

**FINANCE MEMORANDUM**  
**#17-13**

**DATE:** September 25, 2017

**TO:** Honorable Mayor Joyce Downing and City Council Members

**FROM:** James A. Hayes, AICP, City Manager *JH*  
Jason Loveland, Director of Finance *JL*

**SUBJECT:** CB-1899 Competitive Sealed Proposals

**PURPOSE:**

City Council is considering an ordinance which adds language to Section 6-5-8 of the Municipal Code for the purpose of professional services procurement procedures required for federal grants.

**BACKGROUND:**

The City's policy on professional services procurement needs updated in order to comply with new standards specific to federal grants. Attached to this memo are the administrative procedures the City will follow when procuring professional services on federally funded projects. The City will use this process on the 112<sup>th</sup> station project where federal monies are being used via the Colorado Department of Transportation grant.

**UPDATE:**

The proposed language is shown in all caps, below:

*Section 6-5-8. Competitive Sealed Proposals.*

(a) *Procurements for the following are eligible for award by competitive sealed proposals:*

- (1) *Materials and services when the City Manager, or the City Manager's designee, determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the City based on the specialized nature of the materials and/or services sought by the City;*
- (2) *Professional services, EXCEPT PROFESSIONAL SERVICES PAID FOR IN WHOLE OR IN PART BY FEDERALLY FUNDED GRANTS, IN WHICH CASE SAID SERVICES SHALL BE SOLICITED AS REQUIRED BY FEDERAL REGULATIONS AND ACCORDING TO THE CITY'S WRITTEN PROCEDURES; and*

**BUDGET IMPACT:**

The proposed ordinance language does not result in a budgetary impact.

**RECOMMENDATION:**

Staff recommends approval, on first reading, which will set the public hearing for Oct. 9, 2017.

**STAFF REFERENCE:**

Contact Jason Loveland at [jloveland@northglenn.org](mailto:jloveland@northglenn.org) or at 303-450-8817.

**ATTACHMENTS:**

Attachment 1 – Competitive Sealed Proposal Process – Federal Funds

City of Northglenn  
Competitive Sealed Proposal Process  
***For Use with Federal Funds***

Title 23 Code of Federal Regulations (CFR) 172 applies to a federally funded projects that involve professional consultant services. 23 CFR 172.1 states, "The policies and procedures involve federally funded contracts for engineering and design related services for projects subject to the provisions of 23 U.S.C. 112(a) and are issued to ensure that a qualified consultant is obtained through an equitable selection process, that prescribed work is properly accomplished in a timely manner, and at fair and reasonable cost" and according to 23 CFR 172.5, "[p]rice shall not be used as a factor in the analysis and selection phase." Therefore, the City must comply with these CFR requirements when obtaining professional consultant services under a federally funded consultant contract.

When these federal projects are administered by the Colorado Department of Transportation (CDOT), additional state law requirements, found at C.R.S. § 24-30-1401, *et seq.*, apply. In general, the process should be as follows. More specific instruction can be obtained from the Finance Department.

1. The City shall document the need for obtaining professional services.
2. Prior to solicitation for the professional consulting services, the City shall develop a detailed scope of work and a list of evaluation factors and their relative importance. The evaluation factors are those identified in C.R.S. § 24-30-1403, as amended. Also, a detailed cost estimate should be prepared for use during negotiations.
3. The City must advertise for contracts in conformity with the requirements of C.R.S. § 24-30-1405, as amended. The public notice period, when such notice is required, is a minimum of 15 days prior to the selection of the three most qualified firms, and the advertising should be done in one or more daily newspapers of general circulation.
4. The request for consultant services should include the scope of work, the evaluation factors and their relative importance, the method of payment, and the goal of 10% for Disadvantaged Business Enterprise (DBE) participation as a minimum for the project.
5. The analysis and selection of the consultants shall be done in accordance with C.R.S. §24-30-1403, as amended. This section of the regulation identifies the criteria to be used in the evaluation of CDOT pre-qualified prime consultants and their team. It also shows which criteria are used to short-list and to make a final selection.

The short-list is based on the following evaluation factors:

- a. Qualifications,
- b. Approach to the Work,
- c. Ability to furnish professional services.
- d. Anticipated design concepts, and
- e. Alternative methods of approach for furnishing the professional services.

Evaluation factors for final selection are the consultant's:

- a. Abilities of their personnel,
- b. Past performance,
- c. Willingness to meet the time and budget requirement,
- d. Location,
- e. Current and projected work load,
- f. Volume of previously awarded contracts, and
- g. Involvement of minority consultants.

6. Once a consultant is selected, the City will enter into negotiations with the consultant to obtain a fair and reasonable price for the anticipated work. Pre-negotiation audits are prepared for contracts expected to be greater than \$50,000. Federal reimbursements for costs are limited to those costs allowable under the cost principles of 48 C.F.R. 31. Fixed fees (profit) are determined with consideration given to size, complexity, duration, and degree of risk involved in the work. Profit is in the range of six to 15 percent of the total direct and indirect costs.

7. A qualified City employee will be responsible and in charge of the work required by the contract to ensure that the work being pursued is complete, accurate, and consistent with the terms, conditions, and specifications of the contract. At the end of contract performance, the City will prepare a performance evaluation (a CDOT form is available) on the consultant.

SPONSORED BY: MAYOR DOWNING

COUNCILMAN'S BILL

ORDINANCE NO.

No. CB-1899  
Series of 2017

\_\_\_\_\_  
Series of 2017

A BILL FOR AN ORDINANCE AMENDING SECTION 6-5-8 OF THE NORTHGLENN MUNICIPAL CODE REGARDING COMPETITIVE SEALED PROPOSALS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. Section 6-5-8(a)(2) of the Northglenn Municipal Code is hereby amended to read as follows:

Section 6-5-8. Competitive Sealed Proposals.

(a) Procurements for the following are eligible for award by competitive sealed proposals:

(1) Materials and services when the City Manager, or the City Manager's designee, determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the City based on the specialized nature of the materials and/or services sought by the City;

(2) Professional services, EXCEPT PROFESSIONAL SERVICES PAID FOR IN WHOLE OR IN PART BY FEDERALLY FUNDED GRANTS, IN WHICH CASE SAID SERVICES SHALL BE SOLICITED AS REQUIRED BY FEDERAL REGULATIONS AND ACCORDING TO THE CITY'S WRITTEN PROCEDURES; and

(3) City improvements when the City Manager or the City Manager's designee determines in writing that the use of alternative delivery methods will provide substantial benefit to the City while retaining sufficient competitive pricing and/or performance.

INTRODUCED, READ AND ORDERED POSTED this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
JOYCE DOWNING  
Mayor

ATTEST:

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JOHANNA SMALL, CMC  
City Clerk

PASSED ON SECOND AND FINAL READING this \_\_\_\_ day of \_\_\_\_\_,  
2017.

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JOYCE DOWNING  
Mayor

ATTEST:

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JOHANNA SMALL, CMC  
City Clerk

APPROVED AS TO FORM:

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COREY Y. HOFFMANN  
City Attorney