a performance and payment bond for any project whose cost estimate exceeds \$50,000, and providing certificates evidencing liability insurance and workers' compensation insurance coverage equal to or exceeding the City's minimum requirements.

- 2. Bureau of Purchases certifies that an emergency exists within the meaning of City Code and assigns an Emergency Purchase Order (for goods and most emergency, non-construction services) or an Emergency Contract Number (for construction services) obtained from the Auditor's Office.
- 3. Bureau provides the emergency order number to the supplier/vendor and receives the ordered item or services.
- 4. Bureau immediately prepares a purchase requisition (PR), noting the emergency order number in the requisition comments, as well as a written explanation of the nature of the emergency.
- 5. Bureau enters the PR into the City's electronic financial system and routes it for appropriate signature approval within the Bureau.
- 6. The Bureau signature approval unit approves the PR and then forwards it to the appropriate Buyer in the Bureau of Purchases.
- 7. For equipment, materials, and most non-construction services, the Buyer prepares a confirming purchase order and distributes copies in the usual manner.
- 8. For emergency construction work and when circumstances dictate a contract for non-construction services, the Buyer will prepare an Emergency Contract. The Buyer will route the contract for signatures and any additional requirements.
 - a. Once the contract and any additional documentation has been approved as-to-form by the City Attorney's Office, and the documents have been filed in the Auditor's Office, copies of the executed contract will be distributed to the bureau and the bureau of purchases.
 - b. The Buyer can then issue the Purchase Order encumbering the funds and providing for payment. The Purchase Order in this case is NOT the contract because it does not contain the required provisions of Oregon law.
 - c. Follow your Bureau's established procedures for receiving and payment.

II. For emergency purchases greater than \$50,000, but less than \$500,000:

The procedure is the same as that described above **except** that the written consent of the Commissioner-in-charge of the bureau in need is required. A Purchase order will not be issued, or a contract processed without this written consent from the Commissioner-in-Charge.

III. For emergency purchases greater than \$500,000:

The procedure remains the same as for emergency purchases greater than \$50,000, **except** that the Bureau must also file an **ordinance** for hearing on the next available Council calendar authorizing the emergency purchase and providing for payment.

IV. For emergency purchases occurring during non-working hours, the procedure varies as follows:

- 1. If an emergency arises at a time when the Bureau of Purchases is not staffed (8am-5pm weekdays), and the bureau is able to contact a vendor or contractor to solve the problem, an emergency purchase order number from the Bureau of Purchases is NOT needed. Submit a written justification of the purchase at the time you submit the purchase requisition, within 24 hours of the emergency or the next workday, whichever is sooner.
 - a. If the emergency purchase during non-working hours is greater than \$50,000, the justification must include the signature of the Commissioner-in-Charge.
 - b. If the emergency purchase during non-working hours is greater than \$500,000, the bureau must also file an ordinance for hearing on the next available Council Calendar authorizing the purchase and providing for payment.
 - c. Note that if the emergency work requires construction, demolition, painting, or other work defined as "public works" (ORS 279.348(3)), all requirements of State Statutes governing public works will still be in effect. This includes, but may not be limited to, paying prevailing wages on any project whose cost exceeds \$25,000, providing a performance and payment bond for any project whose cost estimate exceeds \$50,000, and providing certificates evidencing liability insurance and workers' compensation insurance coverage equal to or exceeding the City's minimum requirements.

All contracts or orders awarded under emergency circumstances shall be awarded within sixty (60) days following declaration of the emergency unless an extension is granted in accordance with state statutes (ORS 279.015(5)).

X. ALTERNATIVE CONTRACTING METHODS

A. Introduction

Oregon law encourages the use of competitive bidding to obtain the best price for goods and services, to encourage competition, and to avoid the appearance that the government is favoring one company over another. However, it also permits the City to use a method other than competitive bidding if it can demonstrate that another method will a) result in substantial cost savings and b) not encourage favoritism or substantially diminish competition.

In order to use an alternative method, the City Council must adopt an ordinance exempting a contract from competitive bidding. The ordinance must contain facts showing that the requirements for the exemption have been met and must recite the findings regarding cost savings and competition discussed above. Bureaus should consult with the Bureau of Purchases or the City Attorney's Office if questions arise about this process.

If the contract is for construction, the ordinance must include eight (8) additional factual findings required by law. Ideally, the facts for each finding should demonstrate how substantial cost savings will occur and the absence of harm to the competitive process. The eight required findings are:

- Operational, Budget and Financial Data
- Public Benefits
- Value Engineering
- Specialized Expertise Required
- Public Safety
- Market Conditions
- Technical Complexity
- Funding Sources

For example, if use of an alternative contracting method will make value engineering more likely and thus the City will save money, that statement should be made, with facts given to support that conclusion. Mere conclusions are not sufficient.

In addition, an exemption from competitive bidding for a construction contract requires the City to advertise its intent to use an alternative contracting method and to provide an opportunity for public input at a hearing. Typically the hearing is held the same day that the City Council considers the ordinance establishing the exemption. A bureau representative should attend the Council session to answer questions if they arise.

B. Typical Alternative Contracting Methods

Typical alternative contracting methods use factors other than just price, time and delivery to determine which contractor will be selected for the contract. As a result, the City often must exercise its judgment to select between competing proposals.

The typical alternative contracting method is a Request for Proposal (RFP) process. That format describes the services or product sought by the City and specifies how proposals from contractors or vendors will be judged and selected, usually by establishing selection criteria that are given various values in terms of their relative importance.

The result of the RFP may be a standard construction contract, or a specialized type of construction contract such as a Construction Manager/General Contractor (CM/GC), or “design/build” in which the contractor takes on duties beyond what is ordinarily encountered. Therefore the content of the RFP may vary substantially from one contract to the next depending on the type of contract that ultimately will be executed.

C. Process Overview

The various roles taken by the bureau and the Bureau of Purchases when using an alternative contracting method are set forth in more detail below. However, there are several important points to consider.

Time: It takes additional time to develop findings and to advertise the intent to use an alternative contracting method. (A Notice of Public Hearing must be advertised at least fourteen (14) days in advance of the date that City Council hears the ordinance for exemption). In addition, since the bureau will be evaluating the proposals based on subjective criteria, selection protests can sometimes occur. It is prudent to allow additional time in the planning process to accommodate unexpected delays.

Complexity: An alternative contracting method often involves contracts that are unique, have a greater level of complexity, or require specialized expertise. It is prudent to contact the Bureau of Purchases for assistance on such contracts.

Documents: The City has developed forms for particular types of specialized contracts, such as CM/GC. Consult the Bureau of Purchases for assistance.

Confidentiality: Proposals are typically public records, unless proposers will be submitting trade secrets. If this is anticipated, please contact the Bureau of Purchases or the City Attorney’s Office for assistance. Although the remainder of any proposal will be a public record, only the names and addresses of firms submitting proposals will be disclosed on the bid date. The remainder is confidential until the contractor has been selected.

