



FINANCE DEPARTMENT POLICIES & PROCEDURES

Revision of Purchasing Policy for Capital Improvement Program

Town Council August 15, 2018

OBJECTIVES

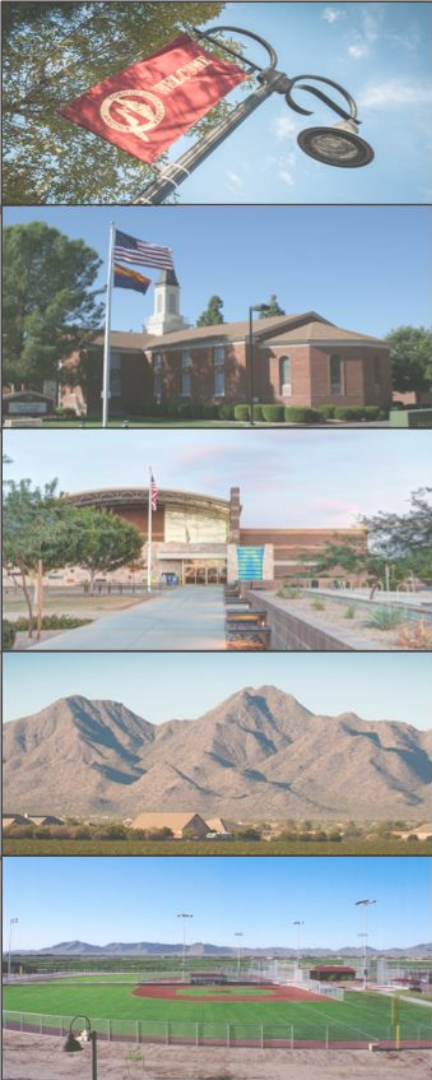
- Finish capital projects faster
 - 3-4 months
- Streamline the contract approval process
- Save time for Council and staff while maintaining accountability





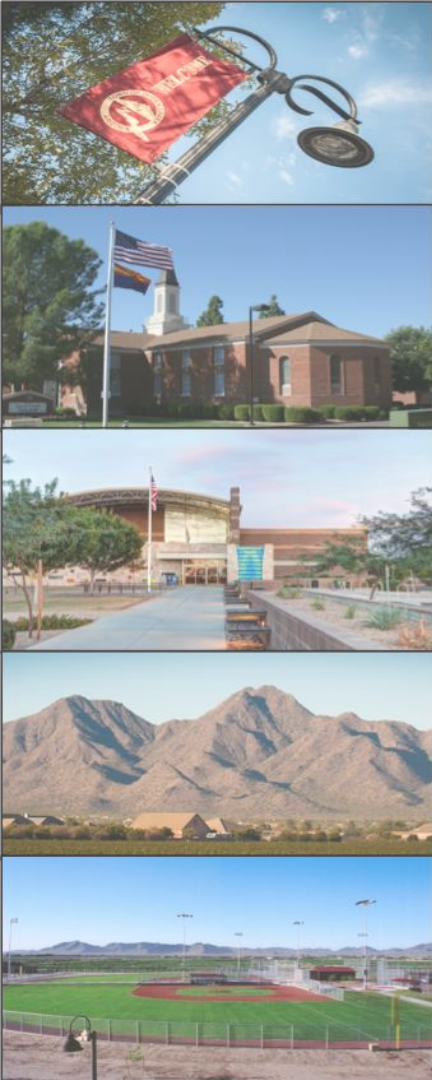
PROJECT OUTLOOK

- \$195M Transportation Master Plan
 - 10 years
 - 41 projects
- \$140M+ Water/Wastewater Projects
 - 10 years
 - More than 70 projects
- 3 New Fire Stations in the next 3-5 years
- Parks Master Plan Implementation



