James
Crosbie
Myers
Gray
Blues
Beard
Henson
Feigel
Lawless
Martin

INTER-GOVERNMENTAL COMMITTEE

April 13, 2010
1:00 P.M.

A G E N D A

1.	**Legal Bills Review Services**	Crosbie	(1-10)
2.	**Exit Interviews**	Myers	(11-23)
3.	**Purchasing, Procurement & Professional Services**	Crosbie	(24-81)
4.	**Update on Committee Items**		(82-83)

"Inter-Governmental Committee, to which should be referred matters relating to wages and classification, personnel, government organization, employee relations, government buildings and property maintenance."

Council Rules & Procedures, Section 2.102(2)

098-10

Lexington-Fayette Urban County Government
DEPARTMENT OF LAW

Jim Newberry
Mayor

Logan Askew
Commissioner

MEMORANDUM

TO: Jim Newberry, Mayor
Urban County Councilmembers

FROM: Department of Law

DATE: February 17, 2010

RE: Legal Bill Review Services – RFP 36-2009

Pursuant to Mayor's Executive Order No. 2008-3 which requires a legal bill review for cases whose legal bills are over $100,000, an RFP for legal bill review was processed.

The selection committee for Legal Bill Review RFP 36-2009 chose respondent Wayne Basconi, Attorney at Law to provide the Urban County Government Legal Bill Review Services. The attached proposal provides services for a three year term, to be engaged as needed. Mr. Basconi will provide legal bill review services as required by Executive Order 2008-3 and as outlined in his proposal.

Leslye M Bowman
Leslye Bowman
Director of Litigation

cc: Thomas Sweeney, Claims Manager

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098-10

Wayne Basconi
Attorney at Law
1757 Patterson Road
Versailles, Kentucky 40383
(859) 421-5404
wayne.basconi@gmail.com

Proposal to Lexington-Fayette Urban County Government for Legal Bill Review Services (RFP#36-2009 Legal Bill Review Services)

A. **Attachments.** See attached documents.

B. **Organization of Bidder and area of expertise**. This proposal is being submitted by Wayne Basconi, Attorney at Law, an individual (hereinafter "Contractor"). Contractor practices as "Of Counsel" with the firm of Pamela Bray Basconi, P.L.L.C. ("PBB Firm") which provides support services, billing and professional liability coverage. PBB Firm is a WBE, consisting of one attorney and one support staff. All legal bill review services required by this contract will be provided by or under the direct supervision of Wayne Basconi with support services provided by the PBB Firm as needed. Contractor has experience as an attorney working for a governmental agency, in private practice and, primarily, as in-house counsel. As in-house counsel, Contractor was responsible for procuring outside legal services, managing litigation and other legal matters that were handled by outside attorneys, and the negotiation of fees and expenses related thereto.

C. **Summary of Experience of Principal**. Contractor's primary experience has been as in-house counsel in the legal department of a large, international energy and chemical corporation, including working for the subsidiary that performed all of the corporation's environmental remediation. In such capacity, Contractor was responsible for overseeing the procurement of professional services, including legal, technical and similar services. Contractor was responsible for contract and rate negotiations, billing disputes resolution, annual rate reviews, legal budgets and related matters. As both a provider and consumer of legal services during his career, Contractor is well-suited to provide meaningful legal bill review. Additionally, Contractor has an accounting degree and is a CPA (inactive status).

098-16

References:

George Luxbacher
Senior Vice President
Glenn Springs Holdings, Inc
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Glenn Springs Holdings Inc.
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J. Clifford Ellerbrook, CPA
2225 Mangrove Drive
Lexington, KY 40503
859-421-5406

D. **Curriculum Vitae Summary of Wayne Basconi**

PROFESSIONAL HISTORY:

PRIVATE PRACTICE OF LAW — Present
Lexington, KY

SENIOR CORPORATE COUNSEL — July 1993 to January 2008
Glenn Springs Holdings, Inc. (Occidental Petroleum subsidiary), Lexington, KY

ASSISTANT GENERAL COUNSEL — March 1986 to July 1993
Island Creek Coal Corporation, Lexington, KY

ASSOCIATE — May 1983 to February 1986
Katz, Kantor, & Perkins, Bluefield, WV

ASSOCIATE ATTORNEY GENERAL — July 1979 to April 1983
West Virginia Attorney General's Office

EDUCATION:
J.D., West Virginia University
B.B.A., Accounting, Marshall University

CERTIFICATIONS:
Kentucky State Bar
West Virginia State Bar
CPA, West Virginia (Inactive Status)

E. **Outline of Legal Bill Review Services.**

1. Once a particular case/matter is sent to Contractor for bill review, it will be set up as a separate account matter. Contractor will then request background information as to the matter so that the legal bills can be reviewed in the proper context. Such background information can be supplied by LFUCG by written summary, telephone conference or short meeting, whichever is deemed to be the most efficient for that particular matter. Providing basic background information regarding the matter will make for a much more meaningful review and will save money in the long run on the cost of the review.

2. The actual bill review will consist of the following:

   a. The bill will be reviewed for clerical accuracy, such as compliance with agreed billing rates and expense reimbursement; duplicate charges, mathematical accuracy and similar issues.
   b. The bill will then be reviewed for reasonableness, consisting of a review of:

      i. The reasonableness of time spent on individual tasks. For example, was time charged for preparing a legal memo reasonable, given the complexity and scope of the issue?
      ii. The reasonableness of the staffing level for the matter, to determine if an excessive number of lawyers, paralegals etc. were assigned to the matter. What is excessive is a subjective judgment and will depend in part on the difficulty of the legal issue at hand. The review will identify suspected overstaffing situations.
      iii. The reasonableness of the level of legal expertise applied to the matter, to insure that the personnel used was the person with the lowest billable rate that was qualified to do the assigned task, so that, i.e., a partner is not doing what an associate can do, etc.

iv. Has the firm been consistent in using the same lawyers to work on the matter, and has not unduly rotated lawyers in and out of the case, thereby losing efficiency of have the same team work on the case?

v. Was unnecessary work performed on the matter, either because it was not relevant to the issues of the case, or it was so basic that the law firm should not in good faith have charged for it?

vi. Consistency of records within the context of the legal bill. Do the various time entries for the same tasks by the different attorneys within the firm agree?

vii. Whether young or new associates have been assigned to the matter primarily for training purposes, rather than to bring actual value to the matter?

viii. Excessive or unnecessary use of outside professional services.

3. Upon completion of the accuracy and reasonableness review of the legal bill, a report will be prepared and sent to LFUCG containing the following:
   - A list of any clerical errors, overcharges, duplicate charges, etc. found in the bill.
   - A list identifying all areas where unreasonable charges, based upon the above criteria, appear to be indicated.
   - A recommendation by the Contractor as to (i) what reductions should be made in the bill; (ii) what billed items are suspect on their face and should be considered for reduction; and (iii) what items require more information upon which to form an opinion.
   - The basis for the Contractor's conclusions regarding the subject bill.

4. The review of legal bills for reasonableness is a subjective determination. Accordingly, the report of Contractor's findings and conclusions, other than for strictly clerical errors, will be based upon Contractor experience, judgment and applicable professional norms. Accordingly, Contractor will take no action with regard to negotiation of fee reduction with the outside firm until directed to do so by the LFUCG.

5. The Contractor's primary client is Occidental Petroleum Corporation, to which he provides general commercial legal services.

6. Copies of Contractor's Liability policies are attached.

F. <u>**Fee Schedule**</u>. Contractor will charge for services as follows:

1. Hourly rate for legal bill review services will be $75 for first year of the contract, $85 for second year of the contract and $90 for the third year.
2. In addition to the above hourly rate, Contractor will be paid 12% of any savings achieved on each defense firm's monthly bill (or the normal billing cycle, if other than monthly) in excess of $500. For example, a $2,500 reduction in a firm's monthly bill will result in an additional fee of $240 to Contractor.
3. LFUCG will provide or cover the cost of any special software required to generate any specific form of report required by it.

G. <u>Notes.</u>

1. This Proposal is subject to the parties reaching agreement on typical contract terms under which the legal bill review services will be provided by Contractor.
2. Since subcontractors will not be used in supplying the services, information regarding MBE's is not being provided.
3. This Proposal will expire as of the close of business on February 28, 2010.

Date: 12/29/09

Wayne Basconi

Wayne Basconi

fiscal impact for FY2010 is a savings of $5,118.26 to the Division's Personnel Contingency Fund. Total Annual impact is a savings of $19,010.69.**p.32**
Consent Decree

L. Authorization to Approve Amendments to Section 15-1.3(6) of the Code of Ordinances Relating to Designating a Clean Zone for the 2010 World Equestrian Games. (094-10) (Greathouse/Rabold)
This request will authorize amendments to Sections 15-1.3(6) and 15-1.3(6)(b) of the Code of Ordinances (created under Ordinance No. 110-2009) relating to designating a Clean Zone for the 2010 World Equestrian Games.**p.33**

M. Authorization to Approve Purchase from Toter® Incorporated as a Sole Source Provider on Behalf of the Department of General Services, Division of Facilities and Fleet Management, for Lifting Units and Parts. (096-10) (Loney/Cole)
This request will approve purchase of lifting units and parts from Toter® Incorporated as a sole source provider and distributor on behalf of the Division. Funds are budgeted.**p.34**

X N. Authorization to Retain the Wayne Basconi, Attorney at Law, on Behalf of LFUCG, for Legal Bill Review Services. (098-10) (Bowman/Askew)
This request will approve retaining Wayne Basconi, Attorney at Law, on behalf of LFUCG, to hold on reserve and engage as needed pursuant to Mayor's Executive Order No. 2008-3 to provide legal bill review services.**pp.35-40**

***Denotes EPA Consent Decree**

Executive Order No. 2008-3

An Executive Order
Relating to Outside Legal Counsel

Whereas, CAO Policy 1 sets forth the process to be followed in contracting for services of a professional nature, including legal counsel;

Whereas, outside legal counsel fees and costs may exceed the amount originally anticipated due to unforeseen factors; and,

Whereas, in view of the above, additional controls on the engagement of and payment to outside legal counsel are indicated;

NOW, THEREFORE, I, JIM NEWBERRY, MAYOR OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, HEREBY ORDER AND DIRECT THAT:

1. Only outside counsel who have been approved through an RFP process may be hired by LFUCG unless specific expertise is needed that the Commissioner of Law determines is not available with counsel who responded to an RFP.

2. Every outside counsel agreement shall be negotiated with assistance from and approval by the Department of Law, even if the Department of Law is unable to handle the legal matter due to a conflict.

3. Every outside counsel agreement shall be in writing setting out a specific description of services, fees for each timekeeper, list of all persons who will work on the assignment, and a work plan. The work plan shall include a statement of work to be done, a timetable for the work, and projected fees and costs associated with the work.

4. The Council shall approve every outside counsel agreement under which fees are either in excess of $50,000, whether as a lump sum or as the result of cumulative payments or, in the opinion of the Commissioner of Law, are projected to exceed $50,000 in total. The Department of Law shall notify the Mayor and Council of all other outside counsel agreements.

5. Every amendment to an outside counsel agreement which proposes an increase in rates/fees or an increase in total projected fees in an amended work plan must be approved by the Council if the outside counsel agreement, as amended, would be subject to the requirements of paragraph 4 herein.