Evaluation: Bureaus are encouraged to clearly state selection criteria and must follow those criteria during the evaluation and selection process. If oral interviews are anticipated, and the interviews may affect the final score, explain how that process will work in the RFP or solicitation document.

Reporting: State law requires that a report to the City Council be filed within thirty (30) days after acceptance on public improvement projects over \$100,000 that used an alternative contracting method. The contents of the report are described in more detail below.

Fair Contracting Strategy: The use of an alternative contracting method does not eliminate the need to meet the requirements of the City’s Fair Contracting Strategy, discussed at more length in Section Two, (VII) (D). Therefore, construction projects will be subject to such programs and their requirements should be included in the RFP or solicitation document.

C. Procedure / Checklist

- 1. The Bureau determines a need and receives internal approval for the project.
- 2. The Bureau determines whether the nature of the project is such that an alternative contracting process should be used.
- 3. The Bureau consults with the Bureau of Purchases to determine 1) whether an alternative contracting process is feasible, 2) the appropriate alternative contracting process, and 3) whether an exemption should be pursued through City Council to authorize that process.
- 4. If the exemption appears feasible, the bureau determines:
 - a. Whether technical specifications should be prepared;
 - b. The criteria that will be used to select a contractor;
 - c. The content of the alternative contracting process document;
 - d. The scope of work to be performed;
 - e. Any other matters that should be included in the specifications. In this regard please refer to the appropriate section of this Manual for assistance.
- 5. **Non-Construction:** If the alternative contracting process is for the acquisition of non-construction related items or services, the Bureau shall prepare draft findings establishing that use of the alternative contracting process will a) result in substantial cost savings and b) that the use of the process will not encourage favoritism or substantially diminish competition. The Bureau of Purchases has examples of findings that have been used in the past to help guide the bureau in this regard.
- 6. **Construction:** If the alternative contracting process is one for the acquisition of construction, the Bureau must prepare factual findings in addition to those stated in step 5 above to obtain the exemption. Each of the additional findings should examine the impact of the alternative process on costs and competition. The findings must include:
 - Operational budget and financial data
 - Public benefits
 - Value engineering
 - Specialized expertise required
 - Public safety
 - Market conditions
 - Technical complexity
 - Funding sources
- 7. If the Bureau of Purchases determines the findings are adequate, the bureau prepares an ordinance for City Council that adopts the findings and establishes the exemption. If the proposed contract is estimated to exceed \$500,000 the ordinance must also authorize the contract and provide for payment.
- 8. If the process is for the acquisition of construction, the Bureau of Purchases advertises the City's intention to use the alternative process at least fourteen (14)

days in advance of the Council's adoption of the ordinance establishing the exemption.

- 9. Council adopts the ordinance.
- 10. The Bureau of Purchases advertises the alternative contracting process, receives responsive proposals or bids, and may evaluate portions of the responses, as circumstances require.
- 11. The Bureau evaluates responses based on criteria established in the solicitation document and coordinates with Bureau of Purchases on selected contractor.
- 12. Remaining steps in the contracting process are identical to those found in Section Two, (VII), steps 13 – 25.
- 13. Following contract completion, the bureau submits a report required by state law to City Council regarding use of an alternative contracting process if the project was one for public improvement and if it exceeded \$100,000. The report must be filed within thirty (30) days of acceptance of project and address:
 - a. The actual cost as compared with the original project estimate
 - b. The amount of any guaranteed maximum price
 - c. The number of project change orders issued
 - d. A narrative description of successes and failures during the design, engineering and construction of the project; and,
 - e. An objective assessment of the use of the alternative contracting process compared to the findings required above in Paragraph 6

SECTION THREE

GLOSSARY OF PURCHASING DEFINITIONS

Acceptance of Work: This term signifies that the Work has been completed to the Owner's satisfaction and occurs when the Owner approves of the Certificate of Completion executed by Contractor.

Acts of God: An Act of God is a phenomenon of nature of catastrophic proportions or intensity such as an earthquake, flood, cloudburst, tornado, hurricane or other.

Advertisement: The public announcement inviting bids or proposals for work to be performed or materials to be furnished.

Addenda to the Bid Documents: Addenda are additions or deletions to, material changes in, or general interest explanations of the City's solicitation documents.

Alternative Contracting Methods: Methods of public improvement contracting, commonly including variations of Design/Build and CM/GC forms of contracting, as well as other developing techniques such as performance contracting and cost-plus-time contracting, which are forms of competitive negotiation.

Annual Bid Bond: A means of securing execution of an awarded contract posted annually with the City Auditor's Office for contractors who bid frequently on City projects.

Apparent Low Bidder: The bidder who has submitted the lowest priced bid prior to screening for compliance with other bid requirements.

Apprentice: A worker enrolled in a structured training program, registered with the Bureau of Labor and Industries, that combines on-the-job training with classroom work. Training usually lasts about four (4) years. Upon completion, apprentices become journey persons.

Award: The decision of the City to execute a contract with a particular bidder or proposer.

Bid: A competitive offer binding on the bidder and submitted in response to an invitation to bid.

Bidder: A person who submits a bid in response to the City's invitation to bid.

Bid or Proposal Bond/Bid or Proposal Security: A means of securing execution of an awarded contract as further provided in PCC 5.33.180 and 5.33.460.

Bidding Period: The span of time between the date of issuance of the solicitation document and closing of the solicitation.

BizTrak: A custom database program for collecting, tracking and reporting bid contracting information and compliance, used by the City of Portland and the Portland Development Commission.

Buyline: The Bureau of Purchases 24-hour information hot line, (503) 823-6855. Documents and lists can be ordered through Fax-On-Demand.

Certificate of Completion: A document that may be provided by Owner that requires the Contractor to certify that the Work has been satisfactorily completed, if the Contract Documents require one.

Change Order: A written order issued by the Owner's Representative to the Contractor modifying work required by the contract and establishing the basis of payment for the modified work.

Closing: The date and time announced in the City's solicitation document as the deadline for submitting bids or proposals.

Collusion: When two or more vendors who secretly agree to circumvent laws and regulations regarding submission of bids or proposals.

Competitive Bidding: A selection process that involves an advertised public notice, issuance of a written solicitation document inviting persons to submit written, signed, and sealed bids that are received in the Bureau of Purchases and publicly opened at a designated time and place.

Competitive Negotiation: A method of contracting in which proposal evaluation and contract award result from an open and competitive procedure, typically through the request for proposal process, in which evaluation criteria in addition to price are considered in contractor selection.

Conflict of Interest: An actual or potential situation in which the personal interest of a vendor, employee, or public official are, or appear to be, in conflict with the best interest of the jurisdiction.