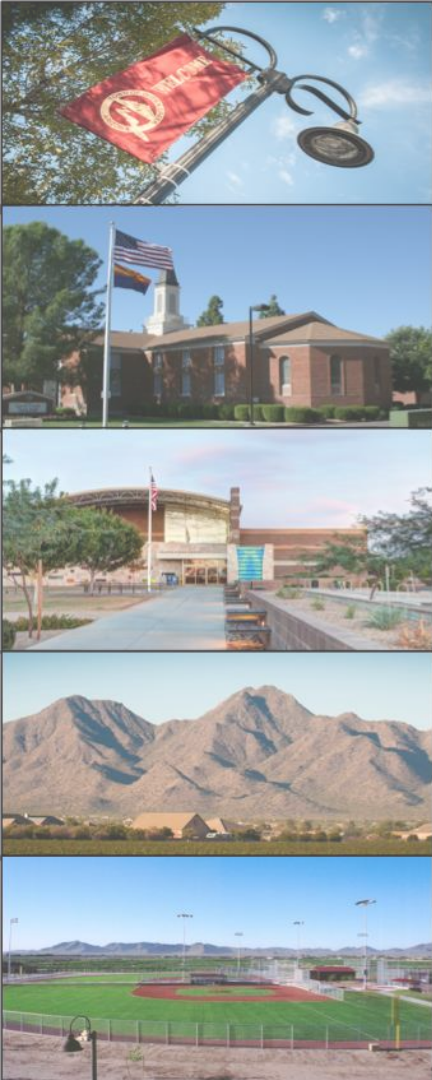
Current Process

- All contracts \$25,000 or more must be approved by the Town Council:
 - Real estate acquisition (per parcel)
 - Inspection services
 - Surveying
 - Design
 - Construction
 - Other miscellaneous contracts
- Approximately 2-week wait time for Council approval



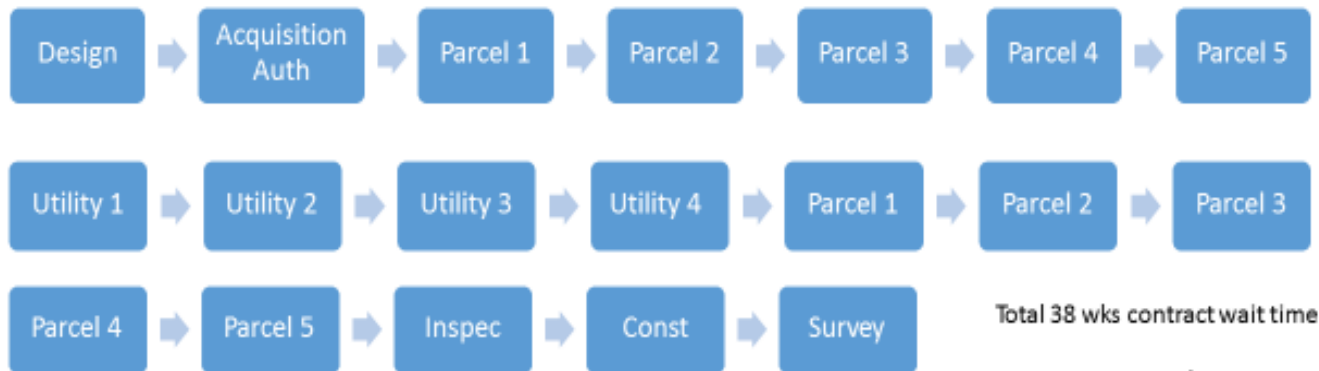
Current Process (concluded)

- CIP projects: currently average 19 contracts per project
 - Up to 38 weeks to receive final approval on all contracts
 - Wait time between Council meetings extends time to complete certain portions of the project
 - Examples: SRP, QCID



Queen Creek Road – Ellsworth to Crismon Roads

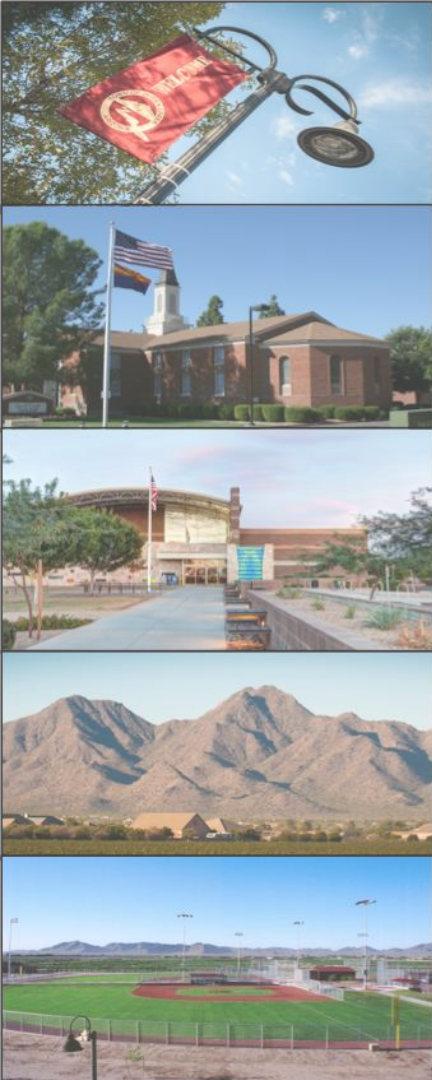
Current Council approval Process:



