

**Procurement Standards Board
Minutes
Thursday February 6, 2013**

Members attending: Mr. Richard Riebeling, Chair, Ms. Shannone Raybone, and Ms. Cynthia Croom.

Others present included: Mr. Jeff Gossage, Procurement Division; Mr. Rick Brown, Procurement Division; Mr. Ted Morrissey, Legal; Ms. Margaret Darby, Legal; Mr. Fred Adom, Office of Financial Accountability; Ms. Michelle Lane, Minority & Small Business; Ms. Jerval Watson, Minority & Small Business; Ms. Angela Doss, Procurement Division; Ms. Jasmine Quattlebaum, Convention Center.

Chairman Riebeling called the meeting to order.

Mr. Riebeling called for a motion and vote for the approval of the last meeting minutes. It was so moved and accepted.

Procurement Standards Overview-Mr. Jeff Gossage

Mr. Gossage introduced Mr. Rick Brown as the new Assistant Purchasing Agent replacing Mr. Jeff Roberts upon his departure. Several major capital projects (Riverfront/Amphitheater) were completed in the previous quarter. As a result, the BAO conducted significant networking events to support these projects.

Mr. Gossage stated that there are three regulation changes that need to be approved by the board.

Selection of Investment Managers

The first one is in response to requests by Treasury related to the selection of investment managers.

The proposed changes were discussed and passed by the Board.

Definition of Small Business

Due to outside challenges the Division requested consideration of a change. Originally, \$35,000 of sales income over a one year period was required to qualify as a viable SBE. Metro was challenged whether the \$35,000 had to be done in a one-year period or during a calendar year. The challenger threatened legal action if the issue were not resolved. Based on discussions with the Department of Law it is recommended that it state clearly that the sales income is during the previous tax year supported by the tax documentation.

The proposed changes were discussed and passed by the Board.

Small Business Incentives

For SBE incentives, the Regulations reference contractors and subcontractors. However, if we are purchasing supplies such as masonry, tile or steel, those suppliers were not included. Based on a recommendation from Tom Cross we are requesting the inclusion of suppliers so that it is clear that they did not have to be contractors or subcontractors to apply.

The proposed changes were discussed and passed by the Board.

Procurement Performance Measurements- Mr. Rick Brown

Mr. Brown presented the Board with the reported savings by the Procurement Division. Mr. Brown gave an overview of historical savings for 2nd quarter FY14 in the amount of \$7,494,074.33. Mr. Brown also presented the 2014 FY14 Second Quarter Workload Metrics, 19 RFPs completed, 96 ITBs completed, and 29 Contract Amendments completed.

Mr. Brown explained on the new procedure for signature of contracts. Procurement will now be using DocuSign for all contracts and amendments.

Small Business Utilization Report – Ms. Michelle Lane

Ms. Lane reviewed the reports submitted to the Board on utilization. The Disadvantaged Business report for the 2nd quarter of FY 14 achieved an 8.43% MWBE participation and 4.2% SBE participation for a total SMWBE percent of 7.6%.

Ms. Lane explained project highlights regarding the West Riverfront Redevelopment Project, Triple “A” Baseball Park and the outreach for both projects. She also stated that department has now a Twitter account to promote the projects and other activities.

DBE Utilization Report for Music City Center & Omni Hotel – Ms. Jasmine Quattlebaum

Ms. Quattlebaum stated that the report will be available when the MCC Board meets next month. She explained that she will have them for the next meeting.

Metro Prompt Pay Reports – Mr. Fred Adom

Mr. Fred Adom reviewed the reports submitted to the Board on Prompt Pay. Overall average day late Metro’s average for first quarter was 6 days. School average day’s late payment was 6 days. Sports Authority had the latest payments for this quarter.

No additional questions were asked from the board

Next Meeting Date- April 30, 2014

Adjournment – Mr. Richard Riebeling, Chairman

Chairman Riebeling moved that the meeting be adjourned received a second and the meeting was adjourned.