Construction: Construction refers to both public improvement and public works as defined by state law (ORS 279.011(8) and 279.348(3)), and includes all types of construction, reconstruction, major renovation or painting to City facilities. Construction does NOT include routine repair, operation, or maintenance of an existing city facility or property. This means work like window washing, parking operations or custodial services are not considered construction projects.

Construction Manager/General Contractor (CM/GC): An alternative contracting method or a person selected pursuant to that method, to perform a public improvement project. The method typically requires a contractor to undertake design phase involvement, constructability reviews, value engineering, scheduling, estimating and acquiring subcontracting services, establishing a GMP to complete the contract work, acting as general contractor, coordinating and managing the building process, and providing general contractor expertise.

Contract: A written formal agreement, including the bid documents and the accepted portions of a bid or proposal, between the City and the contractor describing the work to be done and the obligations of the parties. If the contract is for a public improvement, the "contract" may consist of the agency's solicitation document, including any addenda, the general and special conditions governing the work, the accepted portions of the bid or proposal, the performance and payment bond (if required), plans, technical specifications, approved shop drawings, and any contract amendments, including approved change orders.

Contract Administration: Actions taken to assure compliance with the terms of the contract after the award of the contract.

Contract Amendment: A mutually agreed addition to, deletion from, correction or modification of a contract.

Contract Amount: The total of the awarded bid or proposal amount, including any approved alternates, and any fully executed change orders or amendments.

Contract Documents: The written agreement between the Owner and the Contractor that defines the obligations of the Contractor and the Owner regarding the Work to be performed. The Contract documents include, but are not limited to, the Advertisement for Bids, the Invitation for Bids, Plans, The Standard Specifications, Special Specifications, Addenda, change orders, and any other documents that may be referenced therein as part of the Contract.

Contract Execution: Contract execution occurs when the contract is signed by any mark, work, or symbol, in ink, with the intent to be bound, by an authorized representative of a bidder or proposer and the City.

Contract Release Authorization (CRA): The document authorizing a purchase on an existing requirements contract or price agreement.

Contractor: The person awarded the contract to furnish the goods, services or work required by the City's solicitation document.

Cost Estimate: The City's most recent pre-bid, good faith assessment of anticipated contract costs, consisting of either the estimate of an architect, engineer or other qualified professional, or confidential cost calculation worksheets, where available, or formal planning or budgetary documents

Day: Calendar day.

Delivery Terms: Conditions in a contract regarding freight charges, place and time of delivery, or method of transportation.

Design/Build: An alternative contracting method that results in a public improvement contract in which the construction contractor also provides or obtains specified design services, and manages both design and construction. In this form of contract, a single entity provides the City with all of the services necessary to both design and construct the project.

Disqualification: Preclusion from bidding and contracting with the City for a period of time.

Emerging Small Business (ESB): Emerging Small Business. For purposes of this document, this includes only those firms certified as an ESB by the State Office of Minority, Women and Emerging Small Business (OMWESB). Current program participation is restricted to Oregon-based firms with 19 or fewer employees, with average annual gross receipts over the last three years not exceeding \$1 million for construction firms and \$300,000 for non-construction-related firms. An ESB must be properly licensed, legally registered, and independently owned Oregon firm.

Engineer: A person holding an engineering license who also authorized to act as the Owner's Representative. Engineers who may act as Owner's Representatives are the City Engineer, the Traffic Engineer, the Chief Engineer of the Bureau of Water Works and any other engineer authorized by the contract documents to act as the Owner's Representative.

Engineer's Estimate: See Cost Estimate.

Equal: A substitute for a product, component or process whose use in or on a particular project is specified. The "Equal" substitute shall be the same or better for that named, in features, function, performance, quality, reliability, utility, value, and suitability for the particular use

Equal Employment Opportunity (EEO): A program to encourage employers to include minority groups and/or other disadvantaged persons in the work force of businesses covered by the program. The City of Portland requires EEO Certification for all firms receiving \$2500.00 a year in City contracts.

Equal Opportunity: Policies and procedures of the organization to ensure non-discrimination for all employees, especially women, minorities, and persons with disabilities. All contract provisions require non-discrimination in employment by contractors and subcontractors.

Exempt: Contracts not subject to the competitive bidding requirements of state or local law.

Exemption: A formal process under ORS 279.015 or ORS 279.017, and PCC 5.33.090 which permits the City to purchase goods or services without the use of competitive bidding. An exemption may be for a specific contract or solicitation, or it may be for a class or category of contracts

Extended Price: The price for the total number of items ordered, calculated by multiplying the quantity ordered by the unit price.

Final Payment: The last progress payment made to the Contractor for earned funds plus withheld retainage, less deductions permitted or required by the Contract.

Foreign Contractor: A contractor not domiciled in or registered to do business in the State of Oregon.

Formal Bid Threshold: The amount as provided by City Charter Section 8-104.

Good Faith Effort: Documented attempts by a contractor to provide M/W/ESB firms subcontracting opportunities in accordance with bidding requirements set forth by the City.

Guaranteed Maximum Price (GMP): The total maximum price provided to the City by the contractor, and accepted by the City, that includes all reimbursable costs of and fees for completion of the contract work, as defined by the solicitation document and the contract documents, except for material changes in the scope of work. It may also include particularly identified contingency amounts.

Informal Price Quotations: The competitive solicitation by the City of informal offers from competing bidders.

Insurance: Coverage by contract whereby one party undertakes to indemnify or guarantee another against loss by a specified contingency or peril.

Insurance Certificate: A document generated by the contractor's insurance company certifying the type and coverage limits of insurance.

Invitation to bid (ITB): A solicitation document calling for bids.

Invoice: An itemized list of goods shipped or services rendered specifying the price and terms of sale.

Life Cycle Costing: A determination of the cost of a product for its estimated useful life, including without limitation acquisition costs, operation and maintenance costs, and disposal.

Local Contract Review Board: The Portland City Council as authorized by ORS 279.055 and PCC 5.33.020.

Local Improvement: Local improvement means an improvement of, on, over or under property owned or controlled by the public, by construction, reconstruction, remodeling, repair or replacement, when the improvement is determined by the Council to confer a special and peculiar benefit on certain properties and such properties are to be charged through assessment all or a portion of the improvement cost.

Lump Sum: The contract amount for a project stated as a single price for all labor, materials, supplies, incidental work, overhead and profit without any breakdown into its component parts.

M/W/ESB: Minority-owned, woman-owned, and emerging small businesses certified as such by the State of Oregon Office of Minority, Women and Emerging Small Business.

Minority-owned business enterprise: For purposes of this document, this includes only those firms certified as a minority owned business by the State Office of Minority, Women and Emerging Small Business (OMWESB). A minority is defined to include African American, Hispanic American, Native American, Asian Pacific American, and Asian Indian American. The minority representative must own at least 51% of the firm and must have control of the management and daily operations of the firm. The firm must not be inextricably associated with a non-minority owned firm.

