



Lexington-Fayette Urban County Government
DEPARTMENT OF FINANCE & ADMINISTRATION

Jim Gray
Mayor

Jane C. Driskell
Commissioner

TO: Mayor Jim Gray
Urban County Council

FROM: Todd Slatin, Acting Director, Division of Central Purchasing

DATE: September 14, 2012

SUBJECT: Procurement Regulations Source Selection: Professional Services

The purpose of this memorandum is to request modification of the Purchasing Procurement Regulation Source Section: Personal/Professional Services.

The Sanitary Sewer Remedial Measures Plan (RMP) capital improvement list currently has over 70 discrete projects, which over the next 11 – 13 years will require professional engineering design services. The Division of Central Purchasing in conjunction with the Division of Water Quality recommends an engineering design services approach that pre-qualifies firms in multiple design categories. This approach will lessen the administrative burden within multiple areas of government.

In developing the documents needed to begin the Request for Qualifications phase of RMP procurement, it has become apparent that the current procurement regulations were mute toward this approach in selecting professional services. The enclosed documents represent the recommended modifications to the current regulations.

The primary recommended changes are as follows:

1. Allow for the selection of multiple qualified firms within a similar category when there is a certainty that there will be multiple projects that are similar in nature. An example of this situation occurs in FY13 where six (6) gravity sewer designs are budgeted to occur. The schedule for FY14 through FY23 has a similar pattern. A single procurement with multiple qualified firms appears to be a more efficient approach.
2. Allow for competitive cost proposals between qualified firms. The recommended approach is to select firms based on their qualifications. Once selected, all firms within a particular category would be ranked. When a design project is ready for design, the top three firms would be given the opportunity to propose a fee. LFUCG would then negotiate a final fee with the firm submitting with the lowest fee consistent with the overall project scope. If that firm were awarded the project, they would then move to the bottom of the list. If a reasonable fee could not be negotiated with the firm submitting the lowest fee, LFUCG then would begin negotiation with the 2nd lowest, with the first firm retaining their place on the list. A firm on the list moves up as projects are awarded and only moves down the list when they are awarded a contract or have consistently been overpriced in comparison to their peers on the list.

The Division of Central Purchasing believes that the recommend modifications are consistent with state statues and will provide the LFUCG with the best value possible in implementing the capital project design phases of the overall Remedial Measures Plan.

If you have any questions or need additional information, please contact me at extension 3328.