



Administrative Regulations

Number AR8-4
Issue 3

MEMORANDUM

Date: June 10, 1993

to: Administrative Regulation Manual Holders

from: Mark A. Sandoval, Manager, Support Services Bureau, General Services

subject: REVISED ADMINISTRATIVE REGULATION 8-4

Attached is the revised Administrative Regulation 8-4, "Selecting Professional Consultants." The revised regulation includes the following significant changes:

- All reference to Sole Source selections were removed from this Administrative Regulation, and relocated to Administrative Regulation 23-3, in compliance with a suggestion by the City Attorney;
- Procedures which require approval to solicit from fewer than the required number of consultants were added. The required approvals are:
 - City Manager, for projects in excess of \$50,000 (Section VI-A-2), and
 - City Manager, or his designee, for projects of \$10,000 to \$50,000 (Section VI- B-1);
- The procedures were changed to reflect the fact that the requesting department prepares the appropriate Council Letter(s), and not the Director of General Services (Section VI- A-8);
- Procedures were added to reflect the fact that the City Attorney must prepare all contracts in excess of \$50,000, that contracts are limited to one year with two one year options, and that final payment can not be made unless the scope of services has been fully performed (Section VII);
- Procedures were added pertaining to department head responsibilities with regards to completion of Conflict of Interest Code disclosure statements by the consultant (Section VII); and. A section establishing limitations on and increases to professional services contracts/agreements has been included (Section VIII).

If you have any questions regarding these changes, please contact me at 590-6713.

MAS:dvl

Attachment:

ADMINISTRATIVE REGULATION

Number 8-4

Issue 3

SUBJECT: SELECTING PROFESSIONAL CONSULTANTS

I. PURPOSE

This regulation establishes policies and procedures governing the selection of professional consultants in the performance of City work.

This regulation is issued so that the City may continue to recognize and maintain the professional status of those offering professional services. It embodies the standards, accepted procedures and ethics of the national and local societies and organizations of those professionals, which will be required to provide services to the City of Long Beach.

II. SCOPE

This regulation is applicable to City departments and offices directly responsible to the City Manager. In the interest of uniformity, effectiveness and completeness, it is requested that elective offices and other independent offices, commissions, boards and departments also comply with this regulation.

III. AMENDMENT

The City Manager may amend the policy, procedures and contents set forth in this regulation from time to time as appropriate.

IV. POLICY

Professional consultants for specific projects requiring a special expertise may be retained from the private sector to augment the City's professional capabilities during peak workload periods and for specialized services not available to the City through Civil Service certification or from the existing work force.

Consultant services may cover a wide range of professional activities, including, but not limited to, studies, special reports, special rate investigations, management, human resources, financial and legal consultants and other professionals who are considered experts.

Many professional societies object to the practice of bidding to provide services. Such a practice implies that the consideration of price, rather than quality and service, may be the predominant factor in the selection of the consultant. The City does not consider price to be the predominant selection factor, but does consider it to be a significant factor.

The City recognizes that professionals have unique expertise in their own disciplines based upon working relationships with many clients with widely differing approaches to problem solving. Each has encountered many and varied problems which provide for a vast accumulation of data and information based upon actual experience. This knowledge and experience is often directed in a specialized area.

Payment of a reasonable and adequate fee for such knowledge and experience assures the recipient of a comprehensive and technically satisfactory professional service.

It is the City's policy when selecting and using professional consultants to have open business access and to obtain top quality service at a reasonable price. The selection of a professional consultant without the use of the procedures described herein should be kept to a minimum. In those instances, the circumstances should be properly justified and determined to be in the best interests of the City, and prior approval must be obtained.

V. REASONS FOR RETAINING A PROFESSIONAL CONSULTANT

- A. The City will obtain specialized professional services and unbiased opinion in an effective and economical manner.
- B. The City will obtain the benefit of a consultant's extensive experience in a specialized field.
- C. The City will be able to meet its peak workload demands on specific tasks by utilizing the private sector which is subject to call and is not a continuing expense to the City.
- D. The cost of a professional consultant's service is both reasonable and fair when compared to on-going costs for arriving at informed decisions in specialized professional areas.
- E. A specific expertise is not available within the City's work force.