Non-Competitive Negotiation: A method of contracting in which contract award results from contract discussions with only one individual or firm.

Notice of Award: A written notification from the City to the successful bidder, or offeror stating that there is an award of a contract in accordance with a bid or proposal previously submitted, and that effective with receipt the vendor or contractor shall proceed with performance.

Notice to Proceed: Written notice issued by the Owner's Representative to the Contractor authorizing the Contractor to proceed with all, or part of, the Work.

Offer: A bid or proposal.

OMWESB: State of Oregon Office of Minority, Women and Emerging Small Business.

Opening: The date, time and place announced in the City's solicitation document for the public opening of written, sealed bids or proposals.

PCC: The Code of the City of Portland, Oregon.

Payment Bond: A bond that assures payments, as required by law, to all persons supplying labor or materials for the completion of work under the contract.

Performance Bond: A bond executed subsequent to award by a successful bidder, to protect the City from loss due to the bidder's inability to complete the contract as agreed.

Person: A natural person capable of being legally bound, sole proprietorship, limited liability company, corporation, foreign corporation, non-profit corporation, profit and non-profit unincorporated association, business trust, partnership, two or more persons having a joint or common economic interest, a government or government subdivision or other entity whether bidder or proposer or prospective bidder or proposer, contractor, vendor, or sub-contractor.

Plans: The project-specific official plans, profiles, cross sections, elevations, details, and other working, supplementary and detail drawings, or reproductions, stamped by a person licensed to do the same, that show the location, character, dimensions and details of the work to be performed. Plans may either be bound in the same book as the balance of the Contract Documents or bound in separate sets, and are a part of the Contract Documents.

Pre-Bid Meetings: Meeting held with prospective bidders prior to solicitation of bids, to clarify any ambiguities, answer bidder questions, and ensure all bidders have a common basis of understanding regarding the supplies or services required.

Prequalification: A process followed by the City to determine the qualifications of products or prospective bidders or proposers to perform contracts.

Prevailing Wage: The amount of wages required to be paid on public works projects.

Professional, Technical & Expert (PTE) Services: Non-construction services requiring specialized knowledge or expertise, such as architectural, design, legal, medical, etc., services. See PCC 5.68.

Project Manager: The authorized representative of the City assigned to administer the contract for each project.

Proposal: A competitive offer, binding on the proposer and submitted in response to a Request for Proposals.

Proposer: A person who submits a proposal in response to the City's request for proposals.

Protest: A written objection by an interested party to an Invitation For Bid (IFB) or Request for Proposal (RFP) solicitation, or to a proposed award or award of a contract.

Public Bid Opening: The process of opening and reading bids at the time and place specified in the Invitation For Bid (IFB) and in the presence of anyone who wishes to attend.\

Public Improvement: Projects for construction, reconstruction or major renovation on real property by or for a public agency. "Public improvement" does not include emergency work, minor alteration, ordinary repair or maintenance necessary in order to preserve a public improvement.

Public Work: Includes, but is not limited to, roads, highways, buildings, structures and improvements of all types, the construction, reconstruction, major renovation or painting of which is carried on or contracted for by any public agency to serve the public interest but does not include the reconstruction or renovation of privately owned property which is leased by a public agency.

Purchase Order: A contract establishing the terms and conditions of a transaction, such as a description of the goods and services, delivery and freight terms, and payment terms.

Reference Specifications Bulletins, standards, rules, methods of analysis or testing, codes and specifications of other agencies, engineering societies, or industrial associations referred to in the Contract Documents that when included in the Contract Documents establish the basis by which specific portions of the Work are to be performed. All such references specified refer to the latest edition thereof including any amendments which are in effect and published at the time of advertising for bids or of issuing the permit for the Project.

Request for Proposal (RFP): A solicitation document calling for proposals.

Responsible Bidder or Proposer: A person that has submitted a bid or proposal and that meets the standards set forth in PCC 5.33.300.B.4 and has not been disqualified under ORS 200.075, 279.037 or PCC 5.33.330.

Responsive Bid or Proposal: A bid or proposal that substantially complies with applicable solicitation procedures and requirements and the solicitation document.

Retainage: The difference between the amount earned by the Contractor and the amount paid on the contract by the City.

Service Contract: A contract for labor, labor and materials, or trade related services that is neither a professional, technical and expert services contract nor a public improvement contract

Sole Source Item: An item that is available from only one source or seller.

Solicitation Document: Any document that requests submission of a bid or proposal or other offer to the City to enter into a contract. All documents referenced by the solicitation document are included in the solicitation document.

Specifications: A portion of a contract that specifies how the work is to be performed or that sets conditions for performance of the work. The specifications may be expressly stated in the contract documents, or may be incorporated by reference to some other source. Examples of specifications include, but are not limited to: a description of the physical or functional characteristics of an item of work; the nature of a supply, service or construction item; a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery; or the quantities or qualities of materials to be furnished under the contract. Specifications may either state the result to be obtained or describe the method and manner of performing the work.

Special Specifications: Special clauses that are supplemental to the plans, general conditions and general construction details. They are set forth requirements that are peculiar to a particular project or contract.

Standard Plans and Drawings: Details of structures, devices, or instruction adopted by the City as a standard and referred to in the contract.

Standard Specifications: The terms, directions, provisions and requirements set forth in the City of Portland Standard Construction Specifications in force at the time of the Bid.

Subcontractor: A person with whom the Contractor enters into a contract to perform a part of the Work, that the Contractor is required to perform by the Contract Documents. That subcontractor is known as a "first-tier" subcontractor. If a contract exists between a first-tier subcontractor and another person, the person is known as a "second-tier" subcontractor. A

subcontractor does not include any other person hired by Owner to perform tasks or work related to the project on which the Contractor is working.

Substantial Completion: A state of contract performance that is less than full performance of all the work required by the contract documents, but where the omissions and deviations from full performance are inadvertent and unintentional, do not impair the work as a whole, can be easily remedied, and may be paid for by deductions from the Contract Amount.

Supplier: A person that has been authorized to provide goods or services to the City.

Surety: The entity providing a Bid Bond, Performance bond, Payment bond, Warranty or Maintenance bond, or any combination thereof.

Technical Specifications: Requirements of a technical nature particular to the Project and included in the Specifications.

Training Agent: A contractor registered with the Oregon State Bureau of Labor and Industries (BOLI) Apprenticeship and Training Division (ATD). A training agent can hire and train apprentices following state-approved training standards and is allowed to pay them a percentage of journey wages on prevailing wage rate projects.

Unit Price: The dollar amount bid to do a particular portion of Contract Work when such prices are required to be provided by the Contractor by the bid documents. In some cases, unit prices are used to determine the lowest responsive and responsible bidder.

Vendor: Any person that sells goods or services.