Total 38 wks contract wait time

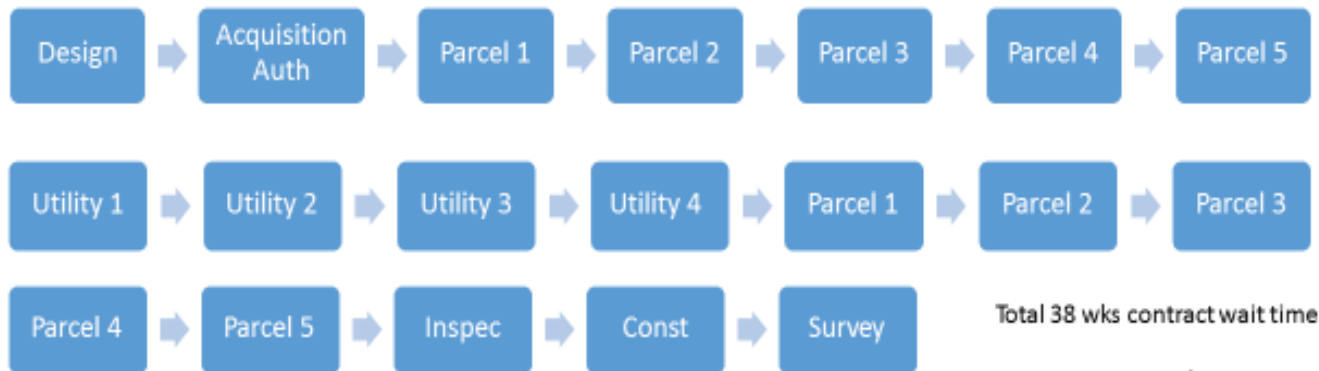
Project total = \$6 million

= 2 wks



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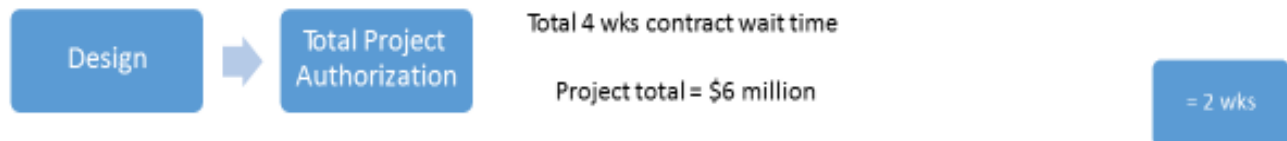
Current Council approval Process:



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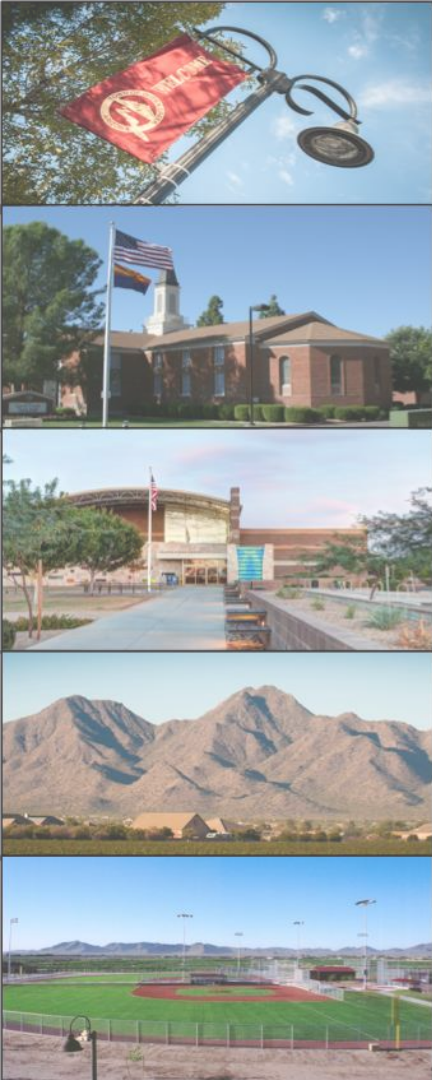
Proposed Council approval Process:



