



Procurement Assessment & Local Preference

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01

Department Overview

Organizational chart &
services provided



Finance & Procurement

Procurement Division

- Provides a unified procurement system that ensures integrity and fairness, with standardized processes and procedures for the oversight of solicitation, vendor selection, negotiation, contract award, and reporting.
- Oversees the disposal of surplus property, emergency logistical support, purchase card services, printing services, internal courier services, mail services, and the City's warehouse operations.

Procurement Division Management Team



Heather Hurlbert

Finance & Procurement Director



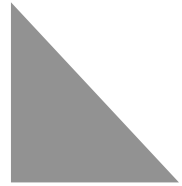
Josh Chronley

Finance & Procurement
Assistant Director
(Procurement Division)



Maria Pedraza

Procurement Manager

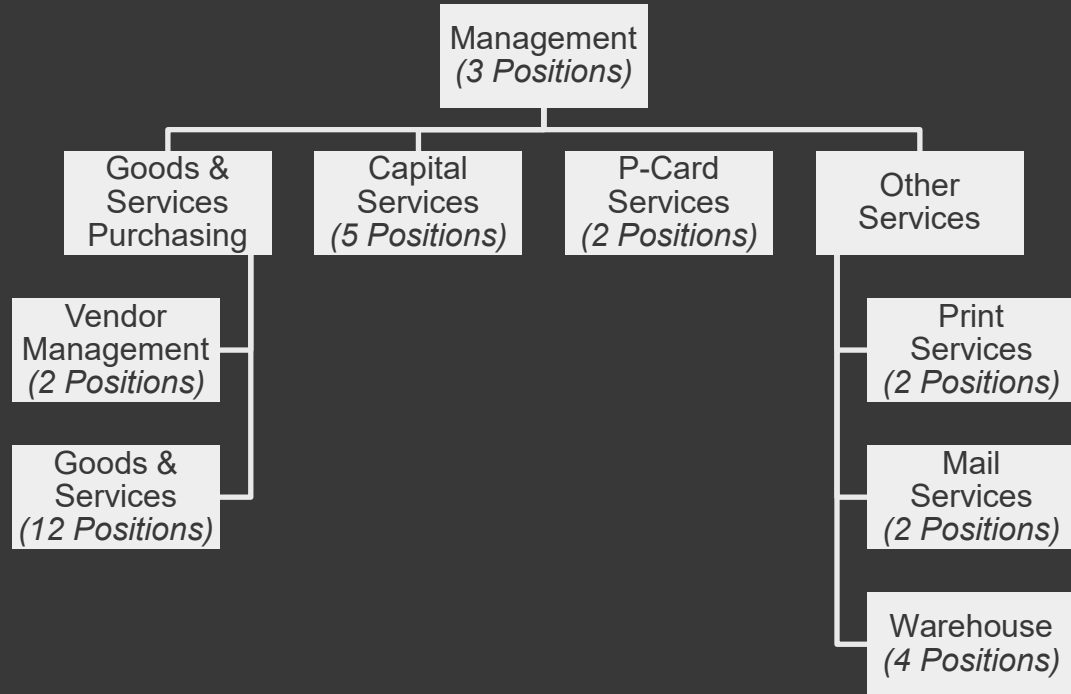


Core Services

- Goods & Services Purchasing \$1.6M
- Capital Services \$400K
- P-Card Services \$200K
- Print Services \$380K
- Mail Services \$325K
- Warehouse Services \$4.4M

Total Budget \$7.3M

Total Positions 32





02

New Management

Changes made to operations
prior to assessment
(January 2021)

Customer Service Focus

▲ Partnership

Helping staff understand each procurement is a partnership not an assignment.

▲ Shared Responsibility

The new focus on partnership means that the successes and failures of the department's procurements are shared.

▲ Service Focus

Helping to find a procurement solution, not just answering yes or no.

