

# Findings

**Subject:** Exemption sought from the Board under 47-0285 – Special Procurements, “Contract Specific Special Procurement”; Exemption of sub-set of firms currently providing Maintenance, Repair and Operations (MRO) work for Facilities, with contractual arrangements due to expire beginning March 1, 2016.

**Notice Requirements:** One week notice is required, similar to process used in 47-0300, “Sealed Bids”. Notice has been posted on Multnomah County Purchasing’s website for seven days beginning February 22<sup>nd</sup>.

**Circumstance:**

Multnomah County is planning to pilot a “Job Order Contracting” (JOC) approach; with Facilities as the first trial area (Weatherization and Transportation are also future candidates). Under the JOC approach, a single contractor competitively awarded will take on the MRO sub-contracting responsibilities for Facilities and will replace, over time, the procurement and contracting responsibilities currently shouldered by the DCA Hub and Central Purchasing. The existing contracts identified under this exemption are all candidates for assumption by the JOC Provider and have upcoming expiration dates.

**Reason for the action:**

Obtaining procurement and contracting relief by granting this temporary special procurement will avoid unnecessary procurements and contracting activity by simply extending in place MRO Contractors rather than replacing them as their contracts expire over the next two years. If we have to replace the expiring contracts, we would then almost immediately terminate them as the JOC Provider took over responsibility. Most of these existing MRO contracts were competitively procured and were awarded with favorable pricing - we are simply proposing extending these contracts temporarily. Approval of the Special Procurement will not only ensure the selected JOC Provider a smoother transition into taking over a substantial portion of our MRO work, it will also allow DCA Hub personnel and Central Purchasing staff to focus on the higher priority and higher dollar projects currently in their work plans.

**Findings Supporting this Action:**

PCRB 47-0285(3) grants the Board the ability to approve a Special Procurement if it can be demonstrated that the alternative process will:

- (a) *Be unlikely to encourage favoritism in the Awarding of Public Contracts or to substantially diminish Competition for Public Contracts; and*
- (b) *Result in substantial cost savings to the County or to the public; or*

*(c) Otherwise substantially promote the public interest in a manner that could not practicably be realized by complying with requirements of these rules.*

We will address each of the above requirements individually below:

(a) There is no impact to the competitive awarding of contracts for MRO activities as the JOC, when on board in mid 2016, will compete these contracts through solicitation processes substantially similar to the County's and award them based on low price. The only change is the JOC will do the awarding and contracting, not the County. We are only extending, in some cases for only a few months, existing contractual arrangements that exist today. When the JOC begins the process to replace the existing contracts in order to acquire the capability to do County MRO work, the current providers as well as all other qualified providers will have an equal opportunity to participate – there will be no favoritism in the awarding of contracts.

(b) The reduction of transactional costs (the cost to the County of researching, building and issuing individual solicitations, negotiating terms and creating legally sufficient contracts, and then administering and modifying those contracts ) is large and all of this relatively low dollar, high volume work will transfer to the JOC Provider, when they are in place. Although cost reduction is not the primary reason we are undertaking this pilot project, we believe there will be savings through the reduction of transactional costs, which will better allow all areas involved to keep up with the growing demands.

Additionally, by approving this request, we will avoid incurring the significant cost of re-procuring these activities only to turn around and have to terminate them as the JOC Provider takes responsibility over the various skill areas in order to take on Job Order requests.

(c) One of the major reasons to try the JOC approach is that it will allow us to bolster the Minority, Women-Owned, Emerging Small Business portion of the Facilities MRO workload. The consolidation of numerous smaller procurements/contracts into large Formal procurements to better adhere with County PCRB rules, and use of Cooperative contracts for MRO work has reduced the opportunities for MWESB participation at the County – and are expected to continue to do so unless we can replace the large Formal or Cooperative procurement use with a JOC approach that includes strong incentives to boost MWESB usage and makes successful participation by MWESB contractors more attainable.