

Procurement Code



PO Box 20000
Las Cruces, NM 88004

MEMORANDUM

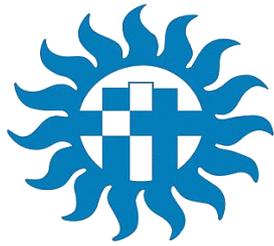
TO: Robert Garza, City Manager
FROM: Karen Medina, Purchasing Manager *K.M.*
DATE: March 4, 2014
SUBJECT: Procurement Code Work Session 3/10/14

The Purchasing Section will provide information on proposed changes to the Procurement Code to include:

- Better alignment with certain aspects of the State of New Mexico Procurement Code
- Increasing thresholds for City Manager and City Council approval
- Reducing the number of Capital Improvement and construction contracts that Require Council/City Manager action if approved in the budget
- Reducing the need for City Manager or City Council approval of procurements funded through previously accepted/approved Grants

Through the proposed changes, the desired outcome is to process procurement items in a more timely and efficient manner.

Cc: Mark Winson *MW*
Victoria Fredrick



City of Las Cruces[®]
P E O P L E H E L P I N G P E O P L E

**City of Las Cruces
Proposed Changes to the
Procurement Process**

Reasons for Proposed Changes

The City desires to attain better alignment with certain guidelines followed by the State of New Mexico Purchasing Division

Increasing procurement thresholds requiring Council approval will improve the timeliness of the procurement process

State of NM Procurement Statutes for Inclusion in City Procurement Code

Exemptions

Contracts with Professional Entertainers

Advertising in all media

Promotional goods intended for resale

State of NM Procurement Statutes for Inclusion in City Procurement Code

Evaluation Criteria

(for services provided by architects, engineers, landscape architects and surveyors)

Determination of award is based on qualifications and cost will be negotiated during the award phase.

Current Procurement Thresholds

\$35,000 to
\$49,999 require
City Manager
approval

\$50,000 and up
require Council
approval

Under \$35,000
are processed by
Purchasing
Manager

Proposed Changes to Procurement Approval Thresholds

Raise thresholds on non-construction, non-capital improvement related goods and services to the following:

Procurements from \$50,000 to \$74,999 require City Manager approval

Procurements at \$75,000 and up require Council approval

Procurements below \$50,000 processed by Purchasing Manager

Timing of Council Action Items

Normal Processing:

Normal Processing:	Min # of days	Max # of days
Staff Review / Evaluation	1	21
Mandatory Process Days	17	17
Total	18	38

Missed Deadline Processing:

Add 14 to 21 days to normal processing time for each submittal deadline missed:

	Min # of days	Max # of days
1 st Missed deadline	32	59
2 nd Missed deadline	46	80



Proposed Changes to Procurement Approval Thresholds

Current year capital improvement projects, capital equipment and vehicles in the approved budget will not require a second Council approval of contracts

Grants and State appropriations accepted by Council and amended into the budget will not require Council approval of contracts

Proposed Changes to Procurement Approval Thresholds

Construction contracts of \$500,000+ require Council approval

Construction contracts below \$500,000 processed by Purchasing Manager

Effect of Proposed Changes

	Construction		Fleet		All Others		Total PO's	
	Current	Proposed (estimate)	Current	Proposed (estimate)	Current	Proposed (estimate)	Current	Proposed (estimate)
Council	52	16	6	1	167	141	225	158
City Manager	6	0	2	0	73	73	81	73
Purchasing Manager	78	120	25	32	2438	2464	2541	2616

Based on FY2013-14 Purchasing Volume

Additional Proposed Changes

Competitive Bidding

Current Threshold: \$50,000

Proposed Threshold: \$75,000

Accountability

A quarterly report of all procurements over \$75,000 shall be provided to Council

Example from another home-ruled government entity:

Rio Rancho City Charter:

36.29 CONTRACT MATTERS.

(C) *Notification of the governing body.* A summary of all contracts and agreements approved by the City Administrator, or his designated representative, shall be provided to the governing body on a quarterly basis in the form of a non-action agenda item review.

('87 Code, § 7-2-10) (Ord. 82-31; Am. Ord. 94-001; Am. Ord. 96-031)



QUESTIONS?