Respectfully submitted,

APPROVED:



Angela Doss
Secretary to the Board

Richard M. Riebeling
Board Chair

Metro Nashville Procurement **KPI** Q3 Report

Purchasing Offices

Solicitations

ITB Volume:	88
RFP Volume:	24
Sole Source Volume (<\$250k):	11
Sole Source Volume (>\$250k):	4
Emergencies:	4
Cooperative Procurements:	0
A&E Contracts:	3
Contract Amendments:	30

Transactions

Purchase Orders:	5,050
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Cost Savings Goal

Cost Savings:	\$3,177,118.97
Operating Budget:	\$240,600.00

Division Effectiveness Goal

Key Performance Ratio:	1320.50%
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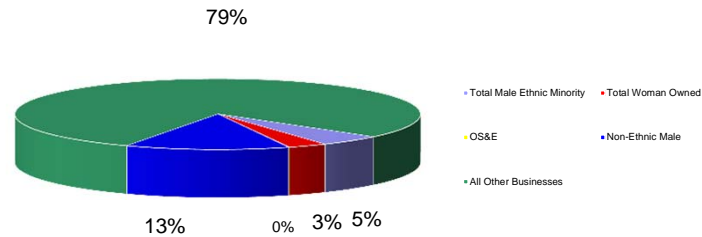
Paper Consumption

Reams of Virgin Paper	19,040
Virgin Paper Cost	\$48,600.00
Reams of Recycled Paper	1,250
Recycled Paper Cost	\$3,638.00

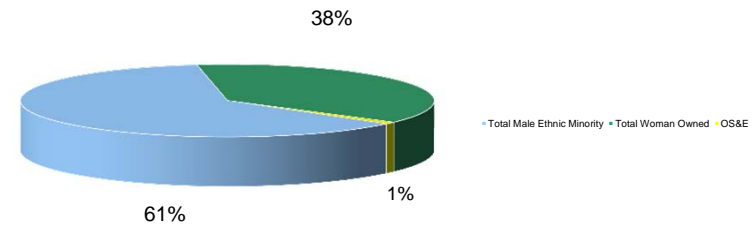
Fiscal Year 2014 Disadvantaged Business Quarterly Report
FY 14 - 3rd Quarter (January - March 2014)

	Disadvantaged Business														Totals			% of Disadvantaged Business			
	Ethnic Minority Male Only						Woman Owned								OS&E*	Total Disadvantaged Business	Non-Ethnic Male	Large Business	Total of All Business		Total % Including Subcontract Payments
	African American	Hispanic	Asian	Native American	Non-Specific Male Minority	Total Male Ethnic Minority	African American	Hispanic	Asian	Native American	Non-Specific Female Minority	Non-Ethnic Female	Total Woman Owned								
Metro General Government	\$1,838,685	\$24,269	\$6,150	\$1,122,281	\$0	\$2,991,385	\$23,557	\$2,133	\$5,371	\$12,903	\$1,433,411	\$1,758,863	\$3,236,238	\$0	\$6,227,623	\$17,597,519	\$83,883,044	\$107,708,186	5.78%	6.60%	
**Metro General Government (Subcontractor)	\$136,700	\$0	\$28,715	\$0	\$0	\$165,415	\$51,069	\$90,836	\$0	\$0	\$0	\$578,038	\$719,943	\$0	\$885,358	\$20,896,659	\$0	\$21,782,017	0.82%		
Metro Board of Education	\$188,740	\$1,537	\$301,760	\$3,603,777	\$0	\$4,095,814	\$43,977	\$0	\$1,468	\$0	\$706,552	\$7,921	\$759,918	\$125,148	\$4,980,880	\$2,744,375	\$30,816,021	\$38,541,276	12.92%		
**Metro Board of Education (Construction)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!		
Nashville Electric Service (1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!		
Metro Development and Housing Agency	\$631,088	\$34,450	\$0	\$0	\$0	\$665,538	\$0	\$0	\$0	\$0	\$0	\$348,801	\$348,801	\$0	\$1,014,339	\$422,720	\$3,266,615	\$4,703,674	21.56%		
Metro Transit Authority	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!		
Nashville Airport Authority	\$432,891	\$0	\$34,402	\$0	\$0	\$467,293	\$37,924	\$0	\$97,726	\$0	\$0	\$536,641	\$672,291	\$0	\$1,139,584	\$342,982	\$9,643,613	\$11,126,179	10.24%		
Totals	\$3,091,404	\$60,256	\$342,312	\$4,726,058	\$0	\$8,220,030	\$105,458	\$2,133	\$104,565	\$12,903	\$2,139,963	\$2,652,226	\$5,017,248	\$125,148	\$13,362,426	\$21,107,596	\$127,609,293	\$162,079,315	8.24%		
						5.1%							3.1%	0.1%	100.0%	13.0%	78.7%	100.0%			
						61.5%							37.5%	0.9%							

Percent of All Businesses



Percent of Disadvantaged Businesses



** Numbers not included in Totals

* OS&E (Other Socially and Economically Disadvantaged Business) includes disabled and veteran owned businesses.