Women Owned Business Enterprise. For purposes of this document, this includes only those firms certified as women-owned businesses by the State Office of Minority, Women and Emerging Small Business (OMWESB). The woman representative must own at least 51% of the firm and must have control of the management and daily operations of the firm. The firm must not be inextricably associated with a non-woman owned firm.

Workforce Training & Hiring: A program implemented by the City Council in 1994 that is included in construction contracts of \$200,000 or more. It requires the prime contractor and its subcontractors to provide training of state registered apprentices on City projects, and to make efforts to hire a diverse workforce. Multnomah County and Portland Development Commission have also implemented this program.

SECTION FOUR
SAMPLE FORMS AND DOCUMENTS

PETTY CASH REQUEST AND VOUCHER

EXHIBIT I

I certify that the attached voucher represents the purchase of the following services or goods necessary to the City of Portland.

Date:

Description of items(s) purchased:

Name of vendor:

Amount: \$

Payable to:

Charge to: Center Code _____ Project #: 101 Account #: _____

Reimbursed via: Cash Check #: _____

Cash Reimbursement Received by:

Authorized by:

Signature of AU or RU Head

Signature of Employee Making Request

City Agency/ Department/ Bureau Name

Foreman/ Supervisor Approval

Note: \$ 1 00.00 maximum per item, unless approved in writing by the commissioner in charge per section 5.52.010 (d) of the City Code.

PETTY CASH REQUEST AND VOUCHER

I certify that the attached voucher represents the purchase of the following services or goods necessary to the City of Portland.

Date:

Description of items(s) purchased:

Name of vendor:

Amount: \$

Payable to:

Charge to: Center Code _____ Project #: 101 Account #: _____

Reimbursed via: Cash Check #: _____

Cash Reimbursement Received by

Authorized by:

Signature of AU or RU Head

Signature of Employee Making Request

City Agency/ Department/ Bureau Name

Foreman/ Supervisor Approval

Note: \$100.00 maximum per item, unless approved in writing by the commissioner in charge per section 5.52.010 (d) of the City Code.

**CITY OF PORTLAND
LIMITED PURCHASE ORDER**

EXHIBIT II

NOT TO EXCEED \$5000.00 TOTAL

PAYABLE TO:

SHIP TO:

DATE

BUREAU CERTIFICATION: I hereby certify under penalty of perjury, that the materials have been furnished, the services rendered or the labor performed as described herein or attached hereto, and that the claim is a just, due and unpaid obligation against the City of Portland.

INSTRUCTIONS:

1. Employee completes Limited Purchase Order (LPO) and has it approved by the AU Manager at time of purchase. Employee signs LPO at time of receipt.
2. Taxes *11 not be paid on City of Portland purchases; do not include tax on the invoice. FET Certificate No. 93-730012K. 3. AJI equipment, materials and/or services supplied must comply with all applicable city, state and federal safety codes for places of employment.
4. **Forward Invoices directly** to ordering bureau.

RECEIVED BY

APPROVED BY

APPROPRIATION UNIT

VENDOR NO.	AUTHORIZATION NO. [optional]	PAYMT. DUE DATE	TERMS	INVOICE NO.	INVOICE DATE	AMOUNT						
FUND	ACCOUNT	CENTER	LINE	PARTIAL	FINAL	PC-35	99	PRFD				
			0001									
PROJ. NO.	A/R	PTS CO	PTS PROJ	PTS SUB P	PTS ITEM	PTS CATG	QTY	UN	ITEM NUMBER	PAY FRT.	DOCUMENT	TOTAL
QUANTITY	ITEM NO.	ITEM DESCRIPTION	UNIT	UNIT PRICE	TOTAL							

LPO 1 1060

NOTE: THIS DOCUMENT IS A FACSIMILE OF A CITY OF PORTLAND LIMITED PURCHASE ORDER; ALL LPO FIELDS MAY NOT BE SHOWN HERE. NOT FOR ACTUAL LPO USE. CONTACT PRINTING & DISTRIBUTION FOR ACTUAL LIMITED PURCHASE ORDERS.

CITY OF PORTLAND

PURCHASE REQUISITION

Page 1 of

Date

"NOTE: All shaded areas must be properly filled in or Requisition may be returned for completion."

ROH Buying Entity

Suggested Vendor.

AU/Req

Address

EXHIBIT III

Req. ID No.

City/State/Zip

Buyer I.D. #999

Contact/Phone

R01 REQ. LINE 0001

Description

Item#

Quantity | @

SKU

Unit

Price Type

Required Date - - Ship-to-Code Pay Ent. Vendor #

Co. Acct. Center PrComp PrCode

R02 Work order#

Blanket Order #.

Rel. #

R01 REQ. LINE 0002

Description

Item # -

Quantity

SKU

Unit Price -

Price Type

Required Date Ship-to-Code Pay Ent Vendor #.

Co. Acct. Center PrComp PrCode

R02 Work order #

Blanket Order #

Rel. #

R01 REQ. LINE 0003

Description

Item#

Quantity

SKU.

Unit Price "@

Price Type

Required Date - - Ship-to-Code Pay Ent. Vendor #

Co. Acct. Center PrComp PrCode

R02 Work order#

Blanket Order #

Rel. #

Refer Questions on Req. to:

Phone

Reviewed by Purchasing

Date -

PURCHASING TO AU

Commissioner

(6/aa) DATA CONTROL/ ACCOUNTING

CITY OF PORTLAND

RCM Buying Entity.

CITY OF PORTLAND
PURCHASE REQUISITION COMMENTS

AU/Req. t

Act.	Req. Line No.	Seq. No.	Comments/ Specifications/ Instructions Maximum 55 Characters
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FORM NO 7530-999-OW (7L)

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75W-WO-006 (6/90)

PURCHASING TO
DATA CONTROL/ACCOUNTING

CONTRACT RELEASE AUTHORIZATION

THIS DOCUMENT IS USED ONLY FOR PURCHASES AGAINST CITY OF PORTLAND CONTRACTS.

EXHIBIT IV

PAYABLE TO:

Date

BUREAU/DIVISION

This number must appear on all Packing Slips, Invoices and Cartons. If proper payment is to be made

CONTRACT AUTH. NO.

c017021

BUREAU CERTIFICATION: I hereby certify under penalty of perjury, that the materials furnished on this Contract Release Authorization have been purchased according to the terms and specifications, the Contract referenced below, and that the claim is a just, due, and unpaid obligation against the City of Portland.

NOTE: PAYMENT CAN ONLY BE MADE IF THIS AUTHORIZATION COMPLETED WITH PROPER CONTRACTED PRICING.

INSTRUCTIONS:

Contract Release Authorization is to be completed by Employee and Vendor at time of purchase. The Contract Release Authorization is to be signed by Employee and the Vendor is to receive and retain the top copy. PURCHASED AGAINST CONTRACT NO.