Total 4 wks contract wait time

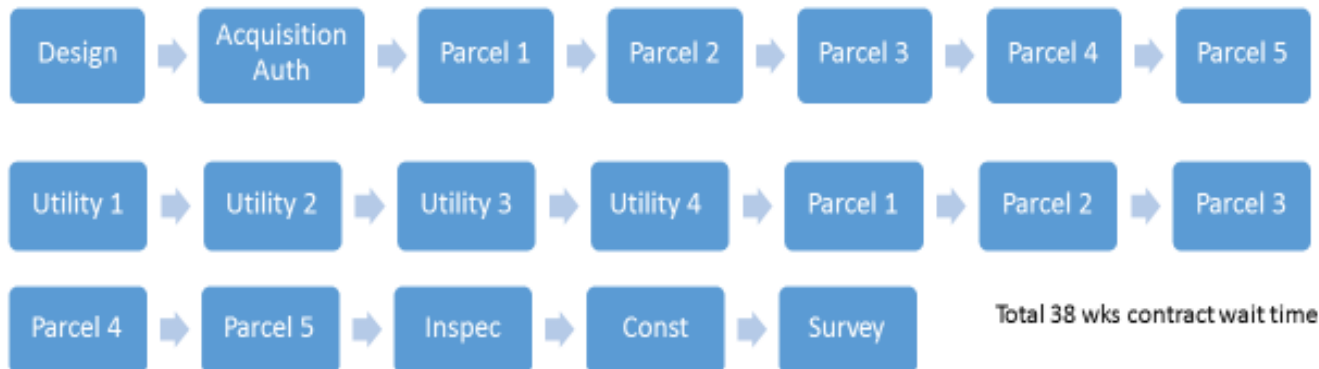
Project total = \$6 million

= 2 wks



Queen Creek Road – Ellsworth to Crismon Roads

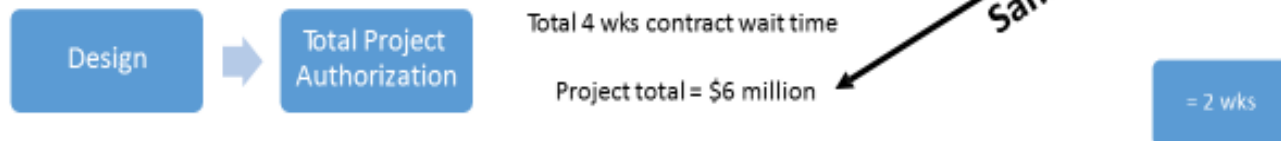
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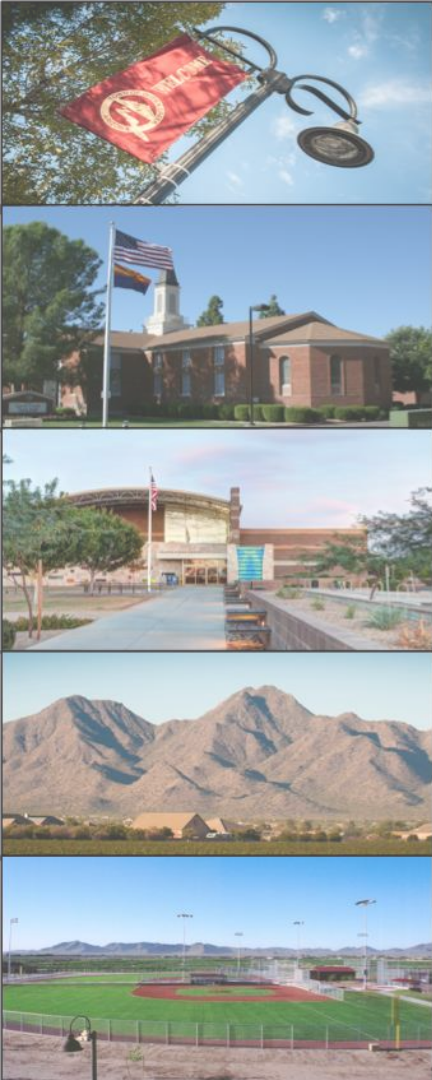