MUSIC CITY CENTER

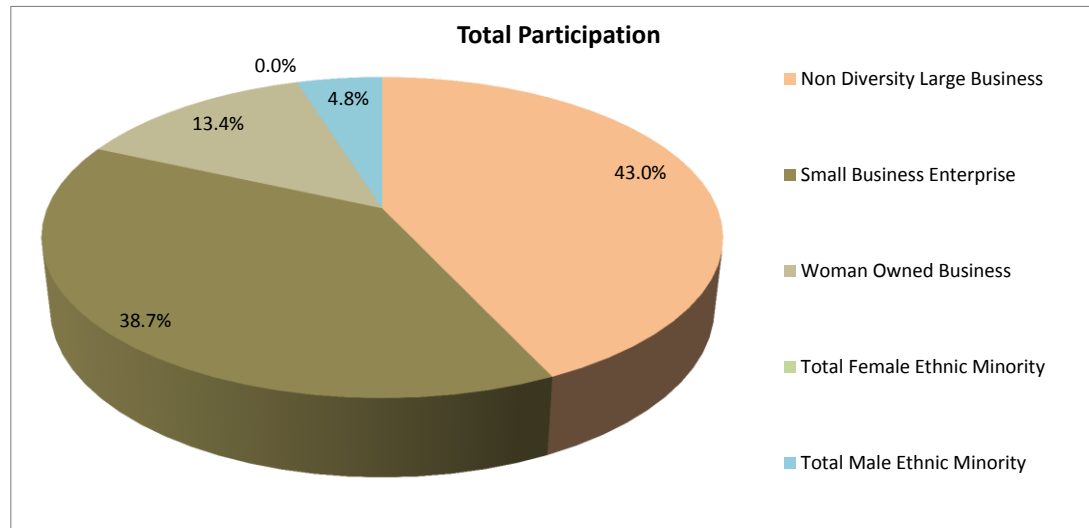
DBE PARTICIPATION



Third Quarter FY14

ETHNIC MINORITY MALE ONLY					TOTAL MINORITY BUSINESS ENTERPRISE					TOTAL DBE PARTICIPATION			GRAND TOTAL					
African American	Hispanic	Asian Pacific	Native American	Hasidic Jews	Total Male Ethnic Minority	African American	Hispanic Female	Asian Pacific	Native American	Total Female Ethnic Minority	Total Minority Business Enterprise	Woman Owned Business	Small Business Enterprise	Total Other DBE	Total DBE Participation	Non Diversity Large Business	GRAND TOTAL	
\$34,911	\$0	\$0	\$5,380	\$0	\$40,292	\$0	\$0	\$0	\$0	\$0	\$40,292	\$111,756	\$321,589	\$433,345	\$473,637	\$357,935	\$831,572	
Percentage of Minority Business Enterprise					100.0%						0.0%	100%						
Percentage of All DBE Participation					8.5%						0.0%	8.5%			91.5%	100%		
Percentage of Grand Total					4.85%						0.00%	4.8%	13.4%	38.7%	52.1%	56.96%	43.0%	100%