Legal Bill Review Rationale
Tom Sweeney, Claims Manager, Department of Law

Program Purpose:

- It is a "Best Practice" for the Insurance Industry and Larger Corporations to have the large loss defense fee bills reviewed by an outside law firm that specializes in complicated litigation and has the experience in reviewing work done by other law firms. The rationale for this is that the company or corporation would not have the in-house expertise on the matter being litigated because it is unique in its scope , or the in-house counsel has a "conflict of interest" and to have another set of eyes to determine if the litigation strategy and the work product of the defense counsel are in the best interest of the client company or entity.

Legal Bill Review Fee Schedule Explanation:

- I did research on this project on line with a group of national legal bill review providers and all of them based their fee on a percentage of the legal bill in the 4% to 6% range. None of them would charge on an hourly basis or take their fee out of savings realized by their clients.

- This type of billing scheme did not give any kind of guarantee of savings to the client. This billing did not make sense in a bad economic time , to add to the cost of additional outside legal expenses.

- The RFP contained an outline of a fee schedule which would be either a percentage of savings fee arrangement or a combination of a low hourly rate and a percentage of savings fee. Either option would allow us to control the program expenses with the savings realized.

Negotiations with outside Defense Counsel:

- The negotiations with outside defense counsel concerning any savings found by the Legal Bill review group will be accomplished in one of two ways; The savings listed in the report from the Legal Bill Review firm will be negotiated by the client with the Defense firm or will be negotiated between the Legal Bill review firm and the Defense firm. LFUCG will discuss with the Defense firm and get a mutual agreement on how the negotiations will occur.

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LEXINGTON-FAYETTE URBAN COUNTY COUNCIL
Memorandum

TO: George Myers, Councilmember
8th District

FROM: Paul Schoninger
Staff to Council

DATE: March 29, 2010

SUBJECT: Exit Interviews

Earlier this month you referred the issue of exit interviews to the Inter Governmental Committee. Unless you object the issue will be on the April 13 Inter Governmental Committee agenda. This memo is to provide you some background on the issue and how they are utilized by local governments.

In most organizations, the purpose of an exit interview is to gather information regarding personnel issues and trends and for the organization to proactively manage any issues arising from any identified issues sand trends. Exit interviews are interviews conducted with departing employees just before they leave. From the employer's perspective the primary aim of the exit interview is to learn reasons for the person's departure on the basis that criticism is a helpful driver for organization improvement. An exit interview also gives a departing employee the opportunity to express their views in a confidential arena.

According to the Chartered Institute of Personnel & Development (CIPD), the cost of replacing an employee ranges from 29-46% of the person's annual salary. As such organizations should take a keen interest in why their staff leave.

Exit interviews (and prior) are also an opportunity for the organization to enable transfer of knowledge and experience from the departing employee to a successor or replacement, or even to brief a team on current projects, issues and contacts. Good exit interviews should also yield useful information about6 the employer organization, to assess and improve all aspects of the working environment, culture, processes and systems; management; in fact anything that determines the quality of the organization, particularly in terms of its relationship with staff, customers, suppliers, third parties and the general public.

Exit interviews are seen by existing employees as a sign of positive culture. They are regarded as caring and compassionate- a sign that the organization is healthy enough to expose itself to criticism. Exit interviews help support an organization's human resources practices. They can be seen as positive and necessary for quality and effective people management.

Many employers ignore the opportunity that exit interviews offer, chiefly because exit interviews may not have been practiced in the past, and starting them is a difficult initiative to undertake, given the subjective nature of the results, the time involved; and the unspoken management urges
to avoid exposure to criticism. As ever, management insecurity and defensiveness can be an obstacle to implementing exit interview processes.

Exit interviews are nevertheless a unique chance to survey and analyze the opinions of departing employees who generally are more forthcoming, constructive and objective than staff still on the job. In leaving an organization, departing employees are liberated, and as such provide a richer source of objective feedback than employed staff do when responding to regular staff attitude surveys.

Lexington-Fayette Government Center 200 East Main Street Lexington, Kentucky 40507 (859) 258-3200
Lexington-Fayette County Horse Capital of the World www.lfucg.com fax (859) 258-3838

George Myers, 8th District Councilmember
March 29, 2010
Exit Interviews
Page Two

The results and analysis of exit interviews should provide relevant and useful data directly into employee training functions. They also provide direct indications as to how to improve recruitment and induction of new employees. Finally exit interviews provide direct indications as to how to improve staff retention.

Exit interviews are probably best conducted face to face because this enables better communication, understanding and interpretation and it provides a better opportunity to probe and to get to the root of sensitive or reluctant feelings. However postal or electronic questionnaires also provide useful information.

Participation in exit interviews by the employee leaving is voluntary. The human resources department should be responsible for designing the process, issuing guidelines and documentation, collecting results data, analyzing and reporting findings, trends, opportunities and recommendations, particularly relating to health and safety, employment law and liability.

I have included information about the exit interview procedures used by the City of Minneapolis, the County of Stanislaus (CA) and the province of Nova Scotia.

It does not appear that exit interviews have been utilized to any great extent by LFUCG. According to information provided by Leslie Jarvis, Interim Human Resources Director Leslie Jarvis only two (2) divisions within LFUCG have an exit interview procedure and utilize a formal exit interview. Ms. Jarvis did report that the Division of Human Resources has recommended an exit interview in one of its proposed work flow processes. The proposed work flow process has not been implemented. Ms. Jarvis did offer the following recommendations:

1. A formal policy regarding exit interviews should be developed and used government wide. Division should not have their own form or policy;
2. Exit interviews should be extended to all parties who voluntarily leave employment;
3. The interview should be conducted by a neutral party who is trained in interview techniques and understands the role they are to serve;
4. The process should be confidential; and
5. The information gathered must be reported and acted upon accordingly to ensure the reliability and validity of the process.

Should you need any further information please do not hesitate to contact me at 258-3208.

Paul Schoninger
Staff to Council

c: Joe Schuler
Leslie Jarvis

Exit Interview Procedures

I. Summary

The City of Minneapolis is committed to the development and retention of employees. To support this commitment, the Human Resources Department has developed an Exit Interview process and survey.

In Human Resources terms, an exit interview is set of questions that are designed to elicit information from an employee who has decided to leave the organization. The exit interview can play an important part in understanding why employees choose to leave the organization.

The information received from each exit interview provides insight into the City's work environment and the factors that may lead to an employee's decision to leave the City. Trends can be identified that may lead to changes in employment practices and the work environment. The goals of any changes that are made will be designed to improve employee retention/reduce turnover.

II. Exit Interview Process – Step By Step Procedures

The Human Resources Department has developed and utilizes a number of tools to conduct the exit interview. The exit interview can be conducted via a 1) Face-to-Face Interview, 2) Online Exit Interview that can be accessed via Survey Monkey and 3) Electronic Exit Interview form that can be emailed or mailed to the employee. (Note: A combination of these tools can be used.)

The steps listed below should be followed:

A. Once an employee provides notice that they are leaving (i.e. retiring, resigning, etc.) the City, the immediate supervisor should contact a member of their assigned Human Resources Generalist Team about the pending employee separation and request that the exit interview process be initiated. The supervisor should provide the employee's name, contact information and last date of employment.

B. After the supervisor makes contact with Human Resources, a member of the Human Resources Generalist Team will contact the employee and ask them to participate in the exit interview process. If the employee agrees to participate, they will be provided with the option of participating in a face to face interview and/or be given the option to complete the online exit interview via Survey Monkey. (**Note:** Separating employees will need a link to access the online survey.)

C. If an employee agrees to a face-to-face exit interview, they will also be asked to complete the online exit interview so data can be captured about the employee's experience working with the City. Capturing consistent data on a number of variables (i.e. work environment, salary, benefits, etc.) can provide valuable data that can be analyzed on a citywide basis or by individual City departments to identify trends on why people are leaving.

D. For employees who are not contacted prior to their leaving the City, members of the Human Resources Generalist Team will send the former employee a notice requesting that they participate in the exit interview process albeit via the online survey and/or by completing a paper version of the survey and returning it in a postage paid return envelope. Former employees wanting to complete the online survey will need to contact Human Resources to get the link to the online survey. If the former employee wants to complete a paper survey, they can request that the form be mailed or emailed to them. Upon receiving the completed survey, Human Resources staff will input the data into the online survey.

III. Exit Interview Guidelines

Guidelines for the Exit Interview:

A. Human Resources will attempt to conduct exit interviews for all employees who voluntarily separate from the City including employees leaving appointed positions. The exit interview can be done via: 1) Face-to-Face Interview, 2) Online Exit Interview and 3) Electronic Exit Interview form that can be mailed or emailed to the employee for completion.

B. Face-to-face interviews will be conducted by a member of the department's assigned Human Resources Generalist Team. This means that the employee's direct manager or immediate supervisor should not conduct the exit interview. Having an employee from Human Resources conduct the face-to-face exit interview may improve the employee's comfort level in providing direct and honest feedback. For employees not comfortable in participating in a face-to-face interview, online and paper and pencil options are also available as described above.

C. The exit interview is designed to solicit information from exiting employees about themselves, their department and management. Additionally, the interview will ask about satisfaction levels with different aspects of the organization that may have influenced their decision to leave the City.

D. Exit Interviews are confidential and will be used by Human Resources to identify trends as to why people are leaving and which may lead to changes in employment practices designed to improve the City work environment and improve employee retention.

E. Request and verify that all company property (i.e. laptops, cell phones, etc.) and materials (Manual, Working Papers, etc.) have been returned.

IV. Conducting the Face-To-Face Exit Interview - Human Resources Staff

A. Try and set up the interview at least one week before the employee's departure date.

B. Stress that the meeting is voluntary, informal and confidential. If the employee does not want to participate in a face-to-face interview, ask them to complete the online survey.

C. Before conducting a face-to-face exit interview, be sure the employee is provided with a data practices advisory.

D. Expect emotion and allow the employee to express their thoughts and feelings without interruption.

E. Listen and clarify any concerns. However, do not discuss how problems can be resolved.

F. Set the right tone. Be warm, receptive and interested in what the employee has to say. Listen. Don't insert personal comments, provide opinions or defend the City and its actions. Your role is to gather information and stay objective.

G. Before or after completing the face-to-face exit interview, ask the employee to complete the online survey.

H. Be sensitive to legal exposure in the areas of harassment or discrimination.

I. Thank employees for taking the time to share their thoughts with you.

V. Job Comparison Survey

A. At the request of the department, Human Resources can mail a job comparison survey to an employee 60 days after leaving the City. The completed forms will be returned in a pre-paid envelope to Human Resources.

B. The job comparison survey will solicit information from employees who have left City employment. The survey will ask about satisfaction levels with different aspects of the City in comparison to their new employer. This allows the City to understand how we compare against other organizations.

C. The job comparison surveys are confidential and may be used by Human Resources to improve the City work environment and employment practices.

VI. Follow-up Steps

The Human Resources Department will periodically download the information captured in Survey Monkey to analyze the data that has been collected. Once the analysis is complete, Human Resources staff will develop one or more executive summaries; one for the entire City and others for individual departments.

These reports will provide summary information to individual City department management. The summary may include 1) Ratings on different variables such as the work environment, salary and benefits, quality of supervision, etc.; 2) Comments sorted by subject matter; and 3) Potential recommendations for improving the work environment and increasing employee retention. City departments will be asked to incorporate any recommendations in their business plans, as appropriate.

