



City of Dallas

Procurement Services Update and Proposed Changes to Contracting Provisions in the Dallas City Code

**Government Performance and
Financial Management
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Discussion



- Office of Procurement Services: Mission, Goals, and GPFM Priorities.
- Proposed Code Amendment to Contracting Provisions in Chapter 2, Dallas City Code.



Mission and Goals



Mission: deliver timely service to clients through strategic competitive purchasing while working diligently to maximize purchasing power.

- Responsibilities
 - Centralized purchasing of goods and services (not construction).
 - Present about 200 agenda items each year.
 - Contract management training (D-COR).
 - Operate the Express Business Center and surplus disposal through the City Store, which is still operating as a PPE distribution hub.
- Budget Book goals and performance measures.
- City Manager's Goals.
- GPFM Priorities (from the Mayor's October 9, 2020 memo).



Budget Book Goals



- Maintain and continuously improve Citywide acquisition planning (through the Procurement Quarterly).
- Provide ongoing training through the Dallas Contracting Officer Representative (D-COR) program for all departments.
- Fully configure and implement the enterprise contract management system through Bonfire, to include hosting contracts, monitoring plans, and documenting supplier performance.
- Ensure spend (through Procurement Services) is on contract.
- Prioritize professional development for staff.



Budget Book Performance Measures



| Performance Measure | Target for FY21 |
|---|-----------------|
| Percentage of contracts renewed (option exercised) before expiration. | 90% |
| Average number of bids received per solicitation. | 5 |
| Percentage of spend captured on contract. | 95% |
| Department completion rate for the Dallas Contracting Officer Representative (D-COR) Program. | 75% |



City Manager's Goals



- Two goals related to Green Procurement (more on next slide).
- Propose amendments to Chapter 2 of the City Code to improve contracting efficiencies for goods and services procurements by Summer 2021.
- Support multiple other departments with contracting for complex goods/ services as part of achieving their goals.



Green Procurement



- Specific goals for this FY include:
 - Analyze City's purchasing history of goods and services to develop a comprehensive Green Procurement plan for City operations and establish a sustainable procurement policy as part of achieving Goal 4 (zero waste community) of the CECAP workplan for this fiscal year.
 - Build on the City's local preference policy to address food procurement that emphasizes healthy, local food, and initiate local food procurement pilot program for city-sponsored events, as part of achieving Goal 7 of CECAP (ensuring Dallas communities have access to healthy, local food).
- Procurement and OEQS are scheduled to brief the full Council on a Green Procurement policy in May 2021.



Local Preference



- City Council Approved the expanded Local Preference resolution on 5/27/20.
- Procurement implemented the program on 9/1/20, which adds 5 points for local suppliers for a general services procurement (RFCSP).
- FY 20 Metrics (6/10 – 9/23 = 6 City Council Agenda Meetings)
 - Of the 162 Primes awarded contracts during this period:
 - 82 Primes with Local Workforce representing 50.62% of total awardees.
 - 69 Local Primes representing 42.59% of total awardees.



GPFM Priorities



- Reviewing the City's RFP and procurement processes to reflect best practices.
- Examining and monitoring major contracts (Procurement assists with this effort through its D-COR program).



GPFM Priorities



- NIGP, the Institute for Public Procurement, has accredited Procurement Services as a **Quality Public Procurement Department**.
 - It is a formal accreditation that means we follow industry best practices for all procurements, including the RFP process.
 - Accreditation is valid for three years.
- Specific new initiatives that build on our best practices:
 - Acquisition planning.
 - Contract management training program (D-COR).
 - De-briefs for suppliers who were not awarded the contract.



Goals, generally.



- We are on track to meet our goals for this fiscal year.
- These goals have been implemented at all staff levels to ensure every position furthers the department-wide and citywide goals.
- We execute these goals with the City's Core Values: Empathy, Ethics, Excellence, & Equity.



Acquisition Planning



- Procurement Quarterly
 - Provides vendors and the public with our three-month forecast for all upcoming solicitations of goods, services, and construction over \$50,000.
 - Includes solicitations from all City of Dallas departments.
 - Provides information on the contract type, description, terms, estimated value and sub-contracting opportunities.
 - Key outreach tool for the Business/ Workforce Inclusion team.
- Fiscal Year 2021 Opportunities
 - Q1: Provided 122 Opportunities, worth more than \$2,905,785,891.
 - Q2 : Provided 142 Opportunities, worth more than \$418,021,423.