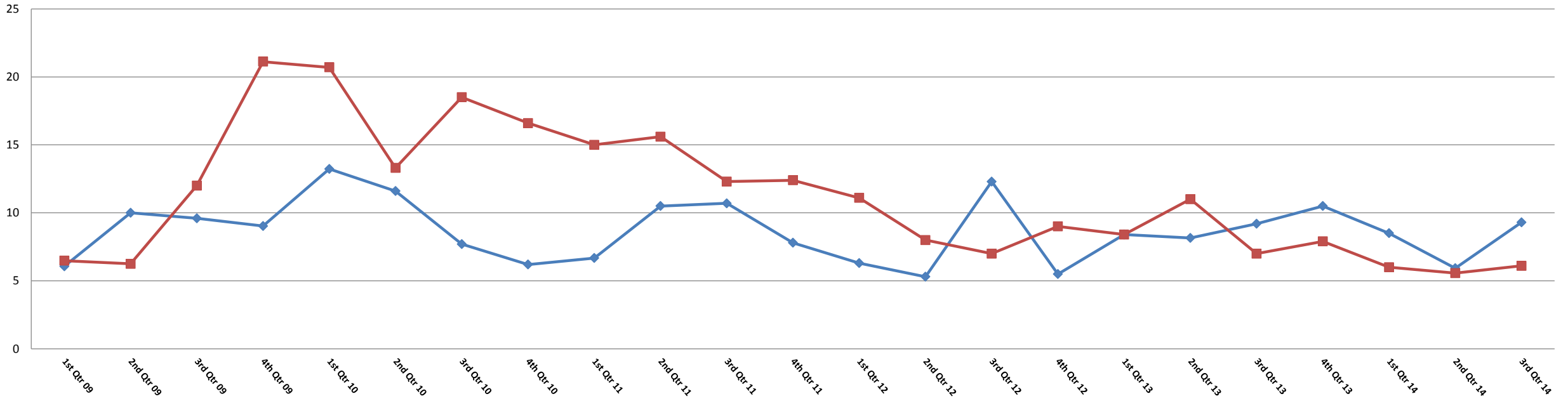
DBE PARTICIPATION SUMMARY	% OF TOTAL	# OF COMPANIES
MINORITY OWNED BUSINESSES	4.8%	4
WOMEN OWNED BUSINESSES	13.4%	12
SMALL BUSINESS ENTERPRISE	38.67%	4
TOTAL	56.96%	20



Procurement Standards Board Meeting
May 21, 2014

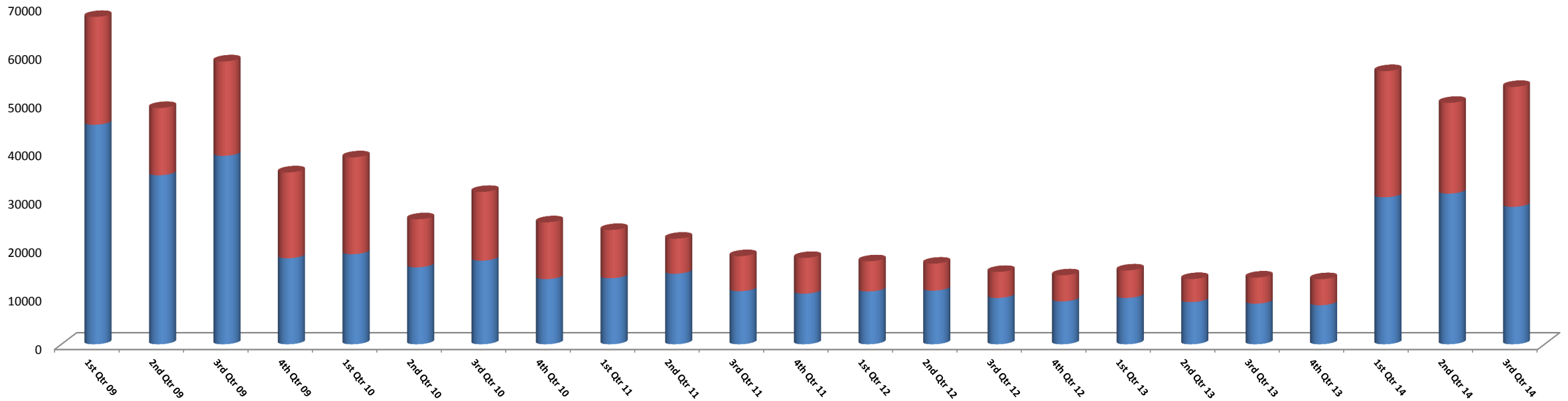
Prompt Pay - 1st Qtr 2009 through 3rd Qtr 2014
Metro Government Overall vs Metro Schools
Timeliness