Digitization

Signatures

Utilizing DocuSign &
Adobe Signatures

Submissions

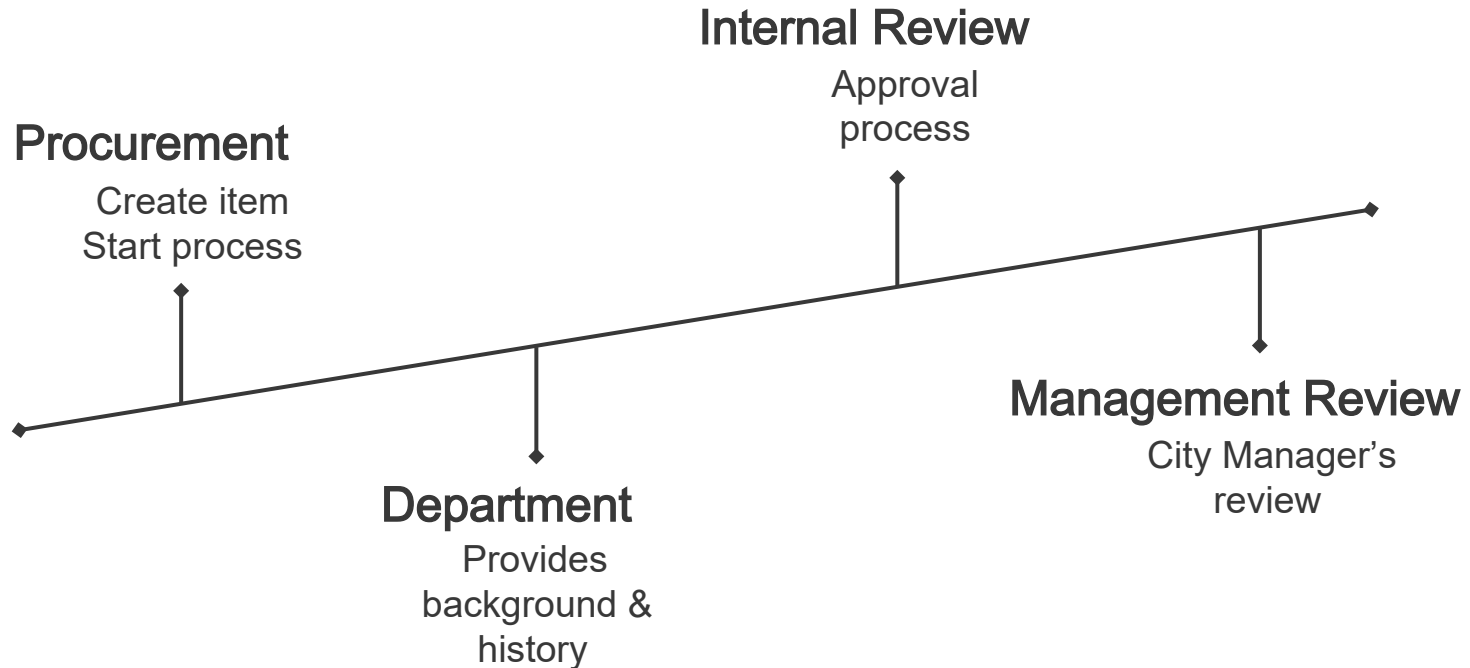
Require digital drives or
digital submissions for all
requests (RFB/RFQ/RFP)

Records

Established a digital system
of record for all financial
documents for procurement

Agenda Preparation Process

Established electronic workflow for agenda review



Standardization

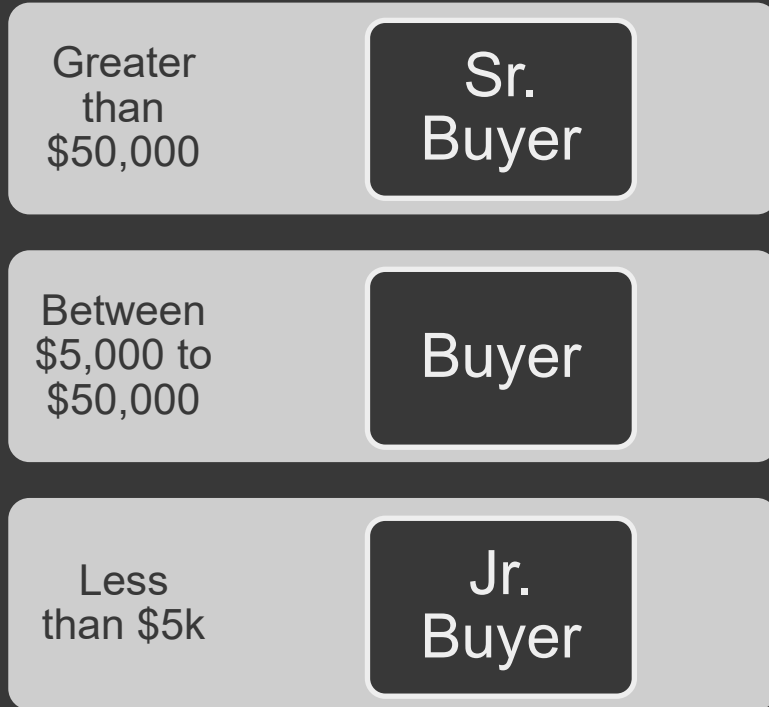
Utilizing standard templates for each solicitation type
Updated forms & documents
Aligned with State requirements