VII. Related Documents

A. Exit Interview Survey (To be used for employees who ***voluntarily*** separate from the City) - This document can be printed and used during a face-to-face interview, attached to an email, or printed and given/mailed to a current or former employee for completion. (Word)

16

B. Exit Interview Survey (Transfer Version) – This document can be printed and used during a face-to-face interview, attached to an email, or printed and given/mailed to the employee for completion before or after the actual transfer occurs. (Word)

C. Exit Interview Cover Letter - Text can be used to create a letter or email to the employee that accompanies the Exit Interview Survey above. (Word)

D. Job Comparison Survey - Mailed or emailed to a former employee 60 Days after leaving the City. (Word)

STANISLAUS COUNTY
PERSONNEL MANUAL
EXIT INTERVIEW PROCESS

Stanislaus County considers its employees to be its most valuable resource. As a result, the County is committed to identifying and implementing strategies that will allow for the retention of a highly competent workforce. The use of Exit Interviews as a tool for gathering information regarding the experience of employees leaving the organization is critical in the development and implementation of recruitment and retention strategies.

In order to facilite the collection of information, the County has developed an exit interview form and process to be used by all County Departments.

Process

1. All full time employees, either resigning from County service or making a job change to another County department, will be offered the opportunity for an exit interview. Individual departments can also choose to conduct exit interviews for part time, personal services contract and temp employment agency staff.

2. Each Department will identify appropriate staff to conduct the exit interview. It is recommended that department heads, senior staff or the human resources manager be designated to conduct exit interviews. Employees will also be given the option to have their exit interview with the Department's Chief Executive Office HR Consultant.

3. Employees will be given the option of being scheduled for a meeting to complete the exit interview, or completing the form and submitting without a meeting.

4. Employees will also be given the option of completing the exit interview form anonymously.

5. Employees who are not notified of the exit interview prior to leaving employment will be sent the exit interview form with a postage paid return envelope.

6. Exit interviews conducted each calendar year will be maintained by each individual department until the end of the next calendar year. For example exit interviews for the 2006 calendar year will be kept by the Department until the end of December 2007.

7. The Chief Executive Office will develop a database to allow Departments to enter data from the exit interview form into a centralized database. This information will then be used as a tool to measure employee satisfaction and to develop opportunities for improvements in the areas of training, benefits and recruitment.

Stanislaus County Exit Questionnaire

Stanislaus County would appreciate your feedback and comments regarding your experiences during your employment. Our purpose is to obtain information to help improve our recruitment and retention of staff. The information will be kept confidential. You may submit the information anonymously or you may choose to schedule an exit interview.

Name (optional)________________________ **Classification**____________ **FT/PT**______
Division/Work Area ________________ **Number of years with the Department**__________

1. Why did you leave the Department/County? Please check (✓) all that apply.

- ☐ Better job opportunity (If yes, how were you alerted to the job opportunity) ____________
- ☐ County Promotion
- ☐ Dissatisfaction with work/environment
- ☐ Reduction in force
- ☐ Personal (health, school, family, moved, etc.)
- ☐ Other____________________
- ☐ Retirement
- ☐ Completed Work Assignment (Extra Help)

2. Please rank the following in the order of preference with 1 indicating your most valued benefit and 5 indicated your least valued benefit.

1.	Medical/Dental benefits	________
2.	Vacation and Sick leave accruals	________
3.	Retirement	________
4.	Deferred Compensation	________
5.	Working hours/flexible scheduling	________

3. Using the scale provided, please check (✓) the response which best describes your employment experience with the Department.

SUPERVISION

How would you rate your Supervisor(s):	Strongly Disagree	Disagree	Moderate	Agree	Strongly Agree
Treated me in a fair and honest manner.	☐	☐	☐	☐	☐
Seemed to care about me as a person.	☐	☐	☐	☐	☐
Provided me the information to do my job well.	☐	☐	☐	☐	☐
Was a good role model.	☐	☐	☐	☐	☐
Recognized me for doing good work.	☐	☐	☐	☐	☐
Supported me when needed.	☐	☐	☐	☐	☐
Provided training opportunities.	☐	☐	☐	☐	☐
Valued my opinion.	☐	☐	☐	☐	☐
Developed cooperation and teamwork.	☐	☐	☐	☐	☐
Discussed options for professional growth.	☐	☐	☐	☐	☐

Comments: ____
____
____

Stanislaus County Exit Questionnaire

MANAGEMENT

How would you rate the management team in your department:	Strongly Disagree	Disagree	Moderate	Agree	Strongly Agree
Valued and appreciated my work.	☐	☐	☐	☐	☐
Informed me about matters that affected my job.	☐	☐	☐	☐	☐
Shared department mission/vision/values.	☐	☐	☐	☐	☐
Connected department mission/vision/values to daily work.	☐	☐	☐	☐	☐
Committed to customer satisfaction.	☐	☐	☐	☐	☐
Provided me opportunities to learn and grow.	☐	☐	☐	☐	☐
Were good role models.	☐	☐	☐	☐	☐
Decisions were usually fair.	☐	☐	☐	☐	☐
Listened to employees' ideas.	☐	☐	☐	☐	☐
Empowered me to make decisions and perform my job well.	☐	☐	☐	☐	☐

Comments: ______________________________

____

____

WORKING CONDITIONS/ENVIRONMENT

How would you rate the following:	Strongly Disagree	Disagree	Moderate	Agree	Strongly Agree
My coworkers were committed to doing quality work.	☐	☐	☐	☐	☐
I had the opportunity to do what I do best every day.	☐	☐	☐	☐	☐
I felt secure in my job.	☐	☐	☐	☐	☐
I had adequate resources (equipment, tools, etc.) to do my job.	☐	☐	☐	☐	☐
I was expected to deliver high quality work.	☐	☐	☐	☐	☐
People in my work group cooperated well with each other.	☐	☐	☐	☐	☐
I felt that my work area was safe.	☐	☐	☐	☐	☐
I was satisfied with my physical working conditions (heat, noise, space, light, cleanliness, etc.).	☐	☐	☐	☐	☐
I was treated with dignity and respect.	☐	☐	☐	☐	☐
I would recommend this Agency/Department to others.	☐	☐	☐	☐	☐

Comments: ______________________________

____

____

Thank you!

Exit Survey

- Exit Survey
- Checklist for Employee Departure
- Guidelines

Process - Purpose

The Government of Nova Scotia is committed to finding ways to make the workplace better. One important way to get this information is by speaking with departing employees. Our Exit Survey provides us with valuable information to measure our success and will help us identify ways to continually improve the working environment.

Research has shown that a structured exit interview process is a way to provide better information as to why people are leaving and to determine if there are any trends that may expose an organization and allow the organization to make some positive changes.

As important as the questions themselves, it is equally important how the exit interview is done and who performs it. Ideally, when an employee announces that he or she is leaving the organization (whether this be leaving the government or transferring to another department) arrangements should be made to have someone in Human Resources do a face to face exit interview.

It is recommended that a Human Resources professional conduct the exit interview, this allows for objectivity and for the departing employee to be allowed to comment confidentially. Throughly explaining that the exit interview is voluntary and completely confidential is an important part of the process. It is also important to clearly explain where the information goes, who sees it and what is done with it.

The Human Resources professional, prior to meeting with the departing employee may download the exit survey from the website.

When meeting with the departing employee the interview should take place in a private interview room or office. The location of the interview should be away from an employee's direct managers and peers, this will assist the employee being interviewed to feel as comfortable as possible to speak his or her mind and share insights. The interviewer should make it clear to the departing employee that the sole purpose of the exit interview is to gather information, opinions and perceptions for helping senior management improve retention. Best practice suggests that only employees who are leaving on their own should be interviewed. Employees who are terminated often will have a personal agenda and provide information that is filtered through emotion rather than logic. This is what we are finding from best practice, however, each Human Resources professional is in a much better position to determine if an individual should be interviewed prior to a departure.

A telephone interview can provide a safer medium and more relaxed setting for someone to speak candidly. Telephone interviews can be more effective than in-person sessions because of the psychological barrier that a telephone creates. It then becomes important for the interviewer to find a match that works best for the person leaving.

The final alternative should the departing employee request is that the individual completes the exit survey either on line via the web, or hard copy and send it back to their Human Resources Division. If the employee has already left the organization and wishes to complete the survey manually, the Human Resources professional should copy the interview survey and send it to the employee along with a self addressed stamped envelope for ease of return. A business card with the Human Resource professionals phone number should also be enclosed should the employee have questions.

Once the survey has been completed either through an interview with the employee or hard copy returned, the human resources professional should input into the data base.

There is no hard and fast "rule" that says that a personal exit interview cannot be done by the manager of the departing employee, again, this should be determined at the time of the notice who is in the best position to do the exit interview. What is important is that we make an attempt to allow the departing employee an opportunity to provide information for us.

Summary

1. Exit Survey, the process in detail, checklist is located on the Public Service Commission internet under the HR Practitioner section - more. You will note that each of these documents can be opened by a click of the mouse or click on the pdf file and copy the documents for manual use.

2. Should you currently be in a CSU or department that has your own exit survey and find that it works well for your organization, continue to use that. This has been designed for those organizations that don't have anything currently in place or want something more formal. What we want is for the Human Resources Community to have the tools that they feel they can use. It is important to have exit interview performed and we hope that you will begin to use these documents if you have not been doing exit interviews.

3. At the end of March 2005, Jeannette Smith will be in contact with you to see if you have had the opportunity to use this information. If you have used it she will be asking for feedback on the ease of use, or changes that you would like to see made. The plan will be that changes will be made at that time and communications sent to the Deputy Ministers announcing the introduction of a corporate exit interview process. Your feedback is vitally important to ensure that we are capturing the information that you feel is necessary.

4. The data collected will be housed at the Public Service Commission with the Executive Recruitment area, however, all information that comes in from your departments will also be forwarded to the HR Director of that department to ensure that the HR Divisions also have the information that they need. Statistics and a roll up of information will occur in six month intervals and again will be sent to the HR Directors.

Jeannette Smith
HR Initiatives
February 2005

LEXINGTON-FAYETTE URBAN COUNTY COUNCIL
Memorandum

TO: George Myers, Councilmember
8th District

FROM: Paul Schoninger
Staff to Council

DATE: April 5, 2010

SUBJECT: Exit Interviews: Information from Human Resources

The following information related to the issue of exit interviews is from the Division of Human Resources. You placed the issue into IG on March 9. On March 11 I requested information from Human Resources including to what extent LGUCG utilizes exit interviews and how the information from the interviews are maintained and used. On March 29 I received an e mail response from Leslie Jarvis, Acting Director of Human Resources. That response is below:

"The generalists were asked to contact their respective divisions and inquire if they utilize any type of exit interview form. They were told to solicit the following information:

- A list of the divisions that conduct exit interviews with their employees
- A copy of the form that is used
- An explanation of what they do with the data or information collected

Of the few divisions which responded, only two (2) divisions reported using a form and conducting an interview with employees who leave employment. There was no explanation provided as to what follow up, if any, is done with the information.

The Division of Human Resources has incorporated an exit interview in one of our proposed work flow processes. We have not implemented this process so therefore have not been using a formal exit interview process.

If the LFUCG pursues exit interviews I would recommend taking into consideration the following points:

- A formal policy regarding exit interviews should be developed and used government wide. Division should not have their own form or policy.
- Exit interviews should be extended to *all* parties who voluntarily leave employment.
- The interview should be conducted by a neutral party who is trained in interview techniques and understands the role they are to serve.
- The process should be confidential.
- The information gathered must be reported and acted upon accordingly to ensure the reliability and validity of the process.