Total 38 wks contract wait time

Project total = \$6 million

Proposed Council approval Process:

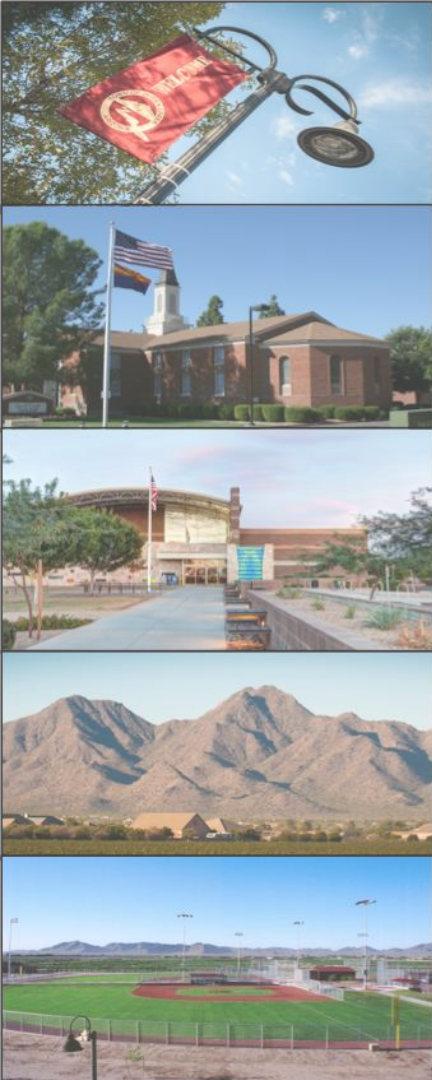




PROPOSED PROCESS

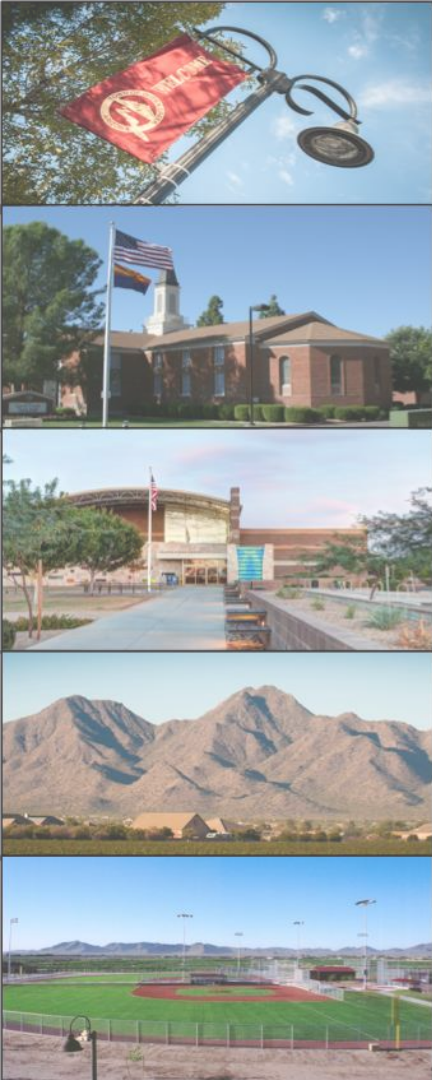
Two Council actions per project:

- FIRST ACTION – Council approves *Design Contract*
 - No Change from current process
 - Contract goes through the standard procurement, legal, and Council review/approvals
- SECOND ACTION – Council approves a *Delegation Resolution* for the project
 - Design will be at least 60% complete
 - Real estate needs will already be known
 - Other items identified (e.g., surveying, inspections)



DELEGATION RESOLUTION

- Delegates Authority to sign all contracts associated with a specific project:
 - Department Director - less than \$100,000
 - Town Manager - \$100,000 or more
- Includes a total authorized budget amount for the project
 - CANNOT EXCEED total authorized budget
- Delegation Resolution is per project
 - Town Council can approve or not approve the Delegation Resolution for each project



DELEGATION RESOLUTION

(continued)

