

Procurement Ordinance

Streamlining Procurement for Better Service and Opportunities



TAKE PART
Opportunity Rising



Proposed Procurement Ordinance Amendment: Streamline Lower Dollar Purchases

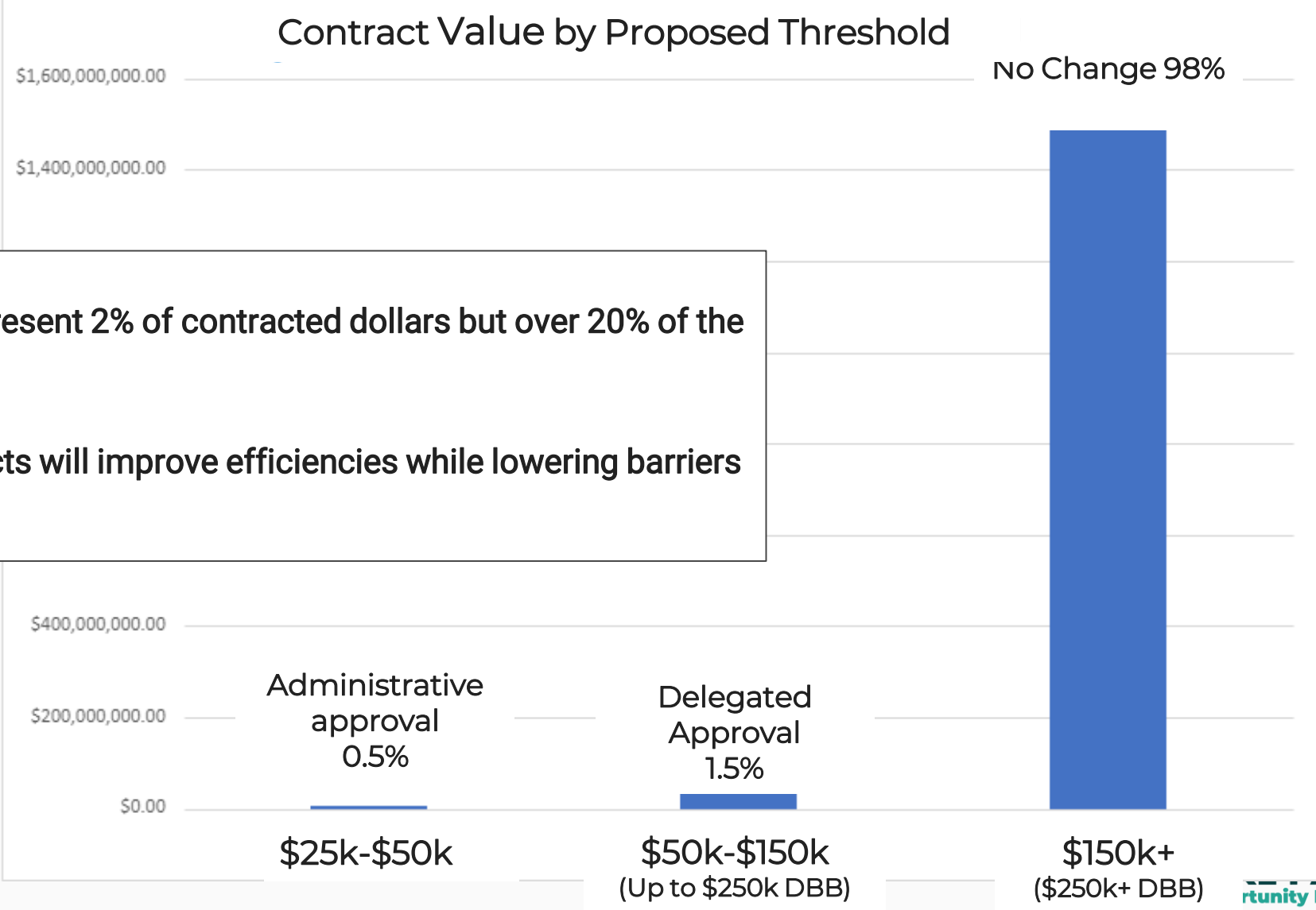
	MICRO PURCHASE	INFORMAL PURCHASE	DELEGATED CC APPROVAL	STANDARD CC APPROVAL
CURRENT	<\$2k	\$2k - \$10k	New	>\$25k ²
PROPOSED	<\$5k ¹	\$5k - \$50k	\$50K - \$150K**	>\$150k ³

1. Half the Federal Micro Purchase Threshold
2. Last increased from \$5,000 to \$25,000 in 1999 (\$47k today)
3. Up to \$250k delegated approval for certified Detroit businesses

\$1.5 Billion in Contracts Approved in FY24

Contracts \$25k-\$250k represent 2% of contracted dollars but over 20% of the time and effort.

Streamlining these contracts will improve efficiencies while lowering barriers to participation.