Let me know if the Division of Human Resources can be of further assistance."

George Myers, Councilmember 8th District
April 5, 2010
Exit Interviews: Information from Human Resources
Page Two

As a follow up I requested additional information from Ms. Jarvis, including a copy of the proposed HR work flow process which includes the exit interview, copies of the interview templates used by two of the LFUCG divisions cited, and examples of how the information is utilized.

To date I haven't received a response from Human Resources.

Should you need any further information please do not hesitate to contact me at 258-3208.

Paul Schoninger
Staff to Council

c: Joseph Schuler
Leslie Jarvis

Division of Central Purchasing
Purchasing Policies & Procedures

March 2009

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INTRODUCTION

This manual has been designed to assist purchasing requesters with their day-to-day procurement responsibilities. It contains descriptions of procedures that are used in acquiring goods and services, instructions for completing necessary forms and provides answers to many questions that may arise as you become familiar with LFUCG purchasing policies and procedures.

Central Purchasing
(859) 258-3320

Title	Primary Responsibilities
Director	Manage the purchasing functions throughout the LFUCG and supervise the staff of Central Purchasing.
Buyer Senior	Construction, computers, professional services, leases and rentals.
Buyer	Surplus disposal, building and equipment repair, vehicles, heavy equipment, printing, cleaning supplies, procurement contracts, food, athletic equipment, office supplies and equipment and all other commodities.
Administrative Specialist	Bid/Quote/RFP specifications and mailings and contract listings.
Staff Assistant Senior	Bid/Quote/RFP specifications and mailings.

POLICIES & PROCEDURES

This manual was developed to supplement the Urban County Government Procurement Regulations. The regulations contain the rules that govern the purchasing system. This manual contains the methods and procedures that make the system work. We encourage you to thoroughly read the regulations. If you follow the procedures in this manual, you will meet all the requirements in the regulations.

The Urban County Government purchasing system is designed to meet three (3) requirements:

1. To ensure that all purchases are made in the most economic manner possible;

2. To assure that all purchases are made in compliance with local, state and federal (when necessary) laws; and

3. To provide enough flexibility to permit the divisions and departments to follow all purchasing rules and procedures without unduly disrupting daily operations.

The Urban County Government cannot purchase goods and services in the same way that you, as an individual, or a private firm can. We are a public agency. This means that we must give everyone who is interested in providing goods or services to us an opportunity to do so.

There are times when we pay a higher price or go through a lengthy procedure in order to comply with the law. This can be frustrating and hard to understand. Please remember that these laws and rules exist to ensure that we maintain open and free competition. While we may have to pay more in certain instances, open competition will save us money in the long run.

From the Urban County Government Charter:

Central Purchasing shall be responsible for making all purchases for the Merged Government, its departments, agencies, divisions and such boards and commissions as the Council may direct. Said division shall administer a system of centralized purchasing best suited to obtain the greatest economic savings and value in the procurement of all necessary supplies, materials, equipment, contractual services, insurance and surety bonds, and such other items as may be prescribed by the Council.

Resolution #167-91 - Disadvantaged Business Enterprise (DBE) 10% Goal Plan:

The Disadvantaged Business Enterprise (DBE) Program was implemented in July 1991. The resolution, of which a complete copy is available in Central Purchasing, reads as follows:

> *"A resolution supporting adoption of the administrative plan for a ten percent (10%) minimum goal for disadvantaged business enterprises participation in Lexington-Fayette Urban County Government construction and professional services contracts; providing that as part of their bids on LFUCG construction contracts, general contractors shall make a good faith effort to award at least ten percent (10%) of all subcontracts to disadvantaged business enterprises; providing that division of the LFUCG shall make a good faith effort to award at least ten percent of their professional services and other contracts to*

disadvantaged business enterprises; providing that disadvantaged business enterprise shall mean any legally constituted business enterprise which is majority owned and controlled by disadvantaged individuals; providing that a disadvantaged individual may include any legal resident of the United States having ethnic origin in the black racial groups of Africa, any legal resident of the United States who is a member of an economic, religious, ethnic, cultural, racial or national origin group which has a history of non-participation in Government contracts, a handicapped person or a female; and providing that the program shall be reviewed after a two year period to determine its success and the need for its continuation."

PURCHASES THAT EXCEED $20,000:

KRS 424.260: *"Except where a statute specifically fixes a larger sum as the minimum for a requirement for advertisement for bids, no city, county or district, or board or commissioner of a city or county may make a contract, lease or other agreement for materials, supplies or equipment, or for contractual services other than professional, involving an expenditure of more than twenty thousand dollars (20,000) without first making newspaper advertisement for bids. Provided, however, that this requirement shall not apply in a emergency if the Chief Executive Officer (Mayor) of such city, county or district has duly certified that an emergency exists, and has filed a copy of such certificate with the Chief Financial Officer (Commissioner of Finance & Administration) of such city, county or district."*

From the Procurement Regulations:

Pursuant to Kentucky Revised Statutes, all purchases that exceed $20,000, in aggregate amount, shall be procured by competitive sealed bids. The aggregate amount shall be considered to be the amount spent by the Urban County Government for any "severable category" of goods or services during a fiscal year. A severable category shall mean any category of items that can reasonably be expected to be purchased within a fiscal year. For example, the severable categories within the broad class of automotive parts include several different categories of parts that are purchased throughout the year, i.e. brakes, windshields, etc. from multiple vendors. Automotive parts should be bid based upon the cumulative dollar amount of all of these items purchased during a fiscal year.

The decision as to whether a purchase must be made by competitive sealed bid shall be made by Central Purchasing.

Additional requirements for the purchase of any item or class of items may be established by Central Purchasing and/or the Mayor. If such requirements are established, they become part of the purchasing procedure for the item or class of items concerned.

PURCHASING REQUESTERS

The operation of the Urban County Government purchasing system depends to a great extent on certain employees within each department or division. These employees have been appointed as purchasing requesters. There are currently numerous employees throughout the Urban County Government who serve as purchasing requesters. These persons are not employees of Central Purchasing, but are responsible for coordinating the purchasing activities and ensure compliance of the purchasing regulations for their respective section, department or division.

Responsibilities of the Purchasing Requester:

1. Entering requisitions in a timely manner.
2. Ensuring that requisitions are entered completely and correctly. This involves using LFUCG catalogs when available, providing quotes when required, providing minority business information when pertinent and any other information required in order for Central Purchasing to review the request.
3. Budget checking and submitting requisitions into workflow paths that have been established based on department ID, fund and/or commodity.
4. To fully inform Central Purchasing of any problems with vendor performance, including but not limited to timing of the problem and all pertinent circumstances related to the problem. Central Purchasing shall take all appropriate action to resolve the problem.

PURCHASING PROCEDURES

Purchases are made using one of the following methods:

1. Purchase Requisition
2. Procurement Card
3. Petty Cash

Purchase Requisition & Purchase Order

The purchase requisition to payment process is outlined below:

1. Purchase requisitions are completed and submitted to request goods or services. All purchase requisitions are created using the PeopleSoft Financial System. A purchase requisition with a valid budget status and fully approved via workflow and purchasing results in the generation of an Urban County Government purchase order. (A summary of workflow processes follows.)

2. When a completed purchase requisition is transmitted to Central Purchasing, the buyer responsible for the commodities listed on the purchase requisition reviews the document and approves the purchase requisition for assignment of a purchase order.

3. The purchase order is signed by the Director of Central Purchasing and issued to the vendor. The Urban County Government purchase order is a legal document that represents a firm order for the items listed and represents a commitment by the Urban County Government to pay the prices shown for the items listed. (Note: The LFUCG does not guarantee quantities or that the total dollar amount on the purchase order will be used.)

4. When all goods ordered have been received, the purchasing requester shall receive the items via the receiving component of the PeopleSoft system. Receiving of goods and/or services should be completed as soon as the goods and/or services are received. The only exception is if the item(s) is incorrect or defective. In that situation, receiving should not be completed until the correct or undamaged goods have been received. *Receiving should not be delayed until an invoice is received. The purchase order directs the vendor to mail invoices to the Division of Accounting. Failure to submit a receipt immediately can delay payment. If an invoice is sent to the requesting agency, it should be forwarded to the Division of Accounting immediately.*

The Division of Accounting will match the receipt to the purchase order and the invoice and will issue payment.

Blanket Purchase Orders

The Urban County Government requires certain goods and services that are purchased on a frequent and repetitive basis be purchased from the same vendor. Construction contracts and many professional services contracts require that periodic payments be made to the contractor before the work is completed. The blanket purchase order procedure was developed to reduce the number of purchase orders issued in these circumstances. Blanket purchase orders may be between \$100 and \$20,000. (Note: This limit does not apply to local and state procurement contract purchases or bid items.)

A blanket purchase order may be issued to a vendor when:

- Numerous or frequent purchases will be made from the vendor over a period of time.
- The purchase is for services that are to be provided over a period of time and for which partial or progress payments will be made.
- The purchase is for construction or repairs that will be performed over a period of time and for which partial or progress payment will be made.
- The purchase is for repairs, the precise extent of which cannot be determined in advance.

Additional items to remember:

- No blanket purchase order may exceed budgeted funds.
- No blanket purchase order will be issued under small purchase procedures for an amount that exceeds \$20,000. (This restriction does not apply to purchases from Urban County Government or Commonwealth of Kentucky procurement contracts or bid items.)
- All blanket purchase orders issued under small purchase procedures shall expire at the end of the fiscal year except in those cases where a contractual arrangement specifies a time period for work to be performed that may extend beyond the end of a fiscal year.

Procedures

1. A blanket purchase order is issued upon receipt and approval of a purchase requisition requesting a blanket purchase order.

2. A blanket purchase order shall not be for more than a three (3) month period unless the items being purchased are on a local procurement contract or the blanket purchase order is for a maintenance contract.

3. To initiate a payment against a blanket purchase order, the requester must create a receipt in PeopleSoft for the invoice amount.

Workflow Approvals

Requisitions require approval through workflow in PeopleSoft. There are four types of workflow paths:

1. Department Approval – This workflow is generated by the department ID used on the requisition. Each department/division has a unique workflow path. All requisitions exceeding $1,000 require approval from the department's commissioner. All approvals in the workflow path must be obtained before Central Purchasing can review and approve the requisition.

2. Grants Approval – All requisition lines using grant funds require approval by the Division of Community Development.

3. Bond Approval – All requisition lines using bond funds will be sent to the Commissioner of Finance & Administration for review.

4. Commodity Approval – Certain commodities require additional approvals. The following commodities currently require commodity approval through workflow:

   - Computer and Software – reviewed and approved by the Division of Computer Services and Chief Information Officer.
   - Printers – reviewed and approved by the Director of Central Purchasing and the Division of Computer Services.
   - Vehicles – reviewed and approved by the Commissioner of General Services.

When submitting a requisition that requires commodity approval, please provide a complete justification for the request, i.e. why needed, how and where it will be used, if it is replacing existing equipment, etc.

Procurement Cards

Procurement of lesser cost, non-asset items can be purchased with the use of a procurement card to those department/divisions that have requested one. The charges will be submitted electronically from the bank directly into the PeopleSoft Financials Systems where the transactions will be reconciled and approved for payment electronically.