Risk Assessment Matrix

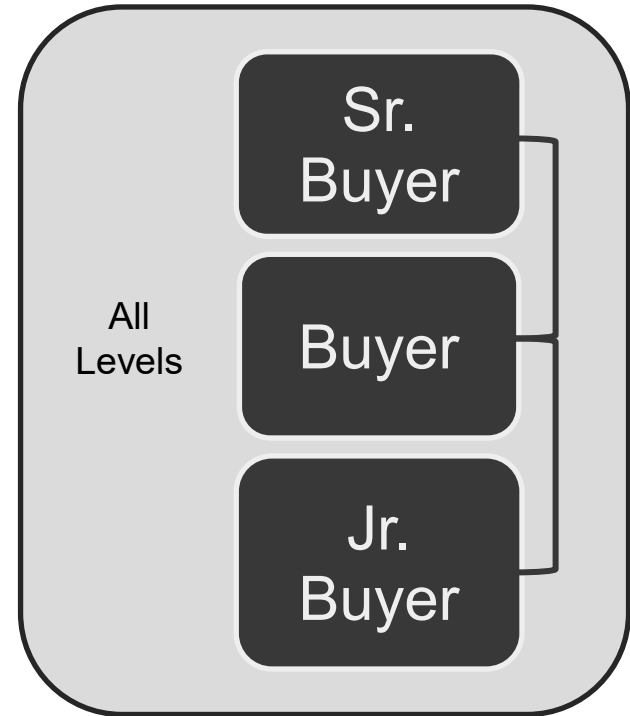
Coordinated with the Risk department to provide a standard matrix for insurance requirements to streamline the process

Established and Buyer Teams

Prior Structure



New Team Structure

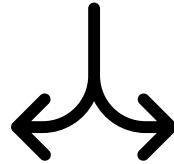




Separating procedures from policy

Policy

Outlining the rules
Realigning with State requirements
Citing governing laws & ordinances



Procedure

Establishing written standard operating
procedures
Providing guidelines
Outlining processes

The image features a stylized, grayscale graphic of a building facade on the left side. The facade is composed of a grid of rectangular panels, some of which have a halftone dot pattern. A large, 3D, dark gray 'weaver' logo is positioned in the center, overlapping the grid. The word 'weaver' is written in a white, lowercase, sans-serif font with a slight shadow, appearing to be part of the building's structure.

weaver

03

The Weaver Assessment

Summary of Review

Brandon Tanous



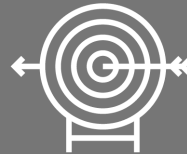
- Certified Internal Auditor
- Certified Fraud Examiner
- Certified Government Accounting Professional
- Certification in Risk Management Assurance



Project Scope

To assess the policies and procedures, internal controls and practices, and a comparison of key functions to Texas Cities