Vendor: If invoicing separately send to: 1120 SW FIFTH, ROOM 903
invoiced- PORTLAND, OR 97204
ACCOUNTS PAYABLE

-Reference C.R.A. No. on all

City of Portland purchases are not subject to tax. Do not include tax on invoice. F.E.T. Certificate No. 93-730012K. All equipment and materials supplied must comply with all applicable city, state, and federal safety codes for places of employment. Inquiries relative to payment should be addressed to Accounts Payable at 796-3103.

QUANTITY	VENDOR ITEM NO.	ITEM DESCRIPTION	UNIT	UNIT PRICE	TOTAL

VENDOR

NOTE: THIS DOCUMENT IS A FACSIMILE REPRESENTATION OF A CONTRACT RELEASE AUTHORIZATION AND MAY NOT CONTAIN ALL ACTUAL FIELDS. NOT TO BE USED FOR CONTRACT PURPOSES. CONTACT PRINTING & DISTRIBUTION FOR ACTUAL DOCUMENTS.

**CITY OF PORTLAND
INSURANCE REQUIREMENTS**

EXHIBIT V

INSURANCE - PROOF OF COVERAGE

Work shall not commence until all insurance requirements have been met and certificates thereof have been filed with the Purchasing Agent or the Auditor.

INSURANCE - PUBLIC LIABILITY AND PROPERTY DAMAGE

The contractor shall provide and maintain public liability and property damage insurance that protects the contractor and the City and its officers, agents and employees from any and all claims, demands, actions and suits for damage to property or personal injury, including death, arising from the contractor's work under this contract. The insurance shall provide coverage for not less than :

For Personal Injury	\$200,000 for each person \$500,000 for each occurrence
For Property Damage	\$500,000 for each occurrence

Or, a single limit public liability policy of not less than \$500,000 covering all claims per occurrence. The limits of insurance shall be subject to statutory changes as to maximum limits of liability imposed on municipalities of the State of Oregon during the term of the contract.

The insurance shall be without prejudice to coverage otherwise existing, and shall name as additional insureds the City and its officers, agents and employees. Notwithstanding the naming of additional insureds, the insurance shall protect each insured in the same manner as though a separate policy had been issued to each, but nothing herein shall operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest had been named as insured.

The coverage shall apply as to claims between insureds on the policy. The insurance shall provide that the insurance shall not terminate or be canceled without thirty (30) days written notice first being given to the City Auditor. If the insurance is canceled or terminated prior to completion of the contract, the contractor shall provide a new policy with the same terms. The contractor agrees to maintain continuous, uninterrupted coverage for the duration of the contract. The insurance shall include coverage for any damages or injuries arising out of the use of automobiles or other motor vehicles by the contractor.

The contractor shall maintain on file with the City Auditor a certificate of insurance certifying the coverage required. The adequacy of the insurance shall be subject to the approval of the City Attorney. Failure to maintain liability insurance shall be cause for immediate termination of this contract by the City.

WORKERS' COMPENSATION INSURANCE

Prior to the performance of any work under a contract awarded by the City, the contractor shall comply with the workers' compensation law, ORS Chapter 656, as it may be amended, and if workers' compensation insurance is required by ORS Chapter 656, the contractor shall maintain coverage for all subject workers as defined by ORS Chapter 656 and shall maintain a current, valid certificate of workers' compensation insurance on file with the City Auditor for the entire period during which work is performed under the contract.

NON-COLLUSION AFFIDAVIT

EXHIBIT VI

STATE OF _____

Contract Bid No. _____

COUNTY OF _____

I, **(Type/Print Name)** _____, state that I am **(Position Title)** _____ of **(Name of Firm)** _____ and that I am authorized to make this affidavit on behalf of my firm, and its owners, directors, and officers. I am the person responsible in my firm for the price(s) and the amount of this bid.

I state that:

1. The price(s) and the amount of this bid have been arrived at independently and without consultation, communication or agreement with any other contractor, bidder, or potential bidder, except as disclosed on the attached appendix.
2. Neither the price(s) nor the amount of this bid, and neither the approximate price(s) nor approximate amount this bid, have been disclosed to any other firm or person who is a bidder or potential bidder, and the price(s) not approximate amount will not be disclosed before bid opening.
3. No attempt has been made or will be made to induce any firm or person to refrain from bidding on this contract, or to submit a bid higher than this bid, or to submit any intentionally high or noncompetitive bid or other form of complementary bid.
4. The bid of my firm is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive bid.
5. **(Name of Firm)** _____, its affiliates, subsidiaries, officers, directors and employees are not currently under investigation by any governmental agency and have not in the last four years been convicted or found liable for any act prohibited by State of Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract, except as described in the attached appendix.

I state that **(Name of Firm)** _____ understands and acknowledges that the above representations are material and important, and will be relied on by **THE CITY OF PORTLAND, OREGON** in awarding the contract(s) for which this bid is submitted. My firm understands that any misstatement in this affidavit is and shall be treated as fraudulent concealment from **THE CITY OF PORTLAND, OREGON** of the true facts relating to the submission of bids for this contract.

(Signature)

Subscribed and sworn to before me this _____ day of _____, _____.

NOTARY PUBLIC

My commission expires _____

Non collusion affadavit.doc
10/06/99 10:18 AM

EXHIBIT VII

BID BOND

KNOW ALL MEN BY THESE PRESENTS that we, _____, as principal, and _____, a corporation organized and existing under the laws of the State of _____, and duly authorized to transact a surety business in the State of Oregon, as surety, are held and firmly bound unto the CITY OF PORTLAND, a municipal corporation of the State of Oregon, in the penal sum of _____ Dollars (\$ _____) lawful money of the United States of America, for the payment whereof well and duly to be made, we and each of us, jointly and severally bind ourselves, our heirs, executors, administrators, successors and assigns, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH that whereas the Principal has submitted, or is about to submit, a proposal irrevocable for the period specified in the proposal to the Obligee on a contract for _____

NOW, THEREFORE, in the event the principal seeks to revoke his offer for any reason not authorized by law and not consented to by Obligee within the irrevocable period and if awarded the contract and the said Principal fails, neglects or refuses to enter into a contract to perform said work and furnish said labor, equipment and/or material, and to furnish performance and labor material bonds as required within the time specified, then the amount herein stated shall be declared to be forfeited and become due and payable to the City of Portland.

SIGNED, SEALED, AND DATED THIS _____ day of _____, 19 _____

Principal

Address

BY

Signature

Print Name and Title

Surety

Oregon Agent for Service

BY

Attorney in Fact

Address

**CORPORATE SEAL (PRINCIPAL)
(SURETY)**

CORPORATE SEAL

NOTE

If Principal is operating under an assumed business name, there must also be set forth in the first paragraph of the bond, the names of all partners or the individual owning the business, and the bond must be executed by one of them.