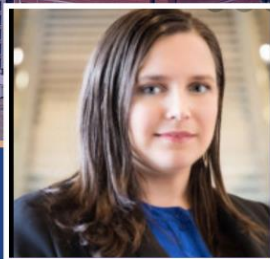
Come learn how non-profits can engage with the City of Dallas. Learn how to do business with the City as well as upcoming opportunities.



Danielle Thompson,
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Zarin D. Gracey, Assistant Director
Economic Development Business
& Workforce Inclusion



Jessica Galleshaw, Director
Office of Community Care

Upcoming Training for Nonprofits

FEBRUARY 25 | 3:30 P.M. | WEBINAR

REGISTER TODAY

Contract Management: D-COR



- What is D-COR?
 - The Office of Procurement Services and City Controller's Office have created a contract management program including training and certifying staff citywide.
 - Dallas Contracting Officer Representative definition: An individual designated and authorized to perform specific technical or administrative functions in monitoring various aspects of contract performance.
- Training includes: D-COR Level 1 and Level 2. Level 3 is currently in production.
- Access and training to use Bonfire Contract Management is provided after completion of Level 1.
- D-CORs are encouraged to share knowledge and ideas to promote ongoing citywide improvement.



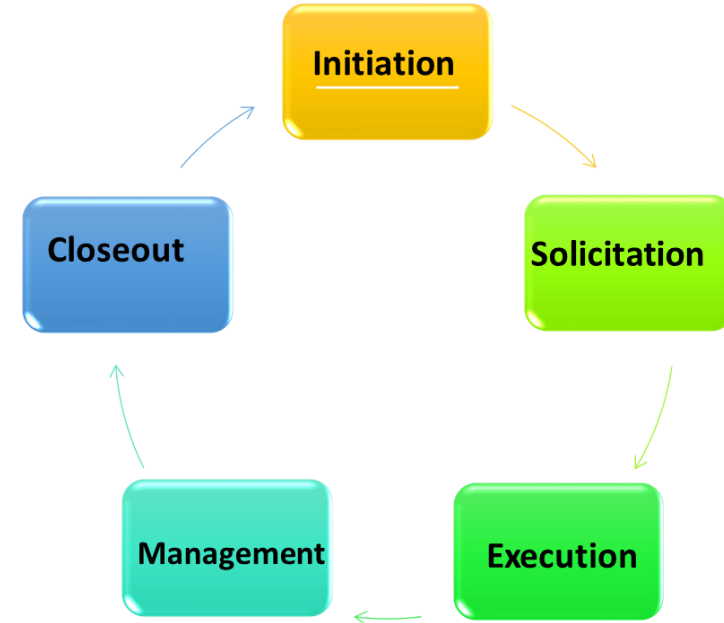
D-COR Level 1 Content



Level 1

(6 hours of instruction, recommended independent project, and exam):

- Contract Life Cycle
- Procurement
- Applicable Laws and Codes
- Contract Management
- Monitoring Plans
- Contract Ethics



D-COR Level 2-3 Content



Level 2:

(5 Hours of instruction and exam):

- Complex Specifications

- Contract Metrics

- Complex Monitoring Plans

- Construction

- Federal Contract Requirements(Uniform Guidance/ CFR 200)

Level 3: (In process):

- Best Practices

- Contract Recovery



D-COR Structure



- Training is ongoing with live online cohorts.
- Independent study options available in Learning Zen.
- Ongoing Quarterly Review Meetings to discuss:
 - Any changes to procedures or requirements.
 - Any government code/ state or other law updates.
 - Questions regarding monitoring plans or contract performance.
 - Opportunity to discuss best practices and ideas.
 - Questions or concerns.



Completion of Level 1 provides access to Bonfire Contract Management. The City's enterprise contract management module.

This platform provides uniform place to track:

- Contracts
- Monitoring plans
- Supplier performance

Biweekly lab sessions provide ongoing training on using the systems, creating monitoring plans, and working through supplier performance concerns.