Metro
MNPS



Prompt Pay - 1st Qtr 2009 through 3rd Qtr 2014
Metro Government vs Metro Schools
Volume

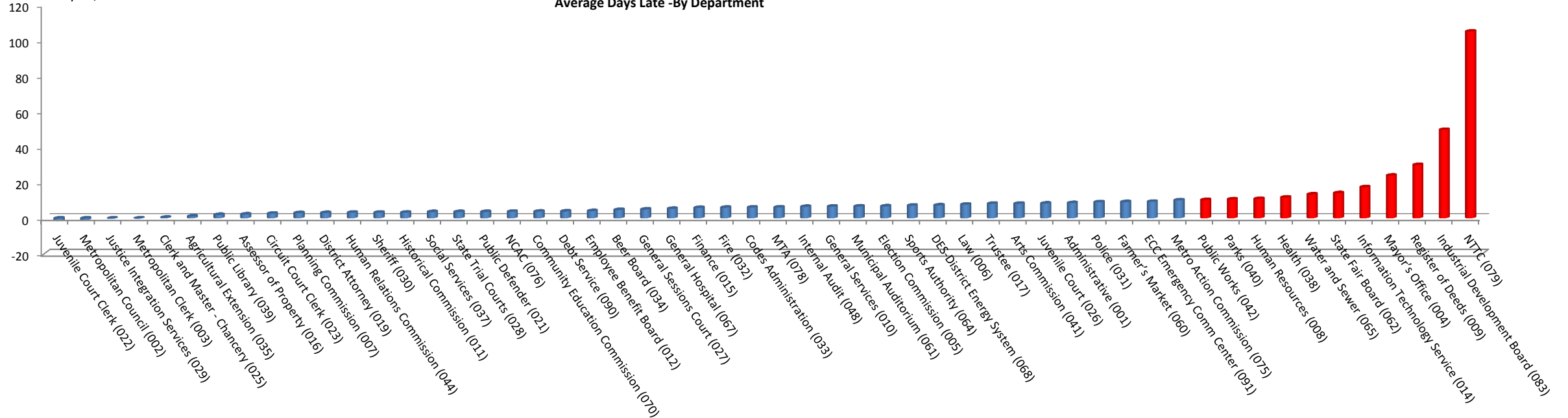
MNPS
Metro



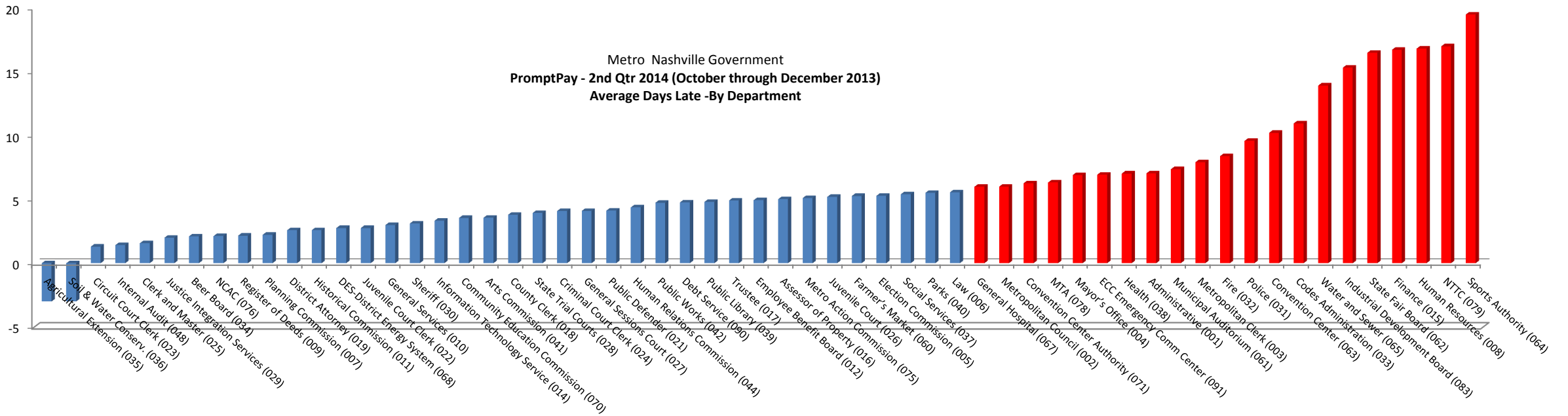
Procurement Standards Board Meeting
May 21, 2014