Although the procurement card is administered by Central Purchasing, the disbursement of funds for settlement of valid claims is the responsibility of the Division of Accounting; therefore, use of the card must be in accordance with purchasing regulations as well as the internal controls and audit standards set forth by the Division of Accounting. Applications requesting a procurement card must be approved by the requesting employee's division director and commissioner. Upon approval, Central Purchasing will schedule a training session for the applicant. After recipients are trained, they must sign a cardholder user agreement which spells out the responsibilities of each cardholder.

There are dollar amount limits based on the types of purchases needed for the division, but not a number of transactions limit. Central Purchasing will let you know the dollar limit assigned to your card. There will also be limits on the types of merchants where the card can be used and the types of purchases. For example, convenience stores/quick marts will not be authorized merchants and purchases at those locations will be denied at the point of purchase.

A default chart string is assigned to each user and card. The cardholder will reconcile all purchases and may change the accounting information as needed. It is the responsibility of the cardholder and their division director to confirm correct accounting information, and advise other divisions of any charges that are being processed against someone else's accounting codes. System approval for procurement purchases is routed only to the cardholder's division director or other assigned approver.

Petty Cash

1. Check with your manager to see if your department or division has a petty cash custodian.

2. Petty cash may only be used when the purchase is for $25.00 or less and the vendor does not accept purchase orders or procurement cards.

3. Do not pay sales tax on petty cash purchases. Use tax-exempt number CT 34-100.

4. Obtain a receipt for each purchase and have the individual making the purchase sign and date the receipt.

5. Use petty cash only when one of the other purchasing options is not accepted by the vendor.

Procurement Contracts & Catalogs

A procurement contract is an agreement by a vendor to sell specified goods or services to the Urban County Government at certain prices for a period of time. A procurement contract is established through competitive bids. Any purchase made from a procurement contract meets legal requirements for competitive bidding.

Kentucky state law permits local governments to purchase from state procurement contracts that are established for "All State Agencies." The web site for contract listings is http://emars.ky.gov/online/vss/Advantage. Contact Central Purchasing to see if state university contracts may be used. Federal GSA contracts are not accepted in lieu of a competitive bid process.

A policy of the Urban County Government is to purchase required goods and services from procurement contracts whenever possible.

Procedures

1. To verify the availability of the items requested, review the listings of contracts and/or items in Urban County Government contracts which can be found in eProcurement on the PeopleSoft system. (See Appendix C - Job Aids.)

   Contracts can be viewed by following the navigation:
   Purchasing > Procurement Contracts > Add/Update Contracts

   To search for items, use one of the job aids (Appendix C) for searching eProcurement catalogs.

2. If you are using a Commonwealth of Kentucky contract, contact the vendor listed online at http://emars.ky.gov/online/vss/Advantage for availability and pricing of the goods or services to be purchased. When using a state contract, the state contract ID must be referenced on the purchase requisition.

3. If a procurement contract has expired, contact Central Purchasing for information concerning the status of the renewal or a new contract *prior* to any commitment for a purchase.

4. If the Urban County Government has established a contract, that contract vendor or vendors must be used as long as the good or service is available from that vendor. If the contract vendor(s) cannot provide the good or services needed, locate an alternate source of supply and complete the request using the PeopleSoft system and include the following on the requisition:

   A. Contract Vendor
   B. Out-of-Stock Item
   C. Date of Stock-Out

PURCHASING POLICIES

The LFUCG has four (4) purchasing procedures in place to ensure that our policies are in compliance with state law and that we are maximizing competition and receiving the best value. The correct procedure to use for a specific purchase depends on both the nature of the purchase and the amount to be spent. The procedures are:

- Informal quotations
- Formal quotations
- Competitive sealed bids
- Professional services

Information Quotations

It is a policy of the Urban County Government to subject all purchases to the maximum practicable competition. Certain requirements for informal quotations have been established to assure maximum practicable competition for small purchases (below $20,000).

Quotations differ from competitive bids (see next section) in the following ways:

1. Quotations do not require formal specifications.
2. Quotations do not require public advertising.
3. Quotations do not require Council action to complete the proposed purchase.
4. Quotations may be obtained much more quickly than competitive bids.

Quotation requirements apply to purchases for amounts between $1,000 and $20,000.

Informal or Telephone Quotations (for purchases exceeding $1,000 up to $10,000)

Purchases for amounts between $1,000 and $10,000 that is not a procurement contract may be made only after quotations have been received from three (3) or more vendors by telephone or in person.

1. Contact three (3) or more vendors. Identify yourself as a Lexington-Fayette Urban County Government user division when requesting a quote.

2. Give each vendor *identical* information and description of requirements. *Do not use a price quoted by vendor to bargain with other vendors.*

3. Make notes of and attach this information to the competing quotes page of the requisition.

   A. Vendor name
   B. Name of person giving quotation
   C. Price
   D. Other relevant information

4. Central Purchasing may solicit additional quotes for some purchases.

Formal or Written Quotations (for purchases $10,000 to $20,000)
Purchases for amounts between $10,000 and $20,000 may be made only after written quotations have been received by Central Purchasing via the formal quotation process.

This requirement may be waived when one or more of the following conditions exist. (Note: Any waiver of this requirement must be approved by the buyer responsible for purchasing the commodity required prior to submitting a requisition for the good or service.)

1. Time does not permit quotations to be obtained.
2. Only one (1) vendor can reasonably supply the item or service.
3. Other conditions exist which make obtaining quotations impossible.

The purchasing requester may at their option, obtain telephone quotations as required before transmitting the purchase requisition to Central Purchasing. The buyer may request that the purchasing requester assist in obtaining quotations if an adequate description of the work to be performed cannot be developed or if inspection of the work by potential vendors is necessary. If the purchasing requester obtains quotations before transmitting the purchase requisition to Central Purchasing, the following steps must be completed:

1. The purchase requester of the requesting division shall:
    A. Provide a written description of the service or commodity requested by emailing specifications to biddocuments@lfucg.com.
    B. Provide the name of a contact person within the requesting division if site inspection is required.
    C. Submit a list of vendors to be contacted for quotes (optional).
    D. Submit purchase requisition.

2. Central Purchasing shall:
    A. Prepare quotation packets.
    B. Draft specifications or special conditions based on information provided by the requesting division.
    C. Set time and date for opening of quotations. (Generally 7 – 14 days.)
    D. Solicit quotations from vendors by distributing packets online.
    E. Open quotations and provide information to the requesting division.
    F. Issue purchase order to the vendor who submitted the lowest and best quote.

Competitive Bids

All purchases for more than $20,000, except for those items or services specifically exempted, are required by law to be purchased by competitive sealed bids. This procedure involves public advertising of the invitation for bids, submission of sealed offers by vendors and acceptance of one offer by the Urban County Government. All Urban County Government procurement contracts are established by competitive bids; therefore, any purchase made from an Urban County Government procurement contract is a result of the competitive bid process.

The following kinds of purchases are exempt from the competitive bidding requirement:

1. Purchase of services from a public utility company franchised by the Urban County Government.
2. Purchase of services from a non-profit agency.
3. Purchase of services from licensed professionals (architects, engineers, CPA's, etc.).
4. Purchase of services from craftsmen or tradesmen, provided that they provide only labor and tools and that the Urban County Government supplies materials.
5. Purchase of real property (land and buildings).
6. Purchase of goods or services from a unit of the federal government, a state government or a local government.
7. Purchase of goods or services from an Urban County Government or a Commonwealth of Kentucky "All State Agencies" procurement contract.
8. Purchase of perishable meat, fish and vegetables.
9. Purchase of goods or services under a condition of emergency declared by the Mayor of the Lexington-Fayette Urban County Government.

The use of competitive techniques other than sealed bids may be required for certain of these categories if required by state or federal grants. The Director of Central Purchasing may determine that the use of alternate competitive techniques best serves the interest of the Urban County Government.

The most important element in the competitive bid process is the development of specifications. Specifications are a description of requirements that must be met by the goods or services to be purchased. We use several different types of specifications:

1. Design Specifications – describe precisely how something is to be built. Construction specifications are almost always design specifications.

2. Performance Specifications – establish requirements for evaluating how well an item or item of equipment does a task.

3. A combination of design and performance specifications.

4. Brand Name or Equivalent Specifications – are used infrequently. Specific requirements for use of these specifications are established in the Urban County Government procurement regulations.

Specifications establish the level of quality required for the goods or services to be purchased. While specifications must be drafted to assure that the items purchased will conform to the level of quality required, care must be taken to assure that the specifications do not unduly restrict competition. Unjustifiably restrictive elements in specifications are unacceptable.

Central Purchasing will review all specifications submitted for use in competitive bids. Specifications may be modified to conform to a standard format. Other changes may be suggested. Central Purchasing will draft or assist in drafting specifications upon request.

The competitive bid process differs from written quotations in the formalities that must be observed and legal requirements that must be met. The process requires public advertising, notification of all potential bidders known to be interested in the purchase, a public bid opening and acceptance of bids by the Urban County Council. The steps of the bid process are listed below.

1. Division or department emails proposed specifications to Central Purchasing at biddocuments@lfucg.com.
2. Central Purchasing reviews and approves specifications.
3. Central Purchasing establishes date for opening bids.
4. Central Purchasing places legal notice (advertisement) in local newspaper.
5. Central Purchasing notifies prospective vendors of the invitation for bids and distributes bid documents. (This function may be performed by a consultant hired by the Urban County Government to coordinate a specific construction project.)
6. Central Purchasing opens bids.
7. Central Purchasing transmits copies of bids received to requesting agency for review.
8. Requesting division or department transmits recommendation for bid acceptance to Central Purchasing and assures that sufficient funds are budgeted for the purchase.
9. Central Purchasing transmits recommended bid to the Division of Budgeting.
10. Division of Budgeting approves and transmits bid to the Senior Advisor for Management.
11. Senior Advisor for Management approves and transmits bid to Department of Law.
12. Department of Law drafts ordinance or resolution to accept bid and transmits bid package to Council Clerk.
13. Council Clerk places bid on docket for Council action.
14. Urban County Council gives bid acceptance first reading.
15. Urban County Council gives bid acceptance second reading.
16. Council Clerk sends ordinance or resolution accepting bid to Central Purchasing.
17. Central Purchasing issues purchase order.

The competitive bid process is a lengthy one. It is essential that adequate lead time is permitted to complete the process. The estimated time required to complete the various steps is shown below.

Steps 1 – 4	9 – 21 days
Steps 5 – 6	7 – 21 days
Steps 7 – 8	2 – 30 days
Steps 9 – 13	8 days
Steps 14 – 15	14 days
Steps 16 – 17	3 days
Total Time Required:	43 – 97 days

Award of a bid may be based on one of two conditions:

1. The bid may be awarded to the bidder who submits the lowest bid that meets requirements.

2. The bid may be awarded to the bidder who submits the lowest evaluated bid that provides the best value to the Lexington-Fayette Urban County Government.

If best value award is to be used, the factors to be evaluated and the method of evaluation must be stated in the invitation for bids.

Receiving

After a purchase order has been dispatched, the requester must enter a receipt in PeopleSoft once the goods and/or services has been received.

PeopleSoft assigns a receipt ID to each saved receipt. Because there is not a one-to-one ratio between purchase orders and receipts, a purchase order might have multiple receipt IDs due to multiple shipments or a shipment might have multiple purchase orders. This ID is stored separately from the dispatched purchase order or the original requisition.

There is a one-to-one ratio for receipt and invoice. Requesters need to create one receipt for each invoice in order for the matching process to work.