If the Principal is a corporation, the bond must be executed by one of the officers authorized to execute bonds, showing his/her official title and the seal of the corporation.

The bond must be executed by an attorney-in-fact for the surety company, shown on the face thereof, the Oregon agent for service, and bear the seal of the surety company. A current copy of the Power of Attorney must be attached which lists the attorney-in-fact signing the Bid Bond. Where the bond is executed by a person outside of the State of Oregon, his/her authority to execute bonds should be shown.

bidbondform 2/99 co

(LETTERHEAD)

EXHIBIT VIII

DATE:

MEMORANDUM

TO: Sue Klobertanz, Purchasing Director
Bureau of Purchases

FROM:
(Name and Title)
Bureau of

SUBJECT: TRANSMITTAL OF TECHNICAL SPECIFICATIONS FOR:

Project / Item

APPROVAL BY AU LEVEL MANAGER:

(Signature)

BUREAU REPRESENTATIVE: _____
(Name and Title) (Extension)

FUNDING SOURCE: (City/State/Federal Agency) _____. If Federal Grants, Grant
Compliance Requirements approved by _____ of Contracts and Grants
Compliance. (Signature)

Project is included in the ____ / ____ fiscal year budget.

**** Buyer Note: HUD funding requires debarment check by Grant Compliance.**

ESTIMATED PROJECT AMOUNT: \$ _____.

ACCOUNTING DATA:
AU _____ CENTER CODE _____ ACCOUNT CODE

PROJECT CODE

TYPE OF CONTRACT:
_____ Equipment or Supplies _____ Annual Supply _____ Materials and Labor

SUGGESTED BID PERIOD: _____ Weeks
(Note: Min. 2 weeks for Equipment and Supplies; 3 weeks for Material and Labor)

Transmittal of tech spec.doc:3/99

IRREVOCABLE BID SURETY PERIOD: For Bureau recommendation and award: _____ days.
(Note: We will use 30 days if no entry)

PAYMENT REQUIRED: Lump Sum _____ **OR** Progress Payment

PRICE BASIS: Unit Price _____ **OR** Total Price

DELIVERY REQUIRED: Within _____ days of order unless otherwise adjusted according to the provisions of the Contract Documents. (Note: We will use 30 days if no entry)

ADDRESS FOR DELIVERY:

CONSTRUCTION TO COMMENCE based upon:

- _____ Transmission of executed copy of contract.
- _____ Issuance of Notice-to-Proceed.
- _____ Date indicated in the Notice-to-Proceed.

BUILDING PERMITS: To be paid by City _____ **OR** Contractor Plans and Specifications have been cleared through _____ in the Office of Planning & Development Review.

SPECIAL REQUIREMENTS: Pre-Bid Meeting: _____ (Yes / No)

Insurance Limits: _____ / _____ / _____

Prequalification: _____ (Yes / No) If yes, Classification

No(s) :

Liquidated Damages: _____ (Yes / No)

Performance Bond: _____ (Yes / No)

OTHER:

ATTACHMENT CHECK LIST:

- (1) _____ Specifications
- (2) _____ List of Recommended Vendors
- (3) _____ List of Potential Subcontracting Opportunities

Transmittal of tech spec.doc:3/99

Sample Ordinance- Before Bid is Advertised

EXHIBIT IX

ORDINANCE No. 168082

*Call for bids for the construction of 8-inch water main in NE Marine Dr. and NE 185th Dr.
(Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The Bureau of Water Works requires of 8-inch water main in NE Marine Dr. and NE 185th Dr., requested by the petitioners, to provide adequate water supply and fire protection to these areas.
2. Appropriation for construction of the water main is included in the Bureau's approved FY 1994-95 Capital Improvement Program.

NOW, THEREFORE, The Council directs:

- a. The Purchasing Agent shall advertise for bids using specifications filed in his office and in the event that no satisfactory bid is received shall readvertise on the same basic specifications until a satisfactory bid is received.
- b. A contract is authorized with the most favorable bidder as designated by the Council.
- c. The Mayor and the Auditor hereby are authorized to draw and deliver warrants chargeable to the 1994-95 Budget; Water Fund, Project No. 2237, Center 18089903, when demand is presented, and approved by the proper authorities.

Section2. The Council declares that an emergency exists because a delay in proceeding with this project will result in additional expense and will unnecessarily delay the provision of adequate water supply to the affected areas; therefore, this Ordinance shall be in force and effect from and after its passage by Council.

Passed by the Council, Sep. 07 1994

Commissioner Lindberg
LAL:sms ORD:9407E548

BARBARA CLARK
Auditor of the City of Portland
By Britta Olson
Deputy

EXHIBIT X

SAMPLE ORDINANCE: AFTER PROJECT IS ADVERTISED, BEFORE BIDS ARE OPENED

ORDINANCE No. 168498

*Authorize a contract and provide for payment for the St. Johns A Basin Combined Sewer Overflow Project. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The St. Johns A neighborhood has in the past experienced basement flooding caused by overloaded sewers.
2. The St. Johns A Basin routinely discharges CSOs to the Columbia Slough.
3. The City has entered into a Stipulation and Final Order (SFO) to reduce CSO discharges to the Columbia Slough.
4. The St. Johns A CSO Project will eliminate basement flooding and help the City meet its SFO obligations.
5. The estimated construction cost for the St. Johns A Basin Combined Sewer Overflow Project is \$3,500,000. Funds are available in the Sewerage System Capital Improvement Fund, FY 1994-95 Budget, Bureau of Environmental Services, Center Code 14531110, Project Number 5266, Object Code 563000.

NOW, THEREFORE, the Council directs:

- a. The Commissioner of Public Utilities and Auditor are authorized to execute a contract with the lowest responsible bidder for the project described in Section 1 hereof, in accordance with the plans and specifications to be filed with the Purchasing Agent.
- b. The Mayor and Auditor are hereby authorized to draw and deliver warrants chargeable to the Sewer System Construction Fund Budget when demand is presented and approved by the proper authority.

Section 2. The Council declares that an emergency exists because a delay in proceeding with this project could delay completion of the project on schedule. Therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council, Feb 08 1995
Commissioner Mike Lindberg

BARBARA CLARK
Auditor of the City of Portland
By Britta Olson
Deputy

Lloyd Stauning
January 25, 1995

EXHIBIT XI

SAMPLE ORDINANCE: AFTER BIDS ARE OPENED

ORDINANCE No.

Contract with Unisys Corporation to provide hardware and software for a Water Bureau remittance processing system for \$268,274. and provide for payment. (Ordinance)

City of Portland Ordains:

Section 1. The Council finds:

1. Unisys Corporation was the lowest responsible bidder for providing remittance processing system hardware and software for the Water Bureau.
2. Award of a contract to said bidder for furnishing this hardware and software at a cost of \$268,274. Is recommended by the Purchasing Agent and approved by the Commissioner in Charge.
3. Funds are available for this purchase in the 1994/95 Water Bureau budget.