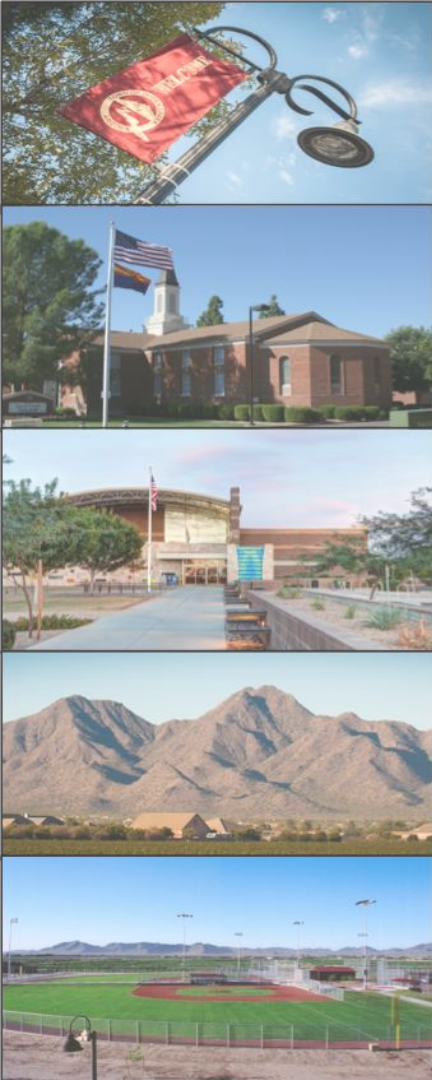
- Under a Delegation Resolution, the following items would be required to go back to Council for approval:
 - Real estate that is not negotiated within 10% of appraisal
 - Construction contract (bid) that is more than 10% of the engineer's cost estimate
 - Contracts or change orders that cause the project to exceed the total authorized budget

DELEGATION RESOLUTION

(continued)

- All contracts remain subject to the Town's existing procurement requirements
- All contracts remain subject to budget and legal review
- Council will receive a status report at project closeout indicating the final project cost

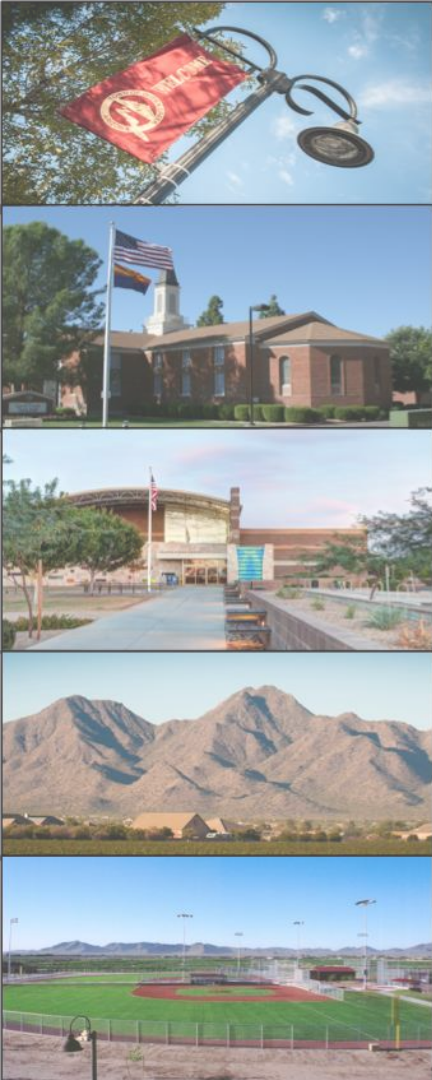




DELEGATION RESOLUTION

(concluded)

- Entities currently using Delegation Resolutions:
 - Maricopa County DOT
 - County Engineer / Director \$1 million
 - Real Estate Division up to project total
 - Flood Control District of Maricopa County
 - Chief Engineer / Director \$500,000
 - Real Estate Division up to project total
 - City of Scottsdale
 - All procurement for Public Works delegated to Public Works / Streets Directors



PURCHASING POLICY REQUIRED REVISIONS

- Section 1-102 Definitions
 - “Capital Improvement Project”
- Section 3-106 Contracting for Designated Professional Services
 - Clarifications and additions to “Professional Services”
- Article 5 – Procurement of Construction, Architect-Engineer, and Land Surveying Services
 - Add “Delegation Resolution Authority”

STAFF RECOMMENDATIONS

- Staff recommends approval of revisions to the Purchasing Policy to allow a *Delegation Resolution* option for capital improvement projects.





QUESTIONS?