Budget vs Legislative Approval Threshold

In 2021, Ann Arbor increased from \$25,000 to \$75,000

In 2020, Wayne County increased from \$35,000 to \$150,000

CITY/COUNTY	ANNUAL BUDGET FY24 (GF)	LEGISLATIVE APPROVAL
Detroit	\$1.3 Billion (GF); \$2.6 Billion Total	\$25,000
Ann Arbor*	\$130 Million (GF) \$565 Million Total	\$75,000
Grand Rapids	\$178 Million (GF) \$643 Million Total	\$100,000
Warren	\$155 Million (GF) \$325 Million Total	\$100,000
Atlanta, GA	\$790 Million (GF) \$2.5 Billion Total	\$100,000
Wayne County**	\$737 Million (GF) \$2.02 Billion Total	\$150,000
Oakland County	\$576 Million (GF) \$1.07 Billion Total	\$250,000
Kent County	\$226 Million (GF) \$585 Million Total	\$250,000
Sacramento, CA	\$625 Million (GF) \$1.3 Billion Total	\$250,000
Oakland, CA	\$1.72 Billion (GF) \$4.1 Billion Total	\$250,000
Portland, OR	\$981 Million (GF) \$7 Billion Total	\$1,000,000

Examples of Opportunities for Small/Local Businesses

1. **Micro purchases (proposed threshold: \$5,000)**
 - a) Single quote determined to be price reasonable for purchases such as:
 - a) **local restaurants, one-time promotional items, small local retail operations, etc.**
2. **Informal solicitations (proposed threshold: \$50,000)**
 - a) Solicitation of at least three quotes by OCP for purchases such as:
 - a) **bus transportation, car wash services, plumbing supplies, locksmith services, parking, etc.**

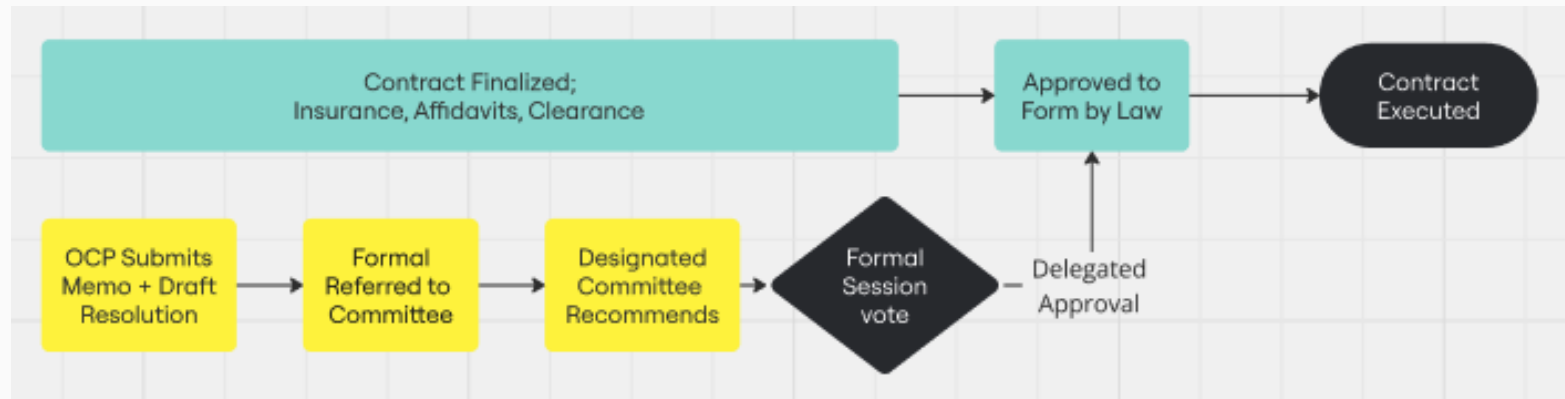
Delegated Approval

(Contracts under \$150k or \$250k for DBB/DHB)

Delegated approval speeds up the contracting process by allowing lengthy steps to run concurrently with Council review of the high level contract details:

- **Good or service to be purchased**
- **Selected vendor & certifications, if any**
- **Number of bids**
- **Term & Amount**

Once required contract details are determined:



Contracts removed from delegated approval are submitted for standard Council approval after contract is finalized and all required documents obtained.

Procurement Process Improvements Accomplished

- **Oracle Improvements:**
 - Consolidated of commodity codes from 7,000 to 300
 - Updated of oracle vendor registration process
 - Updated of oracle negotiations & bid templates
 - Publish bid documents
 - In process: Syncing CRIO certification data with supplier info, syncing CRIO service categories with OCP service categories
- **Marketing & Technical Assistance Improvements:**
 - Overhauled OCP website
 - Added standing office hours and training sessions for bid process & Oracle TA
 - Increased promotion of bids via social media, GovDelivery, website (new comms position)
- **Process Improvements:**
 - Reorganized teams to be assigned to superuser departments
 - Implemented weekly/biweekly contract/req management meetings with OCP, ODFS & Departments
 - Implemented purchase request in Oracle (used to be in Smartsheet) for streamlined req approvals
 - Establishing more strategic citywide multi-year as-needed contracts, with price comparisons against cooperative agreements