

## City of Lincoln Procurement Process Guide February 20, 2016

The City of Lincoln/Lancaster County Purchasing Department utilizes several procurement processes in order to acquire commodities and services which are of the best quality and at the lowest cost. The following processes are used in a manner which will best serve the City and County for the particular acquisition. One of the goals in the procurement process is to utilize common-sense measures which meet the requirements of City Code, City Charter, the County Purchasing Act and any other applicable Local, State, or Federal regulations. This guide provides a definition of each procurement process utilized, the procedure followed during the procurement process, and examples of how the process has been used in the past. As a starting point, here is an overview of each type of procurement:

**Request for Information (RFI)** is used when you think you know what you want but need more information from Vendors in order to initiate an effective specification which will allow for a fair and open competitive process. This process is used very infrequently. The use of a Request for Proposal (RFP) is normally utilized since it expedites the contracting process.

**Request for Qualification (RFQ)** is used when you have a somewhat specific need for a service and want to develop an RFP or some type of selection process limited to industry-related qualified Vendors only. The use of a Request for Proposal (RFP) is normally utilized since it expedites the contracting process.

**Request for Proposal (RFP)** is used when you know you have a need, but don't exactly know how you can meet that need, or you need a specific service which requires selection criteria not totally related to price. This process is more formal than the RFI or RFQ process and usually results in the selection of a firm or company deemed as "most qualified" and/or "most qualified and at the lowest cost".

**Informal Bids (Quotes)** are used when you know exactly what type of commodities or services are needed which cost between \$3,000.00 and \$25,000.00. These bids are issued on the ebid site for as little as 24 hours depending on the cost, number of Vendors available, and complexity of the purchase. Award is made to the lowest, responsible, responsive bidder.

**Formal Bids** are used when you know exactly what type of commodities or services you need which will cost over \$25,000.00 as a single purchase or combined purchase in a one year period of time. These bids are listed in the Lincoln Journal Star and posted on the ebid site for normally a minimum of 10 business days. Award is made to the lowest, responsible, responsive bidder.

**Sole Source (Noncompetitive Process)** is used when a single product or service can only be provided by one (1) Vendor due to various reasons such as territorial distribution, proprietary software, or installation into a piece of equipment already in place.

**Piggyback Contracts** are used when a specific product or service is required and can be acquired by utilizing a contract which has already been executed by another entity. The advantages include an expedited purchase process and the potential for lower costs based on additional quantities from multiple agencies.

**NOTE: The processes described in this document are applicable to purchases made with funds which do not originate from Federal Grantors. The process for utilizing Federal funds is outlined in the City/County Federal Procurement Manual.**

## **Request for Information (RFI)**

**Definition:** A non-binding method whereby a jurisdiction publishes via newspaper, Internet, or direct mail its need for input from interested parties for an upcoming Solicitation. A procurement practice used to obtain comments, feedback, or reactions from potential Vendors prior to the issuing of a Solicitation. Generally, price or cost is not required. Feedback may include best practices, industry standards, technology issues, etc.

**Process/Procedure:** A basic specification is sent to the Purchasing Department. The department and Purchasing locate possible Vendors to notify via the ebid system. The RFI is issued with instructions on what shall be included in a response and the deadline for submission. No further action is required once the responses are returned but in most cases an RFP would be issued based on information learned from the RFI process.

**Examples:** This process is used very infrequently by the City. Issuing an RFI can provide expert input from Vendors who are familiar with solutions in other applications that were similar in nature.

**Municipal Code Reference:** There is not a code which addresses the use of an RFI in the procurement process. An RFI is a tool used by the Purchasing Agent when it best suits the circumstances related to the needs of the department.

**City Charter Reference:** There is not a charter reference which addresses the use of an RFI in the procurement process. An RFI is a tool used by the Purchasing Agent when it best suits the circumstances related to the needs of the department.

## **Request for Qualifications (RFQ)**

**Definition:** A document, which is issued by a procurement entity to obtain statements of the qualifications of potential development teams or individuals (i.e., consultants, service providers), prior to issuing a Solicitation or requesting a scope or fees .

**Process/Procedure:** A specification is sent to the Purchasing Department. The department and Purchasing locate possible Vendors to notify via the ebid system. The RFQ is issued with instructions on what shall be included in a response and the deadline for submission. No further action is required once the responses are returned but in recent use of this process an RFP is issued, or contracts executed to those firms who are deemed qualified.

**Examples:** StarTran utilized this process to hire a provider for Para-Transit services. The RFQ information was used to develop an RFP and a service provider was hired.

Public Works Engineering Services currently has an RFQ issued which is requesting the qualifications of Engineers and Architects for Construction Management and Inspection Services for 2016. Firms are scored based on their experience and other factors. Those firms who are deemed qualified for each of the categories listed are put on a list, notified when a project is ready for their services, negotiate a fee and scope, and are issued a Professional Services contract.

**Municipal Code Reference:** There is not a code which addresses the use of an RFQ in the procurement process. An RFQ is a tool used by the Purchasing Agent when it best suits the circumstances related to the needs of the department.

**City Charter Reference:** There is not a charter reference which addresses the use of an RFQ in the procurement process. An RFQ is a tool used by the Purchasing Agent when it best suits the circumstances related to the needs of the department.

### **Request for Proposals (RFP)**

**Definition:** The document is used to solicit Proposals from potential providers for services. The qualifications (and pricing in non-AE services) of the proposing firms are scored and weighted to determine the company who will provide the best services to the City. Provides for the negotiation of all terms, including price prior to contract award. May be a single-step or multi-step process.

Introduced in the Armed Services Procurement Act of 1962 as well as by the Competition in Contracting Act of 1984.