Professional Services

Professional services are services provided by a person or firm licensed by the state or by an organization approved by the state to provide those services. Professional services include services provided by doctors, lawyers, architects, engineers, planners and Certified Public Accountants.

Per Resolution 167-91, the Lexington Fayette Urban County Government has adopted an administrative plan for a 10% minimum goal for disadvantaged business enterprises participation in Lexington-Fayette Urban County Government construction contracts and professional services contracts. This resolution states that the divisions of the Lexington-Fayette Urban County Government shall make a good faith effort to award at least 10% of their professional services and other contracts to disadvantaged business enterprises. A complete copy of the administrative plan is available in Central Purchasing.

Purchase of professional services differs from the purchase of goods and other services in several ways:

For professional services under $25,000

1. Purchase of professional services is exempt from the competitive bidding requirement; however, other forms of competition may be used.
2. Purchase of professional services usually requires a written contract along with a purchase order.
3. Central Purchasing will assist in vendor selection for professional services upon request.
4. Purchase of professional services usually involves some form of negotiation.

For professional services $25,000 and above, the attached CAO Policy will be used by Central Purchasing to solicit proposals through the RFP process. RFP specifications should be emailed to biddocuments@lfucg.com.

Purchase of Professional Services

Note: Only the Mayor is authorized to sign written contracts on behalf of the Lexington-Fayette Urban County Government.

Procedures

1. Select vendor. The use of competitive proposals or other forms of competition is encouraged for all requests, including those under the amount required in the CAO Policy.
2. Complete a purchase requisition.

If the purchase has no executed contract:

1. If the request does not have an accompanying executed contract, submit the purchase requisition directly to Central Purchasing. Central Purchasing will submit the request for Council approval via the work session packet.
2. Council Clerk will transmit the ordinance or resolution along with the purchase requisition to Central Purchasing.
3. Central Purchasing will issue a purchase order.

If the purchase has an executed contract:

1. Complete an administrative review form (Blue Sheet, Form 43-12) for all contracts $25,000 or higher. (Contact Central Purchasing at 258-3320 for specific requirements of selection process.)
2. Attach the purchase requisition and proposed contract to the administrative review form.
3. Transmit the administrative review form and attachments to the Office of the Mayor. (See administrative review form for complete administrative review procedure.)
4. Council Clerk will transmit the ordinance or resolution along with the purchase requisition to Central Purchasing.
5. Central Purchasing will issue purchase order.

A purchase requisition must be attached to the administrative review form. A purchase order cannot be issued unless Central Purchasing receives a purchase requisition.

<u>Emergency Purchases</u>

Purchases of goods or services not otherwise exempted by law may be made without competitive bidding only when the Mayor formally declares that an emergency exist. The Mayor may authorize the purchase of goods or services without competitive bidding by approving a certificate of emergency.

Do *not* use this procedure to circumvent competitive bidding requirements. A *bona fide* emergency must exist before this procedure may be used.

This procedure does not budget funds. Contact the Division of Budgeting to ensure that funds are available for the purchase.

This procedure is not required if the expenditure does not exceed $20,000. If the commissioner or division director is not sure that the purchase will exceed $20,000, complete the certificate of emergency when the emergency occurs rather than after the fact.

Forms required to file a certificate of emergency may be obtained from Central Purchasing.

Sole Source Procurement

A sole source procurement situation exists if the commodity or service needed is available from only one source. A commodity or service is not sole source if an equivalent commodity or service is available from another source. A sole source letter from the vendor is not sufficient to declare a sole source status. The user division should adequately research appropriate areas to ensure a sole source situation exists. Central Purchasing will assist the user division in research and they will make the final determination.

If a sole source exists, an administrative review form and purchase requisition, along with this form, must be processed for any items $20,000 or greater. All purchases under $20,000 require that this form, along with any supporting documentation, be forwarded to Central Purchasing for approval prior to requesting the commodity or service.

Emergency/Reserve Purchase Orders

There are occasions when an item or service is needed immediately in order to complete a repair or to prevent disruption of a job or activity. A purchase order number may be assigned to permit the immediate purchase of items for which the emergency purchase procedure is not required. (Cost less than $20,000). Call Central Purchasing for emergency/reserve purchase orders.

Procedure:

1. Purchasing requester, with the approval of the division director, may request assignment of a purchase order.
2. Enter the purchase order number assigned to the purchase in the description field of the purchase requisition.
2. Central Purchasing shall issue a purchase order. The purchase order shall be marked "*confirming*" to prevent duplication of purchase.

Assignment of purchase orders is done at the discretion of the Director of Central Purchasing. Violation of this procedure may result in the denial of requests for assigned purchase orders.

<u>Change Requests/Change Orders</u>

Modification of information on a purchase order is sometimes necessary. A change requester is issued to make the following changes to a purchase order:

1. Increase or decrease the amount and/or quantity;
2. Modify the description of goods or services; or
3. Cancel

A change request *must* be requested when the amount of increase exceeds 5% or $300 for a purchase order line *not* the entire purchase order amount.

A change order is not required if the change is a decrease unless the original request for purchase received Council action, if so, the decrease in cost will need Council approval via the administrative review (blue sheet) process. A change request to decrease a purchase order may be requested in order to return funds not needed to pay the purchase order to the budget of the requesting agency.

Any change to a purchase order that increases or decreases the contract amount for construction or professional services contracts that have been approved by Council requires a change order to also be approved by the Urban County Council.

Changes to accounting information cannot be accomplished with a change request. Contact the Division of Accounting for the process required to correct accounting information

A change request cannot be used to change the vendor shown on a purchase order. If it is necessary to change the vendor, contact the buyer on the purchase order as they may be able to issue a new purchase order using the existing requisition or process a change request to cancel the purchase order and then enter a new requisition to the correct vendor.

The change request will enter workflow for departmental approval and then will automatically be sent to Central Purchasing for appropriate buyer to process. Central Purchasing will issue a change order.

Revised 12/2003
(Original 10/83)

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

PROCUREMENT REGULATIONS

1.0 RESPONSIBILITY AND DELEGATION OF AUTHORITY

These Regulations, along with applicable portions of Kentucky Revised Statues and the Charter of the Lexington-Fayette Urban County Government shall govern all procurement activities of the Lexington-Fayette Urban County Government.

1.1 The Director, Division of Central Purchasing (hereinafter called "Purchasing Director"), is responsible for performing the procurement function of the Lexington-Fayette Urban County Government pursuant to these Regulations. As used in these Regulations, the Purchasing Director is the incumbent in that position or any member of the staff of the Division of Central Purchasing designated by the Purchasing Director to perform a specific task.

1.2 The Purchasing Director may delegate to the various Departments, Divisions and Agencies of the Urban County Government such purchasing authority as may be appropriate and necessary for the proper performance of the procurement function. Any such delegation of purchasing authority shall be made in writing and shall be included in procedures issued pursuant to these Regulations.

1.3 The Responsibilities of the Division of Central Purchasing are derived from Article 6, Section 6.06 of the Charter of the Lexington-Fayette Urban County Government. These responsibilities may be divided into two (2) functional areas: procurement and information.

1.4 Procurement responsibilities include:

A. To procure those goods and services enumerated in the Charter in a manner consistent with the laws of the Commonwealth, the Ordinances of Lexington-Fayette Urban County and the established policies of this government.

B. To be aware of and responsive to the changing needs of the Urban County Government.

C. To secure for the Urban County Government the best value for monies spent and to obtain the greatest economic savings by employing and encouraging a system of competitive bidding, by establishing price contracts where feasible, by using to advantage price contracts established by the Commonwealth of Kentucky, and in general by using a system of comparative pricing for all purchases.

D. To develop, implement and maintain procedures that insure the timely supply of all materials and services necessary to insure the continuous operation of the Urban County Government.

E. To develop, implement and maintain procedures that provide maximum control of the procurement function.

F. To delegate certain procurement functions to the various governmental units where such delegation would best serve the interest of the Urban County Government.

G. To maintain the highest standard of fairness in dealing with vendors and to avoid and show of favoritism toward any vendor.

H. To cooperate fully with other units of the Urban County Government to insure the orderly and efficient performance of governmental functions.

1.5 Information responsibilities include:

A. To maintain awareness of market conditions, products, sources of supply, new products and services and price trends.

B. To maintain open and efficient communication with all other government units and with vendors.

C. To develop, initiate and maintain an on-going training program for personnel in other governmental units to promote understanding of purchasing procedures and to facilitate correct and efficient use of those procedures.

D. To develop, distribute and keep current a manual of purchasing procedures containing clear and precise guidelines for the procurement function.

E. To develop, distribute and keep current a catalog of those materials and services for which price contracts have been established by the Urban County Government and/or the Commonwealth of Kentucky.

F. To maintain all records necessary to the efficient operation of the procurement system in general and the Division of Central Purchasing in particular; and to maintain those records systematically to permit the extraction of information from them. Such records include, but are not necessarily limited to purchase orders, requisitions, bids, maintenance agreements, price contract and vendor's performance files.

G. To develop standards and maintain specifications for goods and services procured by the Urban County Government.

H. To develop and maintain a list of authorized purchasers and a file of authorized signatures.

I. To develop and refine internal procedures within the Division of Central Purchasing.

J. To advise other government units, when necessary, in procurement decisions.

K. To participate in and provide pertinent information for both the short-term and long-term planning processes.

L. To provide pertinent information to other units of the Urban County Government as may be needed to aid the management process.

2.0 PURCHASING COORDINATORS

2.1 It shall be the responsibility of each unit of Government listed below to appoint Purchasing Coordinators and to keep the Division of Central Purchasing advised of the current occupant of such position:

- Mayor (Administrative Services, Public Safety)
- Commissioner of Finance
- Commissioner of Law
- Commissioner of Public Works
- Commissioner of Social Services
- Commissioner of Risk Management/Personnel
- Commissioner of General Services
- Elected Officials

(Reserved)

2.2 Method of Appointment

A. Each Commissioner or other person designated above shall appoint a sufficient number of Purchasing Coordinators to fulfill the needs of the Division. Large units of government may require several coordinators while others may find that a single coordinator can serve several units.

B. Forms for appointment, termination and changes of Purchasing Coordinators shall be available from the Division of Central Purchasing.

2.3 Responsibilities of Purchasing Coordinators are:

A. To serve as the primary contact in communication between the various Government units and the division of Central Purchasing. This function shall include the transmission of all pertinent information concerning purchasing policies and procedures to personnel within the Government unit.

B. To transmit all purchasing documents from the Government unit to the Division of Central Purchasing.

C. To purchase goods and services with Petty Cash Funds and Price Contract Vouchers in accordance with approved procedures.

D. To fully inform Central Purchasing of any problems with Vendor performance, including timing of the problem and all pertinent circumstances related to the problem. Central Purchasing shall take all appropriate action to resolve the problem.

2.4 It shall be responsibility of each Department or Division head to assure that all employees in his/her unit understand and follow Urban County Government Purchasing Policies and Procedures.

3.0 SOURCE SELECTION: PURCHASES THAT EXCEED $20,000

3.1 Pursuant to Kentucky Revised Statutes, all purchases that exceed $20,000 in aggregate amount shall be procured by competitive sealed bids. The aggregate amount shall be considered to be the amount spent by the Urban County Government for any "severable category" of goods or services during a fiscal year.