- D-COR training completed as of February 10, 2021 :
- 40 departments currently have D-CORs

Total Number of Participants as of February 10:

| | |
|-------------------|-------------|
| Completed Level 1 | 266 |
| Completed Level 2 | 92 |
| Level 3 | COMING SOON |

D-COR: Is It Working?



- Yes!
- The D-COR program success so far:
 - Great reviews and feedback.
 - 40 Department D-CORs in Bonfire Contract Management Module.
 - Increase in communications throughout departments about shared contracts.
 - Increase in communication and strategic contract planning.
 - Resolution of multiple vendor disputes.
 - Ongoing guidance on invoicing concerns.
 - Worked with departments on developing monitoring plans with varying complexity.
 - Ongoing guidance on entering contracts in Bonfire.
 - Provide guidance on contracts to departments on a weekly basis.



D-COR, Next Steps



- Approx. 2000 active contracts (not including revenue and other specialty contracts).
- Initial plan to train 250 Level 1s has increased due to demand from City staff.
- Current plan is to help depts set up 100 monitoring plans by the end of this fiscal year.
- Continuing training of construction depts on Bonfire (pre-pandemic, all submissions were paper).

| Target Number of Participants by mid FY22: | | Percent of Goal Met |
|--|-----|---------------------|
| Level 1 | 400 | 67% |
| Level 2 | 100 | 92% |
| Level 3 | 45 | Coming Soon |



Proposed Changes to Chapter 2



Sources of law/ authority

- State law
- City Charter
- Dallas City Code, Chapter 2
- Council Resolutions
- AD4-5



Review of rules for Goods and Services



Rules vary depending on contract value, good vs service, good or service type, and source of funds.

| Dollar value of entire contract | Competitive process | Type of approval |
|---------------------------------|---|---|
| \$3k and under | No minimum bids required but should try to find the best value. | PO/ AASO/ P-card for approval |
| Over \$3k to \$50k | Three bids required, 2 from HUB vendors. | AA or PO for approval |
| Over \$50k | Formal, competitive bidding process through Procurement Services. | AA up to \$70k Council resolution over \$70k |





Significant Proposed Changes

| Current Code | Proposed change |
|---|---|
| Council approval required for purchases over \$50k or for change orders/supplemental agreements over \$50k. | Council approval required for purchases/ change orders/supplementals over \$100k. |
| Council approval required over \$70k if cooperative, ILA, or competitively bid. | Council approval required over \$100k if cooperative, ILA, or competitively bid. |
| Council approval required twice: for original contract authorization and when exercising renewal. | Council approval only required once: with original contract authorization. |
| Council approval required if surplus sale is over \$20k. | Council approval required if surplus sale is over \$100k. |

**We would still competitively bid purchases of goods and services over \$50k.*



Other changes



- Clean-up changes, including changing “purchasing” to “procurement” throughout.
- Updating definitions consistent with state law changes and for improved administration.
- Allowing the City Manager to change price schedules if it is a downward adjustment.
- Construction procurement is also part of Chapter 2, but as of now, those specific provisions are not being considered for revision.



Impact



- Approx. 12% reduction of Procurement agenda items.
- Examples of department improvements by redirecting this time include:
 - Improving procurement speed.
 - Increasing quality by spending more time with dept on reviewing specs for contract.
 - Implementing strategic procurement initiatives.
 - More supplier outreach.
- All of the above can result in increased cost savings and better performance on contracts.



Benchmarking



| City | Threshold for Council Approval | Formal Bidding Threshold |
|-----------------|--------------------------------|--------------------------|
| San Diego, CA | \$3 million | \$150K |
| Charlotte, NC | \$500K | \$100K |
| Portland, OR | \$500k | \$150K |
| San Antonio, TX | \$50K-\$100k depending on type | \$50K |
| Fort Worth, TX | \$100K | \$50K |
| Federal Gov't | NA | \$250K |



Next Steps



- Procurement Services
 - Continuous improvement with an emphasis on customer service.
 - Expansion of D-COR.
 - Receiving and incorporating feedback, as appropriate, from all stakeholders.
- Code Amendment
 - Work with CAO to draft the ordinance.
 - Full Council briefing on April 21, 2021 with proposed language for the changes.
 - Present to Council for approval May/June 2021.
 - Update AD4-5 and internal forms consistent with any approved changes.





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Proposed Changes to Contracting Provisions in the Dallas City Code & Procurement Updates

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