NOW THEREFORE, the Council directs:

- a. The Commissioner of Public Utilities and the Auditor are authorized to execute a contract with Unisys for the remittance processing system hardware and software per specifications filed with the Purchasing Agent for a total amount of \$268,274.
- b. The Mayor and the Auditor hereby are authorized to draw and deliver warrants chargeable to the FY 1994/95 Water Bureau budget when demand is presented and approved by the proper authorities.

Section 2. The Council declares that an emergency exists because a delay in implementing this remittance processing system could result in unnecessary expense to the City. Therefore, this amendment should be put into effect upon passage.

EXHIBIT XII

STANDARD FORM OF ORDINANCE FOR SOLE SOURCE/EMERGENCY PURCHASES*

ORDINANCE No.

Authorize the Purchasing Agent to sign a Purchase Order as a contract with (Company Name) for (ITEM) at the estimated amount of (\$ _____) without advertising for bids and provide for payment.

The City of Portland ordains:

Section 1. The Council finds:

1. (NAME OF BUREAU) requires (ITEM) FOR (PURPOSE).
2. (SOLE SOURCE ONLY)

No other project of equal value, utility, or merit is available for this purpose. (OR) The particular make or design of this product is unique for use in connection with equipment of property already owned or being acquired by the City AND that it is therefore impractical to obtain competition.

3. (EMERGENCY ONLY)

The (materials or supplies or the particular public improvement) is urgently necessary for the public welfare and the time for advertising would result in delay improper in the circumstances because (set out facts of emergency).

4. The purchase has been reviewed and approved by the Purchasing Agent. It is therefore in the public interest for (COMPANY'S NAME) to provide the necessary materials and services as set forth above at an estimated cost of (\$AMOUNT) without advertising for bids.

NOW, THEREFORE, the Council directs:

- A. The Purchasing Agent shall sign a Purchase Order to serve as a contract with (COMPANY'S NAME, ADDRESS) for the item mentioned in Section 1 for the total estimated amount of (\$ _____) without advertising for bids [optional] (and waiving performance bond requirements). The Purchase Order shall be approved as to form by the City Attorney.
- B. The Mayor and the Auditor hereby are authorized to draw and deliver warrant(s) chargeable to the 19-- - 20—(BUREAU NAME), BUREAU Budget, when demand is presented, approved by the proper authorities.

Passed by the Council,

~ use standard ordinance closing and emergency clause if necessary ~

EXHIBIT XIII

ORDINANCE No.

Create a local improvement district to construct SCOPE OF PROJECT in LOCATION Local Improvement District; (Hearing; Ordinance, C-XXX)

The Council of the City of Portland ordains:

Section 1. The Council finds:

1. On DATE, 2000, the Council adopted Resolution No. XXXX declaring its purpose and intention to construct SCOPE OF PROJECT in the LOCATION Local Improvement District, and directing the City Auditor to give notice to property owners.
2. On DATE, 2000, the City Auditor published the legal notice of the Council's intent to construct the proposed local improvement.
3. On DATE, 2000, the City Auditor mailed notices to property owners within the local improvement project. The notices included the estimated property owner share of project costs for the proposed improvement, an assessment estimate for each benefited property, the time and location of the hearing, and the deadline and procedure for filing objections to the improvement project.
4. The estimated property owner share of designing, constructing and financing the proposed improvement is \$AMOUNT. Design costs include engineering and administrative services. Construction costs include right-of-way acquisition, legal fees, contract costs, superintendence and administrative services. Financing costs include legal fees, and costs associated with borrowing money to pay design and construction costs. The local improvement will be constructed according to special specifications on file in the Auditor's Office.
5. The City Auditor apportioned estimated construction costs by area. All properties described in Exhibit A, with original only, are within the improvement project and therefore, will receive special and peculiar benefit from the proposed local construction.
6. On HEARING DATE, the Council considered any remonstrance to the proposed local street improvement.
7. The City of Portland will finance construction of the proposed local improvement with proceeds of tax exempt notes or other securities. At completion of the construction project, the City will assess benefited property for the actual final project costs. Property owners may pay final assessments in cash or by contracting with the City for installment payment loans. The loans will be financed through the sale of long-term bonds or other securities. Proceeds from the bond sales and cash payments will be used by the City to repay construction financing. Final assessments are an incurred charge and are not subject to the property tax limitation established by Article XI, Section 11b of the Oregon Constitution.
8. The City Auditor's Office and BUREAU have complied with the requirements of state law, City Charter and City Code in proceeding related to this local improvement construction.

NOW , THEREFORE, the Council directs:

- a. That the LOCATION Local Improvement District, is created as adopted by this ordinance.
- b. The City Engineer to advertise for bids and prepare contracts for Council approval to construct the local improvement according to preliminary plans and specifications on file in the Auditor's Office and described as the construction SCOPE in the LOCATION Local Improvement District.
- c. The City Auditor to obtain the interim financing required to pay for the LID portion of the local improvement.
- d. The City Auditor to apportion the final actual costs of the local improvement based on area as proposed by the Auditor's Office.

Section 2. The Council declares that an emergency exists because it is necessary to expedite the contract bid process to insure construction during YEAR OF PROJECT; therefore, this ordinance shall be in effect from and after its passage by the Council.

Passed by the Council
Gary Blackmer, Auditor
F. Dufay/l. meyer
DATE

Gary Blackmer
Auditor of the City of Portland
By

(Print on Bureau Letterhead)

EXHIBIT XIV

**REPORT TO THE PURCHASING AGENT
(FINAL PAYMENT AUTHORIZATION)**

TO THE PURCHASING AGENT:

Transmitted herewith is the signed Certificate of Completion, Change Order No.'s (**Change Order Number(s)**), and the Progress Payment Certificate No (**Progress Pmt. No.**) FINAL, for (**Project Description**), our (**Project No. or Job No.**), Bid No. (**Bid No.**), Contract No. (**Contract No.**).

(**Contractor Name**) is the prime contractor. The contract was signed on (**Contract Date**). The contract was completed to my satisfaction on (**Completion Date**). The final construction cost of \$(**final cost**) is (**Percent over or under**) the original contract amount of \$(**Orig. Contract Amount (must be less than 25%)**). Liquidated damages in the amount of (**Liq. damage amount or "N/A"**) have been assessed.

This project was not an emergency project as defined in ORS 2179.015(4) and PCC5.33.090.D(1).

Therefore it is my recommendation that the improvements be accepted by the Purchasing Agent, including all change orders, all remaining retainage be released, and the Final Progress Payment Certificate be authorized for payment.

Approved:

_____	_____	_____
Title:	Title:	Title:
Date:	Date:	Date:

TO THE AUDITOR:

I have reviewed and approved the final payment report for the above referenced project.

_____ Date _____
Purchasing Agent