A. A severable category shall mean any group of items that can reasonably be expected to be purchased at the same time from a single vendor. For example, severable categories within the broad class of food products include: dairy products, bakery goods, meat products, etc.

3.2 The decision as to whether a purchase must be made by competitive sealed bid shall be made by the Division of Central Purchasing.

3.3 Categories of Purchases that may be made without competitive sealed bids, regardless of amount, include:

A. Purchase of goods or services pursuant to a Declaration of Emergency by the Mayor of Lexington-Fayette Urban County as provided herein.

B. Purchase of services provided by a public utility or other contractual services provided within Lexington-Fayette Urban County pursuant to a franchise for such service awarded by the Lexington-Fayette Urban County Government as permitted or required by law.

1. Except for telephone and other public utility services, award of a contract by competitive sealed bids for other contractual services performed under a franchise awarded by the Lexington-Fayette Urban County Government shall not be precluded when it is determined by the Purchasing Director that award of such contract on a competitive basis would best serve the interest of the Lexington-Fayette Urban County Government.

2. The procurement by competitive bids of a telephone system to serve the internal needs of the Lexington-Fayette Urban county Government shall not be precluded.

C. Purchase of services from non-profit agencies who provide such services for the benefit of the citizens of Lexington-Fayette Urban County.

D. Purchase of contractual services from licensed professionals, provided, however that this provision shall not apply to architects or engineers providing construction management services rather than professional architect or engineer services.

E. Purchase of services from craftsmen or tradesmen, provided that such craftsmen or tradesmen supply only labor and tools and that the Urban County Government supply all materials for the project for which the services are purchased.

F. Purchase of real property or an interest in real property.

G. Purchase or sale of services, goods, or equipment from or to the Commonwealth of Kentucky, its political subdivisions, or the Government of the United States.

H. Purchase of services, goods or equipment available under terms of a Commonwealth of Kentucky Price Contract established for All State Agencies.

I. Purchase of services, goods or equipment available under terms of an Urban County Government Price Contract.

J. Purchase of perishable meat, fish and vegetables.

K. Exemption of the listed categories of items and services from competitive sealed bids does not preclude the use of other competitive techniques (informal quotes, competitive proposals, etc.) when the Purchasing Director determines that use of alternate techniques in purchasing such items and/or services best serves the interest of the Urban County Government.

4.0 SOURCE SELECTION: COMPETITIVE SEALED BIDS

4.1 Bidders List Application and Pre-qualification

A. Any person, firm or corporation desiring to receive written notice of procurement requirements of the Lexington-Fayette Urban County Government may make application to have his/her name placed on a bidders list for the types or kinds of goods or services he/she wishes to supply or provide. The Purchasing Director shall specify the form to be followed by the prospective vendor to make application for inclusion on Urban County Government bidders lists.

B. The Purchasing Director shall establish a program for vendor pre-qualification. To establish such a program, the Purchasing Director shall solicit from each prospective vendor sufficient information to permit evaluation of the vendor's qualifications in terms of:

1. The ability and capacity to perform on a timely basis under contract for the goods or services he wishes to bid on and supply.

2. Good character, integrity, reputation, and experience.

2. Satisfactory performance in prior dealings with the Lexington-Fayette Urban County Government.

3. Satisfactory performance in dealings with other local governments, the Commonwealth of Kentucky and other state governments.

C. The Purchasing Director may refuse to list any prospective vendor if that vendor does not meet the minimum criteria established for entry on a bidders list. It is the responsibility of the vendor to show that he/she meets criteria established for entry on the bidders list to which he/she seeks to gain entry.

D. The prospective bidder will be promptly notified in writing if his/her application is disapproved. The reason(s) for disapproval shall be stated in such notification.

E. A prospective bidder may appeal the disapproval of his/her application by written appeal to the Purchasing Director. The appeal must be filed within two (2) weeks after the date of the notice of disapproval, must state the grounds for appeal with reasonable particularity and must relate directly to the reason(s) for disapproval.

F. The Purchasing Director may establish the time at which and the conditions under which a prospective bidder whose application has been rejected may reapply for placement on a bidders list.

G. A bid may be accepted from a bidder who has not pre-qualified, provided that the bidder submits all information required by the Purchasing Director to make a determination of the bidder's qualifications prior to the award of a contract.

4.2 Public Notice

A. All Invitations for sealed bids shall be published not less than seven (7) nor more than twenty-one (21) days prior to the date set for opening bids.

B. The date the Legal Notice appears shall not be counted as advertising time.

C. The Invitation for Bids shall be published as a Legal Notice in the newspaper with the largest circulation in the jurisdiction area of the Lexington-Fayette Urban County Government.

D. The Invitation for Bids may be placed in other publications when, in the judgment of the Purchasing Director, such placement would best serve the interests of the Lexington-Fayette Urban County Government.

E. The Purchasing Director may postpone a bid opening date if he determines that such action is in the best interest of the Urban County Government. If a bid opening is postponed, the Purchasing Director shall:

1. Notify in writing all prospective bidders of the postponement and inform prospective bidders of the revised bid opening date.

2. Place an additional Public Notice for the Invitation for Bids if such action is necessary to meet publication requirements established in Section 4.2A.

4.3 An Invitation for Bids may be canceled when the Purchasing Director determines that:

A. Conditions leading to the issuance of an Invitation for Bids change sufficiently to make the proposed purchase unnecessary.

B. Funds become unavailable for the proposed purchase.

C. It becomes apparent that no bids will be received because:

1. The item or service requested is currently unavailable.

2. Bid prices will apparently exceed available funds.

3. Major revisions in specifications are necessary to insure that responsive and reasonable bids are received.

D. Cancellation of an Invitation for Bids may be accomplished by newspaper advertisement or by the delivery of written notice of such cancellation to all known holders of the bid documents.

4.4 Specifications

A. All specifications used for procurement by the Urban County Government shall be designed to provide the maximum practicable competition consistent with the level of quality required by the Urban County Government.

B. The Purchasing Director shall review all specifications for openness and accuracy. If a restrictive element is found in specifications submitted by a using agency, the Purchasing Director may require that the specifications be revised to eliminate the restrictive element or that the head of the using agency provide written justification for use of the restrictive element.

C. The Urban County Government shall determine the level of quality required for any item or service to be purchased. The Urban County Government shall not modify the established level of quality for a purchase for the sole purpose of improving the competitive position of any prospective bidder for that purchase.

D. The Purchasing Director may, at the request of a using agency, draft specifications for use in the proposed purchase. The using agency shall inform the Purchasing Director fully, in writing, of all requirements concerning the proposed purchase. A draft of such specifications shall be submitted to the using agency for written approval.

E. The Purchasing Director may adopt a standard format for use in developing specifications, and may restructure specifications submitted by a user agency to conform to that format.

F. The Purchasing Director shall use design specifications, performance specifications or a combination of design and performance specifications as may be appropriate for each procurement.

G. "Brand name or equivalent" specifications shall be used only when other types of specifications are unavailable or inappropriate. If "brand name or equivalent" specifications are used, the specifications must:

1. Specify more than one band name, if possible.

2. Specifically state that an equivalent product may be supplied.

3. Set forth all salient criteria to be met by all products proposed.

It shall be the responsibility of the bidder proposing an equivalent product to demonstrate that the equivalent product proposed meets all criteria established for the product to be furnished.

H. The Purchasing Director may establish a program for the development of standard specifications, including the procedures to be used to develop standard specifications, and may set forth conditions under which variance from standard specifications may be permitted.

4.5 All bids shall be submitted on forms provided for that purpose by the Urban County Government. Bids submitted on forms other than those provided by the Urban County Government shall be rejected as non-responsive. Submission of or modification of bids by telephone or telegraph is not permitted.

4.6 All bids submitted shall include any and all attachments and/or supplementary material required by the Invitation for Bids. Bids submitted without required supplementary material shall be rejected as non-responsive.

4.7 A contract shall be awarded to the responsible bidder who submits a responsive bid for either the lowest bid price or the lowest evaluated bid price.

A. If a bid is to be awarded on the basis of lowest bid price, the method of award shall be clearly stated in the Invitation for Bids.

B. If the bid is to be awarded on the basis of lowest evaluated bid price, the method of award shall be clearly stated in the Invitation for Bids, along with the objective measurable criteria and formulas or computation methods to be used in evaluation.

4.8 Mistakes in Bids and Bid Withdrawal

A. No changes or modifications shall be made to any bid after bids have been opened, except for clarification of bid contents when written clarification is specifically requested by the Purchasing Director. No modifications shall be made to the original bid documents, and changes in price shall not be made under any circumstances.

B. If an error has been made that is obvious on the face of the bid, or if the bidder can demonstrate from worksheets or other documents that an error has been made in the preparation of the bid, the Purchasing Director may allow the bidder to withdraw the bid without penalty.

C. Errors in extension of unit prices shall not be cause for withdrawal of a bid. When unit prices are requested, the unit price shall govern over the total price shown.

D. A bid may be withdrawn before the time set for bid opening if the bidder requests such withdrawal in writing.

E. Withdrawal of any bid, except under conditions set forth herein, shall require forfeiture of bid security if such security has been required by the Invitation for Bids.

4.9 Opening of Sealed Bids

A. An opening time and place for each bid shall be stated in the Public Notice and Invitation for Bids.

B. The time set for bid openings shall be established by a clock at the bid opening location designated by the Purchasing Director. It shall be the bidder's responsibility to assure that his/her bid is at the bid opening location before the time set for bid opening.

C. The Purchasing Director shall, at the time set for opening bids, declare bids to be closed and shall publicly open all bids submitted. If the structure of the Invitation for Bids permits, all bids submitted shall be read aloud.

D. Bids shall not be examined, inspected or reviewed by any persons present at the bid opening until all bids have been opened.

E. Any bid received in the Division of Central Purchasing after the time set for opening bids shall be accepted by the bid clerk. The date and time of receipt of the late bid shall be marked on the bid, and the bid clerk shall sign the date and time entry. The late bid shall be entered as such and shall not be considered for award.

F. The Purchasing Director shall, with reasonable promptness, prepare a tabulation of all bids received in response to an Invitation for Bids and shall make such tabulation available to the public upon reasonable request.

4.10 Evaluation and Award of Sealed Bids

A. Within a reasonable time after bids are opened, the Division of Central Purchasing shall review all bids received for compliance with specifications, terms and conditions, and shall arrange for review of the bids by the head of the user agency. The head of the user agency shall submit a written recommendation concerning bid acceptance to the Purchasing Director upon request.

B. Every bidder shall, upon the request of the purchasing official responsible for the particular procurement, clarify or explain in writing, any matter contained in his/her bid which the purchasing official determines needs clarification or explanation. The bid of any bidder who fails to provide such clarification or explanation when such clarification or explanation is requested shall not be considered for award. The written clarification or explanation of a bid shall be incorporated in and become part of any contract awarded on the basis of that bid.

C. Alternate bids will be considered for award only if the Invitation for Bids specifically requests that alternates be submitted and establishes conditions under which alternate bids will be considered for award.

D. After a reasonable evaluation, a contract shall be awarded to the responsive and responsible bidder whose bid (or alternate bid if alternates are requested in the Invitation for Bids) is either the lowest bid price or lowest evaluated bid price, as designated in the Invitation for Bids as the basis for award of the contract.

E. Acceptance of bids and award of contracts shall be accomplished by enactment of an Ordinance or Resolution by the Urban County Council, or by such other process as the Urban County Council may establish.