VI. METHOD OF SELECTING A PROFESSIONAL CONSULTANT

NOTE: When a department intends to charge the consulting cost to a grant, it must do the following: Verify that consulting work is approved for the grant and determine the grantor's requirements for such selections. The department is to adhere to the grantor's procedures or to the City's procedures (whichever are more stringent).

A. Major Projects - Anticipated Fee of Over \$50,000

1. The appropriate department head and/or lead manager shall appoint a selection board of qualified individuals. The size of the selection board is at the discretion of the department head or lead manager. When an unusual project poses special problems beyond the experience of City staff, the selection board may be augmented by an unbiased, qualified member of the profession being considered, as long as that person is not a proposer for the work to be performed.

2. The selection board will identify not fewer than five (5) consulting firms or individuals who are professionally and financially qualified to undertake the proposed project. Departments are encouraged to contact the Purchasing Division of the Department of General Services as a source of interested firms and individuals. Purchasing has access to directories and lists of consultants in particular specialties. When five (5) potential consultants are unavailable, or when a department wishes to hire a professional consultant without searching for and evaluating proposals, City Manager approval shall be obtained to solicit from a smaller selected list. Every effort should be made to solicit proposals from minority and women owned businesses, as well as business enterprises located within the City of Long Beach, whenever possible.

3. The department head or designee(s) shall develop a letter of interest, a request for qualifications, or a request for proposal of the City's proposed project. The letter should include a general description of the project and request the consultant to respond by indicating qualification, capability and interest in the project.

A request for proposal may include, but not be limited to:

- a) A cover letter which summarizes the project;
- b) A request for information about the consultant, including background information about the individuals who would be assigned to the project;
- c) Scope of service requirements;
- d) A request that proprietary information in the proposal be identified as such;
- e) A copy of a sample agreement for consulting services which would be the basis for agreement with the selected consultant; (Note: The consultant may be asked to provide this)
- f) A statement that the request for proposal shall be the basis for negotiation of terms and conditions of a contract;
- g) The time, date and place of delivery for proposals;
- h) The name, title and telephone number of the City employee who shall serve as contact for all proposers;
- i) A request for a proposed fee;
- j) The proposer's Taxpayer Identification Number, Employer Identification Number, or Social Security Number.

4. The department head or designee(s) shall develop a standard to pre-screen and evaluate all proposals. Weighted values should be assigned for each criterion of evaluation. These values may be weighted differently depending on the project. The department head will review and concur with the weighted values.

Criteria for evaluation may include, but need not be limited to, the following:

- a) Experience in performing the type of work required;
- b) Record of the firm in accomplishing work assignments or other projects in the agreed upon time;
- c) Quality of work previously performed by the firm;
- d) Recent experience showing accuracy of cost estimates and the ability to meet deadlines;
- e) Community relations, including evidence of sensitivity to citizen concerns;
- f) Financial stability of the firm;
- g) Completeness in answering request for proposal;
- h) The proposed fee relative to the services to be provided.

After this initial pre-screening, the selection board shall interview those consulting firms which appear to be most qualified. Late or untimely responses by prospective candidates should not be considered further. The ability to respond to a request for proposal or letter in a timely and responsible manner is essential to a satisfactory contractual relationship.

5. Before conducting oral interviews, the selection board shall meet to determine a list of questions to be asked of all proposers. Additional questions may be asked, as appropriate, during the interview. The fees discussed with one proposer should not be disclosed to any other proposer.

6. Immediately upon conclusion of interviews, the selection board should evaluate the qualifications of the finalists and rank the candidates in order of preference. The lead manager shall then prepare a statement of justification for the selection. This statement shall include a history of the proposal process, the number of proposals requested, the number submitted, and any additional information unique to the process. The statement of justification shall be submitted to the department head for review and concurrence, and should be retained for at least two years after the selection. It is not necessary to retain evaluation sheets or interview notes.

7. The department head and/or lead manager designated by the City Manager negotiates a professional services contract with the firm(s) selected by the selection board for the service to be rendered and the method and amount of compensation. The City Attorney must review the terms of the contract before approval is sought from the City Council.

8. The department then prepares the Council Letter for all contract awards, which is then presented to the City Manager and City Council for approval of the consultant and terms of the proposed contract. In the transmittal letter to the City Council, background information on the consultant selection process including number of respondents, and a request for the City Attorney to prepare the contract must be included.