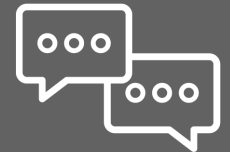
Risk and
Compliance



Internal Audit



Consulting



Evaluation Phases



Policy & Procedure

Measured against:
GFOA Policies &
State of Texas Procurement and
Contract Guide

Internal Controls

Looked at processes &
internal controls
benchmarked to 2016
study

Peer Comparison

Looked at the 7 largest
Texas Cities

1. Policy & Procedure Results

ALL GFOA
STANDARDS
PRESENT

12½ of 14
Performance
Markers

2 Points for
Consideration

2. Internal Controls results



**Evaluated
Controls in 7 Key
Process Areas**

**Identified 13 points
for consideration**

**11 Full of 19
Recommendations
implemented from
FY 2016 Study**

3. Peer City Comparison results

■ Staffing

On average the 7 Peer cities had 27 procurement staff (Compared to the current staffing of 20)

■ Local Preference

5 of the 7 Peer cities had local preference ordinances

■ Warehouse

0 of the Peer cities had a warehouse centralized in procurement



Recommendations

- 16 Points for Consideration
 - 8 Moderate Risk
 - 8 Low Risk
- 4 Categories
 - Structure & Staffing (6)
 - Policy & Procedure (5)
 - Data Management (4)
 - Warehouse (1)

Structure & Staffing	Policy & Procedure	Data Management	Warehouse
Knowledge Skill Assessment	Contract Renewal Process	Vendor Profiles	Functional Setup
Vendor Fairs	Capital Procurement Process	Duplicate Vendors	
Cooperative Guidance	Change Order Process	Dormant Vendors	
Cooperative Monitoring	Reference Checks	Reporting Capabilities	
Vendor Performance Evaluation	Local Preference		
Contract Admin Training			



04

Management Actions

Response to Points for
Consideration



One Additional Position

Added 1 Sr. Buyer to create an additional procurement team



Two Staff Realignments

Restructured and reassigned workloads to support new Sr. Buyer



*Changes Approved
in FY 2022 Budget*



Three Staff Reclassifications

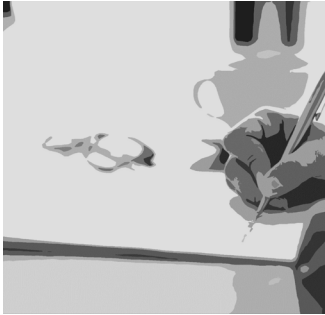
Reclassified 3 positions to address areas identified in assessment



Certification Program

Established a paybased certification program for procurement staff to enhance workforce skillsets and knowledge

Future Budget Requests



Contracts
Manager



Local Business
Liaison

Changes to Policy & Procedure



**Implemented
Contract
Renewal
Process**

**Establish
Clear
Divisional
Responsibilities**

**Written
Standardize
Operational
Procedures**

**Built Database
for Reference
Checking**

**Established
Contract
Administration
Requirements**

Infor Financial System Upgrade

Approved by City Council April 20, 2021
Implementation scheduled for Fall 2022

- Addresses 4 points for consideration
- Greatly increases reporting capabilities
- Enhances vendor systems



Warehouse Repurposing

- Change to storeroom
- Modify shelving
- Restructure and reassign staff
- Transition building to Asset Management



Continual Improvement

Staff will continue to identify areas for improvement



05

Local Preference

For Council
Consideration

Current Scoring Systems

Request for Bids (RFBs)

- Advertised for 14-60 days
- Sealed Bidding Method
- Awarded to the lowest responsive and responsible bidder
- No preference to local businesses
- No negotiations on price

