



# **An Ordinance Relating to Public Contracts; Increasing Certain Procurement Thresholds; and Amending TMC 1-21**

**2024**

# Current City Thresholds

The City's local contracting rules were last updated in 2009 and they matched the State of Oregon thresholds in effect at the time:

## Direct Appointment (\$5,000 and under)

Allows for a non-competitively bid contract to be issued. City staff can quickly secure goods and services they need.



## Intermediate Procurement (\$5,001 - \$150,000)

Requires more process and competition. City staff must seek three quotes and may do so informally via phone or e-mail. Takes 30-days.



## Formal Procurement (over \$150,000)

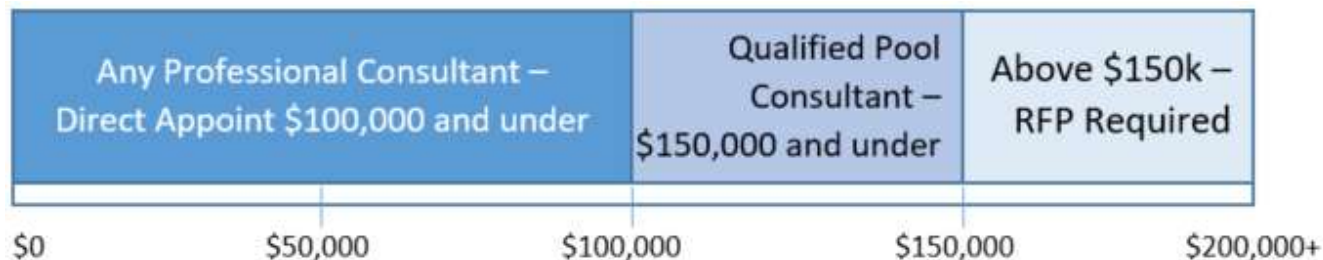
A formal Invitation to Bid or Request for Proposals is required, posted in the Daily Journal of Commerce, with formal evaluations and complex contract negotiation. Takes 4-6 months.



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# Professional Services- Qualified Pool

- Professional Services are a special type of Personal Service (architectural, engineering, and related consulting services for the design or management of a public improvement).
- Every two years, the City establishes a Qualified Pool of Professional Services Consultants, and City staff can direct appoint any consultant within the Qualified Pool up to \$150,000.
- The Qualified Pool is the result of a publicly advertised Request for Qualifications that takes over 200 hours of staff time to conduct (we received applications from 59 for multiple categories of services)
- *Outside the Pool:* City Staff are authorized to award Professional Services Agreements via direct appointment up to \$100,000 per state and local contracting rules for a consultant *outside* of the Qualified Pool.



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# City Manager's Contracting Authority



- The City Manager is currently authorized to award and sign contracts that do not exceed \$150,000. This threshold was set by the Council in 2009, and matched the State of Oregon intermediate procurement threshold in effect at the time.
- The City Manager's contracting authority applies regardless of the procurement method used.
- The City Manager's contracting authority only applies if it is within budgeted amounts as approved by the City Council.



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# Proposed Changes



**Direct Appointment**  
(\$25,000 and under)

Allows for a non-competitively bid contract to be issued. Agencies can quickly secure goods and services they need.



**Intermediate Procurement**  
(\$25,001 - \$250,000)

Requires more process & competition. At minimum, agencies must post 7-days publicly, and take active steps to include small & diverse firms. Takes 30-days.

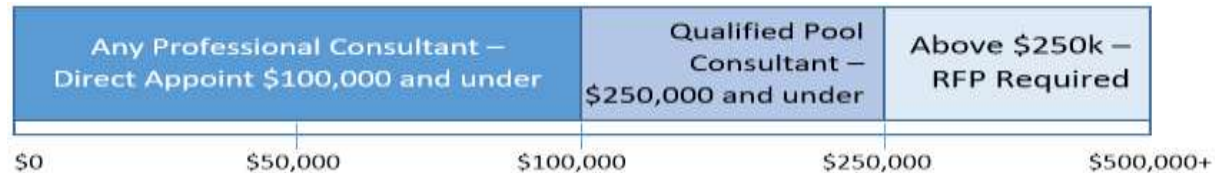


**Formal Procurement**  
(over \$250,000)

Rigorous process of formal solicitation documents (usually with DOJ review), 30-day public posting, formal process steps & evaluations & complex contract negotiation. Takes 4-6 months.



- **Professional Services:** Increase to \$250,000 for Direct Appointment from the Qualified Pool:



- **City Manager’s Authority:** Increase to \$250,000 to align with the Intermediate Procurement threshold if increased to \$250,000.



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# Conclusion

- The proposed ordinance would amend the City's local contracting rules to increase the procurement thresholds we have discussed.
- If the ordinance is approved, the Legal Department will train all City staff involved in procurement on specifically which thresholds have been increased, so that our purchases will remain compliant with State of Oregon and local contracting rules.
- City staff will continue to be responsible stewards of public funds.