9. The department then forwards the executed contract to the City's Purchasing Agent, who will execute the purchase order.

B. Intermediate Projects - Fee of \$10,000 to \$50,000

1. Follow all procedures under major projects above utilizing a selection board composed of qualified individuals, and consider no fewer than three (3) qualified firms or individuals. When three potential consultants are unavailable, or when a department wishes to hire a professional consultant without searching for and evaluating proposals, City Manager (or designee) approval shall be sought to solicit from a smaller selected list. Every effort should be made to solicit proposals from minority and women owned business enterprises.

2. The department head forwards the selection, terms of the proposed contract/purchase order and background information on the consultant selection process to the Director of General Services, or designee, for approval.

3. The final contract/purchase order is then executed by the City Purchasing Agent.

C. Minor Projects - Fees less than \$10 000

1. Department heads and/or the Department of General Services shall maintain a current file of qualified professional consultants in various categories.

When selecting a consultant to provide services project, the department head, in addition to capability and qualifications, considers consultants on a rotational basis whenever feasible. This selection is subject negotiation procedure. Every effort should be made proposals from minority and women owned business enterprises.

2. The department head forwards the terms of contract/purchase order to the Director of General Services, for approval.

3. The final contract/purchase order is then executed City Purchasing Agent.

VII. POST SELECTION PROCEDURES

When a consulting contract is to be awarded, letters should be sent to all proposers: one to the successful proposer giving the date of award and others to the unsuccessful proposers with that date and a statement of rejection. Rejection letters should not give reasons for rejection and ask that any further inquiries be directed to the City's project manager identified in the letter.

The City Attorney will prepare all contracts for \$50,000. Included in the contract shall be a fixed maximum amount of compensation, an effective date for the start of services, an expiration date, and a definitive description of the scope of services. Contracts shall be for no more than one year or project completion, whichever is earlier. Two option period of one each may be approved.

The agreement may provide for differing methods of compensation based upon the type of work to be performed. Fixed fee or cost plus fixed fee compensation are commonly used. Compensation is paid as services are performed rather than in advance. The agreement should specify the frequency of compensation and require that the consultant submit billings in accordance with contract and/or statement of work. All contracts shall contain a stated maximum fee which will not be exceeded without prior written approval. Under no circumstances will final payment be made unless the scope of services are fully performed.

All agreements for professional services shall be prepared with particular attention to the management phase of the contract. A single project manager shall be designated by the department for purposes of contract administration. In addition, equal employment, as well as, minority and women-owned business non-discrimination clauses to further adopted City goals and policies shall be included in all professional services contracts. The Director of Public Works shall be provided with data for all MBE/WBE contract awards.

The department shall ensure that the other departments which have a proper interest in the work under consideration are kept informed as to the progress of the work and that the needs of the user are constructively considered within the context of financial and practical limitations. The department shall also ensure that the consultant has a current Long Beach Business License, if required.

If a consultant, within the scope of the contract, will be acting in a decision-making capacity, or will be making recommendations of action to the City that will more than likely be followed, the department head must make a determination as to potential conflict of interest. The department head may determine in writing that a particular consultant is hired to perform a range of duties that is limited in scope, and thus is not required to fully comply with the disclosure requirements in the City's Conflict of Interest Code, or the consultant must complete the applicable disclosure statements in compliance with the City's Conflict of

Interest Code. In either event, these documents are public record and must be retained in the same manner and location as all Conflict of Interest Code documents

VIII. INCREASES TO CONSULTANT AGREEMENTS

For any consultant contract that exceeds \$50,000, increases will not be allowed without further approval by the City Council, unless both the original City Council Letter and the original contract include language specifying the amount or percentage increase available.

For any consultant purchase order that is written in the amount of \$50,000 or less, the City Manager, or designee, has the authority to increase the purchase order up 10% above the original purchase order, except in the following circumstances:

- A. The original agreement includes language to increase the agreement by an amount other than 10%.
 - B. An increase will not be allowed if the original agreement was \$50,000 or less, and the increase will cause the agreement to exceed \$50,000.
- In all instances, increases must be approved by the City Manager or designee.

IX. BUDGET PROCEDURES

Departments need to plan ahead for their consulting needs as much as possible. They should list and explain their proposed projects as well as need for contingencies for unanticipated projects during the budget review process.