Metro Nashville Government
PromptPay - 3rd Qtr 2014 (January through March 2014)
Average Days Late -By Department

AVG Days Late



Metro Nashville Government
PromptPay - 2nd Qtr 2014 (October through December 2013)
Average Days Late -By Department





METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

AGENDA

**Procurement Standards Board
May 21, 2014**

Chairman's Remarks

Proposed Modifications to the Regulations (see attached)

Purchasing Performance Measurements

SBE/SDV and MWBE Program Updates

MCC Small Business Utilization

Metro Prompt Pay Reports

Next Meeting Date

Adjournment

Mr. Richard Riebeling

Mr. Jeff Gossage

Mr. Rick Brown

Ms. Michelle Lane

Ms. Jasmine Quattlebaum

Mr. Fred Adom

Ms. Angela Doss

Mr. Richard Riebeling

Proposed Procurement Regulation Changes

4/21/2014

R4.44.010.02 *Definition of Small Business*

Issue: During a recent solicitation, the Business Assistance Office received a challenge that an award should not have been made to a firm because the firm was approved as a small business without the required business license. The business license requirement was in the solicitation document. Those license requirements change as different projects are considered.

The challenger was not focused on the solicitation but on the Small Business status approval. It was the challenger's position that the firm should not have been approved as a small business because they did not have the specific construction business license. See the attached proposed Regulation change.

Proposed: The proposed change is to delete the information identified under R4.44.010.02 *Definition of Small Business as it relates to small business status*.

Rationale: These requirements have nothing to do with the Small Business status but are critical requirements in the solicitation (required by the T.C.A.).

Submitted by: Jeff L. Gossage C.P.M., Purchasing Agent

Legal Review: Ted Morrissey – R4.44.010.02 *Definition of Small Business*. –

Board Decision:

Effective Date: June 1, 2014 (*proposed*)

CURRENT REGULATIONS

R4.44.010.02 Definition of Small Business.

A Small Business satisfies all of the following criteria:

- (a) ...
- (b) ...
- (c) Meets the following additional criteria:
 1. Has demonstrated capability to perform independently a substantial portion of the contract they seek, or a substantial portion of the subcontract for which they are proposed by a bidder or offeror, as specified by the Purchasing Agent;
 2. Not share or jointly use office space, production, marketing and sales, business support systems, personnel, or equipment with any business not classified by Metro as a small business (i.e., a large business);
 3. Has existed as a legal business entity for a minimum of one year (twelve months of continuous business enterprise), performing independently and satisfactorily and achieving a minimum of \$35,000.00 sales income during the previous tax year and supported by tax documentation;
 4. Not be owned, controlled, or directed by individuals or groups of individuals who own, control, or direct a large business involved in the same category of work as the business for which small business status is sought;
 - ~~5. If a supplier, be an authorized regular distributor with normal wholesale agreements for the Product or products to be supplied; and~~
 - ~~6. If a construction contractor, be licensed as required by the state to perform the work for which it has submitted a bid or has been proposed by a prime as a subcontractor.~~

PROPOSED REGULATIONS

R4.44.010.02 Definition of Small Business.

A Small Business satisfies all of the following criteria:

- (a) ...
- (b) ...
- (c) Meets the following additional criteria:
 1. Has demonstrated capability to perform independently a substantial portion of the contract they seek, or a substantial portion of the subcontract for which they are proposed by a bidder or offeror, as specified by the Purchasing Agent;
 2. Not share or jointly use office space, production, marketing and sales, business support systems, personnel, or equipment with any business not classified by Metro as a small business (i.e., a large business);
 3. Has existed as a legal business entity for a minimum of one year (twelve months of continuous business enterprise), performing independently and satisfactorily and achieving a minimum of \$35,000.00 sales income during the previous tax year and supported by tax documentation, and;
 4. Not be owned, controlled, or directed by individuals or groups of individuals who own, control, or direct a large business involved in the same category of work as the business for which small business status is sought;

Proposed Procurement Regulation Changes

4/21/2014

R4.12.060.05 *Items Approved for Sole Source Procurement*

Issue: The Purchasing Agent is asked on a frequent basis to consider sole source requests. The most frequent request is related to web-based, subscription and advertising services. If we can purchase other media subscriptions it stands to reason that web-based media subscriptions would also be approved.