(RFP's issued for Professional Engineering and Architect (AE) services usually follow the provisions of the Brooks Act and do not include price as a selection factor)

**Process/Procedure:** A specification is sent to the Purchasing Department. The department provides a list of possible Vendors in addition to all Vendors registered in the ebid system. The RFP is issued in the ebid system with instructions on what must be included in a response and the deadline for submission. Following receipt of proposals a Selection Committee is assigned to review and score the proposals and select the most qualified Vendor.  
(Cost is used in the selection process for non-AE services)

**Examples:** Purchasing issued 24 RFP's for various products and services in the last 12 months. Examples of recent RFP's include Construction Management, 800 MHz Radio System, Design Services for Fire Station 11, and Asset Management.

**Executive Order Reference:** The City utilizes the requirements of EO 80199 for RFP's associated with construction-related professional services.

**Municipal Code Reference: Section 2.18.030 (g)** - Competitive bidding shall not be required when unique or noncompetitive articles are being purchased or when no bids have been received after following the formal procedure or when professional services are being contracted for as determined by the Purchasing Agent, pursuant to the provisions of City of Lincoln Charter, Article VII, Section 2.

**City Charter Reference: Article VII, Section 2** - Competitive bidding shall not be required in purchasing unique or noncompetitive articles or in contracting for professional services.

### **Informal Bid (Quote)**

**Definition:** An informal purchasing process which solicits pricing information from several sources with a short or long term solicitation period.

**Process/Procedure:** A specification is sent to the Purchasing Department. The department provides a list of possible Vendors in addition to all Vendors registered in the ebid system. The quote is issued in the ebid system with instructions on what must be included in a response and the deadline for submission. Following receipt of quotes the department reviews the quotes and sends a recommendation for award to Purchasing indicating the lowest, responsible, responsive Vendor. A Purchase Order or contract is issued following award.

**Examples:** Purchasing issued 174 quotes for various products and services in the last 12 months. Examples of recent quotes include mattresses for LFR, flow meters, mowers, and folding tables.

**Municipal Code Reference: Section 2.18.030 (b)** - All purchases with an estimated cost of \$3,000.00 or more shall be made upon the requisition of the department desiring the same.

AND

Section 2.18.030 (h) - Advertisement for bids shall not be required for any purchase wherein the probable expenditure shall not exceed \$25,000.00; but in such case, the Purchasing Agent shall secure and record at least three informal bids, if practicable.

**City Charter Reference: Article VII, Section 2** - Purchases and contracts involving the expenditure of less than \$25,000.00 may be made without calling for formal sealed bids, but at least three informal bids shall be secured and recorded if practicable.

### **Formal Bid**

**Definition:** A competitive process for the acquisition of supplies or services completed in conformance with a prescribed format and submitted in a sealed manner via the ebid system to be opened on a specified date and time.

**Process/Procedure:** A specification is sent to the Purchasing Department. The department provides a list of possible Vendors in addition to all Vendors registered in the ebid system. The bid is issued in the ebid system with instructions on what must be included in a response and the deadline for submission. Following receipt of bids the department reviews them and sends a recommendation for award to Purchasing indicating the lowest, responsible, responsive Vendor. A Purchase Order or contract is issued following award.

**Examples:** Purchasing issued 234 bids for various products and services in the last 12 months. Examples of recent bids include trailers, elevator improvements, and various construction projects.

**Municipal Code Reference: Section 2.18.030 (f)** - Any purchase calling for an expenditure involving more than \$25,000.00 shall be entered into and authorized only in accordance with City of Lincoln Charter, Article VII, Section 2.

**City Charter Reference: Article VII, Section 2** - The purchasing division, in making any purchase in the amount of \$25,000.00 or more, or any other department or agency, in making any contract committing the city to any expenditure of \$25,000.00 or more, shall advertise for formal sealed bids to be opened in public and to be the basis for awards.

### **Sole Source (Noncompetitive Process)**

**Definition:** A procurement through solicitation of a proposal from only one source and may be used when one or more of the following circumstances apply:

- (1) The item is available only from a single source
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) After solicitation of a number of sources, competition is determined inadequate.

**Process/Procedure:** A department will send a Sole Source form and a quote to Purchasing which describes the product/service required and an explanation as to why it is a sole source. Purchasing discusses the request with the department and researches the request to ensure that it is a sole source situation. Following verification of sole source, a Purchase Order or Contract is issued.

**Example:** Examples of recent Sole Source purchases include repair parts for Wastewater equipment, an emergency management identification system, and parking garage credit card machine updates.

**Municipal Code Reference: Section 2.18.030 (g)** - Competitive bidding shall not be required when unique or noncompetitive articles are being purchased or when no bids have been received after following the formal procedure or when professional services are being contracted for as determined by the Purchasing Agent, pursuant to the provisions of City of Lincoln Charter, Article VII, Section 2.

**City Charter Reference: Article VII, Section 2** - Competitive bidding shall not be required in purchasing unique or noncompetitive articles or in contracting for professional services.

### **Piggyback Contracts**

**Definition:** The post-award use of a contractual document/process that allows someone who was not contemplated in the original procurement to purchase the same supplies/equipment through that original document/process.

**Process/Procedures:** A specification or request is sent to the Purchasing Department. The department may indicate a piggyback contract is available, or Purchasing will review the various options and determine if this is the most cost effective and efficient process. Following review of contract terms and pricing by the Purchasing Department, a Purchase Order or contract is issued.

**Example:** Examples of recent Piggyback Contracts include CNG buses, computer equipment, security cameras and software, vehicles.

**Municipal Code Reference: Section 2.18.030 (o)** The Purchasing Agent shall have the authority to join with other units of government in cooperative purchasing when the best interests of the city would be served thereby.

**City Charter Reference:** None listed

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