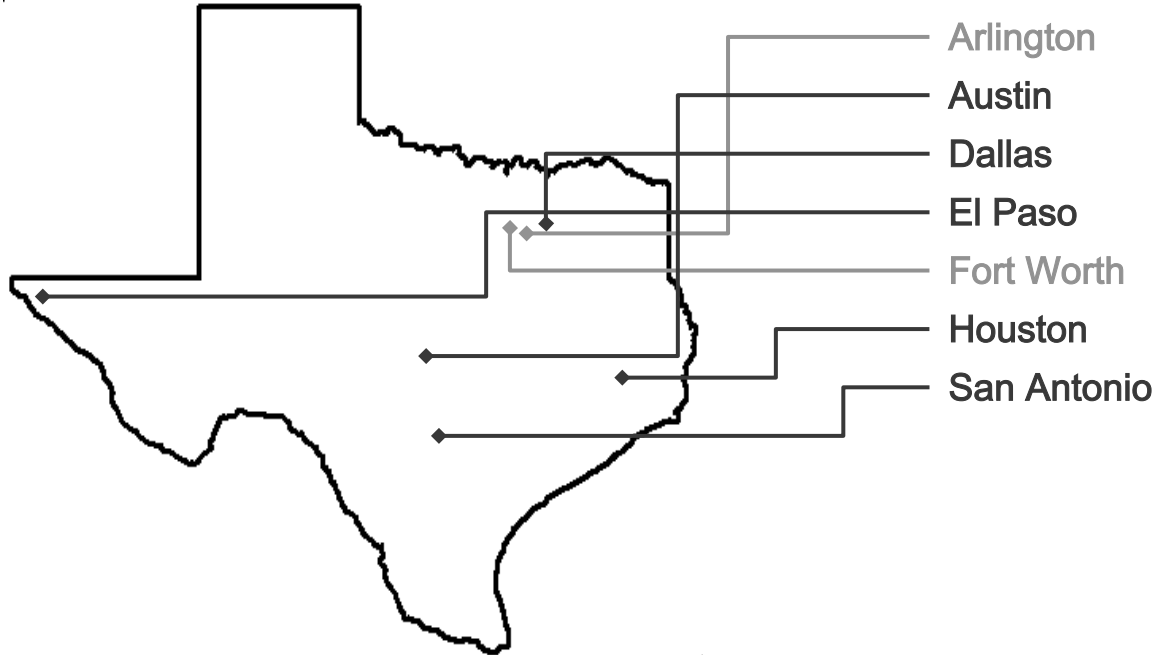
Request for Qualifications (RFQs) Request for Proposals (RFPs)

- Advertised for 30-90 days
- Sealed Bidding Method
- Point Grading System – (0 to 100 pts)
 - RFQ – 80/20 (Proposal/Interview)
 - RFP – 70/20/10 (Proposal/Interview/Price)
- Award Criteria
 - RFQ – Most qualified bidder
 - RFP – Qualifications and Price
- No preference to local businesses
- RFP can ask for Final Best Offer

Local Preference

Granting preference for **LOCAL** for
Goods, Service & Construction
Contracts

Texas City Comparison



■ No Local Preference

■ Local Preference

RFB Local Preference

Awarding to local bidders within a defined percentage of the low bid (Lowest Local Bid)

- **Go o d s**
 - 5% up to \$500K
 - 3% Greater Than \$500K
- **Ser vic es**
 - 5% Up to \$500k
 - No Preference Above \$500K
- **Mixed Go o d s & Ser vic es**
 - award based on largest component
- **Co n str u c t i o n**
 - 5% up to \$100K
 - No Preference Above \$100K





RFQ/RFP Local Preference

Extra Points for Local Businesses

- **Headquartered – Up to 10 Points**
 - 20% of Workforce or 100 Employees
 - Minimum One Year Residency
- **Local Branch – Up to 10 Points**
 - 20% of Workforce or 100 Employees
 - Minimum One Year Residency
- **Joint Venture – Up to 5 Points**
 - Point allocation based on % of Local Workforce
 - At least one partner must meet criteria for local business

Local Preference Summary

Solicitation	Type	\$50k - \$100k	\$100k - \$500k	\$500k +
Request for Bids	Goods	Up to 5%	Up to 5%	Up to 3%
	Services	Up to 5%	Up to 5%	No Preference
	Mixed	Up to 5%	Up to 5%	Up to 3%*
	Construction	Up to 5%	No Preference	No Preference
Request for Proposals	Goods	Up to 10pts	Up to 10pts	Up to 10pts
	Services	Up to 10pts	Up to 10pts	Up to 10pts
	Mixed	Up to 10pts	Up to 10pts	Up to 10pts
Request for Qualifications	Goods	N/A	N/A	N/A
	Services	Up to 10pts	Up to 10pts	Up to 10pts

*Based on the highest goods or services component, No preference for services above \$500,000

Note: 10 points out of a total of 100 points



06

Next Steps

Staff Recommendation

Staff Recommendation

Consider and adopt local preference ordinance.

The first reading on January 11 and the second reading on January 18



Staff on Standby for Questions



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