I have also included cable and fiber services as being included under TV and Utility services. This is less commonly requested but this office has interpreted them as qualifying in the past. I am seeking the inclusion in the Regulations by the Board.

Proposed: The proposed change is to delete unnecessary information and specifically include information as identified under R4.12.060.05 *Items Approved for Sole Source Procurement*.

Rationale: Seeking to clarify the sole source list.

Submitted by: Jeff L. Gossage C.P.M., Purchasing Agent

Legal Review: Ted Morrissey – R4.12.060.05 *Items Approved for Sole Source Procurement*. –

Board Decision:

Effective Date: June 1, 2014 (*proposed*)

CURRENT REGULATIONS**R4.12.060.05 Items Approved for Sole Source Procurement.**

Purchases of the items listed below are hereby approved for sole source procurement and are exempted from the requirement that each sole source purchase must be documented in a record of such procurements as required by Section R4.12.060.04 (Record of Sole Source Procurement) of these Regulations.

- a) ...
- e) additional items as listed below:
- i. Postage, box rents, etc., from US Postal Service;
 - ii. Freight, express and trucking charges (if not included as an item of expense on a purchase order);
 - iii. Automobile licenses and titles;
 - iv. Messenger and delivery services;
 - v. Transportation of prisoners and/or witnesses;
 - vi. Radio and TV services (as directed by Purchasing Agent pursuant to purchasing procedures);
 - vii. Publication of formal and legal notices;
 - viii. Subscriptions to newspapers and periodicals;
 - ix. Tax, law or other services on a subscription basis;
 - x. Memberships, registration fees, and tuition;
 - xi. Host and hostess expenses for light refreshments and beverages;
 - xii. Advertising (newspapers and periodicals);
 - xiii. Utility services (electric, water, gas, telephone, thermal transfer, etc.);
 - xiv. Subsistence and care of persons (other than food service contracts);
 - xv. Ambulance, clinic, and hospital services;
 - xvi. Funeral and burial services; and
 - xvii. Reference books, manuals, pamphlets, and instruction guides.
 - xviii. Musical acts & musicians, animal acts, petting zoos, clowns, magicians and other entertainment acts (as directed by Purchasing Agent pursuant to purchasing procedures).

PROPOSED REGULATIONS**R4.12.060.05 Items Approved for Sole Source Procurement.**

Purchases of the items listed below are hereby approved for sole source procurement and are exempted from the requirement that each sole source purchase must be documented in a record of such procurements as required by Section R4.12.060.04 (Record of Sole Source Procurement) of these Regulations.

- a) ...
- e) additional items as listed below:
- i. Postage, box rents, etc., from US Postal Service;
 - ii. Freight, express and trucking charges (if not included as an item of expense on a purchase order);
 - iii. Automobile licenses and titles;
 - iv. Messenger and delivery services;
 - v. Transportation of prisoners and/or witnesses;
 - vi. Radio, TV, Cable and Fiber services** ~~(as directed by Purchasing Agent pursuant to purchasing procedures);~~
 - vii. Publication of formal and legal notices;
 - viii. Subscriptions to newspapers, periodicals and web based publications;**
 - ix. Tax, law or other services on a subscription basis;
 - x. Memberships, registration fees, and tuition;
 - xi. Host and hostess expenses for light refreshments and beverages;
 - xii. Advertising (newspapers, periodicals, and others);**
 - xiii. Utility services (electric, water, gas, telephone, thermal transfer, fiber, cabling, etc.);**
 - xiv. Subsistence and care of persons (other than food service contracts);
 - xv. Ambulance, clinic, and hospital services;
 - xvi. Funeral and burial services;
 - xvii. Reference books, manuals, pamphlets, and instruction guides.
 - xviii. Musical acts, musicians, animal acts, petting zoos, clowns, magicians and other entertainment acts ~~(as directed by Purchasing Agent pursuant to purchasing procedures)-~~