F. If the Purchasing Director determines, in writing, that no satisfactory bids have been received, all bids may be rejected and new bids solicited on the basis of the same or revised specifications. The basis for rejection of all bids and subsequent action taken with respect to the Invitation for Bids shall be recorded in writing and filed in the bid file relating to the particular procurement.

G. The Purchasing Director shall recommend to the Chief Executive/Administrative Officer the bid to be accepted.

1. Any recommendation to accept a bid other than the lowest responsive bid must be accompanied by an explanatory memorandum from the Commissioner of the Requisitioning Department.

2. If a bid is recommended which will exceed funds budgeted for the procurement, the Head of the Requisitioning Agency shall contact the Division of Budgeting to request appropriation of additional funds.

H. The Chief Executive/Administrative Officer shall review the bid documents and shall, upon approval, transmit the documents to the Department of Law.

I. The Department of Law shall write an Ordinance or Resolution to accept the bid and shall forward all documents to the Clerk of the Urban County Council.

J. The Clerk of the Urban County Council shall place the bid Ordinance or Resolution on the docket. After enactment by the Urban County Council, the Clerk of the Urban County Council shall transmit the Ordinance or Resolution, with the attached Purchase Requisition to the Division of Central Purchasing.

K. The Division of Central Purchasing shall issue a Purchase Order.

4.11 The Purchasing Director reserves the right to reject any and all bids and to waive technicalities and informalities where such waiver serves the best interest of the Lexington-Fayette Urban County Government. Grounds for rejection of bids include:

A. Failure of a bid to conform to the essential requirements of an Invitation for Bids.

B. Failure to conform to specifications contained in or referred to in any Invitation for Bids unless the Invitation authorized submission of alternate bids and the alternate proposal meets the requirements specified in the Invitation for Bids.

1. The Urban County Government may consider, without rejecting as non-responsive, a bid that proposes to furnish an item or service with minor variances (exceptions) from established specifications,

provided that such variances (exceptions) do not adversely affect the utility or durability of the item or service to be purchased.

C. Failure to conform to a delivery schedule established in an Invitation for Bids.

D. Imposition of conditions that would modify the terms and conditions of the Invitation for Bids, or which would limit the bidder's liability to the Lexington-Fayette Urban County Government under terms of a contract awarded on the basis of such Invitation for Bids.

E. Failure of a bid, as determined by the Purchasing Director, to be reasonable in price.

F. Determination that a bid was submitted by a bidder determined to be not responsible.

G. Failure to furnish bid security when such security is required by the Invitation for Bids.

4.12 Bid Conditions

A. The Purchasing Director shall adopt and revise as necessary general conditions for bidding. The general conditions for bidding shall be applicable to, and shall be included in or incorporated by reference in, all Invitations for Bids issued by the Lexington-Fayette Urban County Government.

B. The Purchasing Director may, when required by a particular procurement, develop and adopt special bid conditions supplemental to the general bid conditions.

C. Any bidder who submits a bid in response to an Invitation for Bids shall be deemed to have agreed to comply with all terms, conditions, and specifications of such Invitation for Bids.

4.13 Contract Pricing

The following matters shall be applicable to Invitations for Bids issued, bids submitted, and contracts awarded for the purchase of commodities, supplies, equipment and services.

A. Discounts shall not be considered unless the Invitation for Bids specifically requests that discounts be shown. All applicable discounts should be included in the bid price.

B. In the case of a discrepancy in the extension of a price, the unit price shall govern over the total price for all items.

C. A contract may be awarded to the lowest aggregate bidder for all items, to the lowest aggregate bidder for each group of items, or on an individual item basis, whichever is determined to be in the best interest of the Lexington-Fayette Urban County Government. The methods and basis of evaluation of bids and award of contracts shall be stated in the Invitation for Bids.

5.0 SOURCE SELECTION; SMALL PURCHSE PROCEDURES

The procedures shown herein shall be used by the Lexington-Fayette Urban County Government to make all purchases for less than $20,000 or such other upper limit for small purchase procedures as may be established by the Kentucky State Legislature.

5.1 Procedures available to Urban County Government personnel to make purchases for less than $20,000 include:

A. <u>Petty Cash</u> – Petty Cash procedures may be used to make purchases for $25.00 or less. Petty Cash may also be used to pay freight bills in excess of $25.00 if such freight bills are C.O.D.

B. <u>Price Contract Voucher</u> – This form and associated procedures shall be used to make:

1. All purchases for $500 or less, except in those instances where petty cash procedures may be used.

C. <u>Purchase Requisition and Purchase Order</u> – These forms and associated procedures shall be used to make:

1. All purchases for more than $500 including those instances where the goods or services to be purchased are available from an Urban County Government or Commonwealth of Kentucky Price Contract.

5.2 Supplies, services or construction normally supplied as a unit cannot be artificially divided for the sole purpose of using small purchase procedures. Supplies, services or construction to be supplied over a period of time at the same unit price shall be considered a single purchase contract.

5.3 Delegations of Authority

A. Authority is hereby delegated to Division Directors or other Agency Heads to make purchases in accordance with the procedures set forth herein. Authority extended to Division Directors and Agency Heads is extended to Purchasing Coordinators appointed by those persons. The limits of the purchasing authority delegated shall be $500. All purchases require approval and the signature of the Purchasing Director. In those instances where these procedures require the signature of a Purchasing Coordinator, the signature of the Division Director or Agency Head is acceptable in lieu of the Purchasing Coordinator's signature.

5.4 It shall be the policy of the Urban County Government to make purchases from Urban County Government or Commonwealth of Kentucky Price Contracts when the goods or services required are available from such a Price Contract. In those instances when the goods or services required are available from both Urban County Government and Commonwealth of Kentucky Price Contracts, the purchase shall be made from the Urban County Government Price Contract.

5.5 The Division of Central Purchasing shall make available to all Commissioners, Division Directors and Purchasing Coordinators a Purchasing Manual that sets forth and explains all small purchase procedures. The Purchasing Manual shall specify the forms to be used for each procedure and shall provide instructions for use of those forms.

5.6 The use of Small Purchase Procedures does not eliminate the requirement that all purchases be subjected to the maximum practicable competition. Informal quotations for non-contract purchases between $500 and $19,999 shall be obtained as set forth herein.

A. Buyer or Purchasing Coordinator shall, for purchases between $500 and $5000, obtain telephone quotations from at least three (3) vendors unless the Buyer determines that acquisition of three (3) quotations is impossible or is not in the best interest of the Urban County Government.

B. Buyer shall, for purchases between $5,000 and $19,999 obtain written quotations from at least three (3) vendors unless the Buyer determines that acquisition of three (3) quotations is impossible or is not in the best interest of the Urban County Government. These must be obtained by the Division of Central Purchasing.

C. Purchasing Coordinator may, at his/her option, obtain quotations as set forth herein in Section A prior to transmittal of Purchase Requisition to Central Purchasing.

D. Central Purchasing may request that the Purchasing Coordinator obtain quotations if an adequate description of the work to be performed cannot be developed or if inspection of the work by potential vendors is otherwise necessary.

6.0 SOURCE SELECTION: EMERGENCY PURCHASES

6.1 Statutory Authority: KRS 424.260

"Except where a statute specifically fixes a larger sum as the minimum for a requirement for advertisement for bids, no city, county or district, or board or commissioner of a city or county may make a contract, lease or other agreement for materials, supplies or equipment, or for contractual services other than professional, involving an expenditure of more than twenty thousand dollars ($20,000) without first making newspaper advertisement for bids. Provided, however, that this requirement shall not apply in an emergency if the Chief Executive Officer (Mayor) of such city, county or district has duly certified that an emergency exists, and has filed a copy of such certificate with the Chief Financial Officer (Commissioner of Finance) of such city, county or district."

6.2 Procedure

A. This procedure requires Form CAO-6 (Certificate of Emergency) and Form 280-12 (Purchase Requisition).

B. Commissioner or Division Head requesting the emergency service shall complete Part I of Form CAO-6. A completed Purchase Requisition shall be attached to Form CAO-6.

C. Commissioner or Division Head shall obtain the approval and signature of the Chief Executive/Administrative Officer and, after such approval, shall take the signed form to the Mayor.

D. Mayor shall complete Part II of Form CAO-6. Mayor shall seek the advice of the Department of Law and shall transmit the form to the Commissioner of Finance for his/her signature.

E. Commissioner of Finance shall, upon approval, transmit completed Form CAO-6 with attached Purchase Requisition to the Division of Central Purchasing.

F. Central Purchasing shall issue Purchase Order and shall file Form CAO-6 with the Purchase Requisition.

G. The Certificate of Emergency (Form CAO-6) shall be attached to any measure of the Council authorizing the emergency purchase.

6.3 This procedure shall not be used as a subterfuge to circumvent the bidding statute. A <u>bonafide</u> emergency must exist before this procedure may be used.

6.4 This procedure does not budget funds. If a Budget Amendment is required to complete the purchase, contact the Division of Budgeting.

6.5 Commissioners and Division Heads are strongly encouraged to obtain prices from more than one (1) vendor.

6.6 This procedure is not required if the expenditure does not exceed $10,000. If the Commissioner or Division Head is not sure that the cost of the emergency purchase will be less than $10,000, it is preferred that the Certificate of Emergency be filed when the emergency occurs rather than after the fact.

7.0 MULTIPLE AND PARTIAL CONTRACTS

7.1 Multiple contracts may be awarded on the basis of a single Invitation for Bids when it is determined in writing by the Purchasing Director, in advance of the Invitation for Bids, that due to the geographic distribution of agencies or their employees requiring supplies of the kind to be sought through the procurement, the need for a variety of kinds and qualities of supplies of the same general nature, or when it is otherwise determined that the award of multiple contracts may be in the best interest of the Lexington-Fayette Urban County Government, and that its needs may be met at reasonable cost through the award of multiple contracts.

A. A determination and notice to potential offerers that multiple contracts may be awarded for any procurement shall not preclude the award of a single contract for such procurement where it is determined by the Purchasing Director that award of a single contract would best serve the interests of the Lexington-Fayette Urban County Government.

7.2 When it is determined in writing by the Purchasing Director after evaluation of competitive bids that acceptable bids or offers have been received for only part(s) of the requirements of the procurement:

A. A contract may be awarded for the part(s) of the procurement for which acceptable bids or offers have been received.

B. All bids or offers may be rejected and a new Invitation for Bids or Request for Proposals based on the same or revised terms, conditions, and specification may be issued.

C. All bids found unacceptable for part(s) of the procurement may be rejected and an Invitation for Bids or Request for Proposals, based on the same or revised terms, conditions and specifications for the part(s) of the procurement for which no acceptable bids were received may be issued.

8.0 CONTRACT MODIFICATION AND TERMINATION

8.1 The Purchasing Director shall be authorized to provide, by appropriate clauses to contracts for supplies or services of all types, for changes and modifications to such contracts and to provide for the method or methods of calculating the costs of any decrease, increase, or other change in the contract price resulting from such change or modification.

A. In contracts for the purchase of fixed amounts of commodities, supplies, and equipment, increases in quantities in excess of ten (10) percent of the original quantity fixed by contract shall not be permitted unless the Invitation for Bids or Requests for Proposals for competitive negotiation informed prospective bidders or offerors that an increase in quantities might be forthcoming.

B. Increases in unit prices shall not be permitted in such contracts for increased quantities except as provided by a price adjustment formula authorized by the Invitation for Bids.

C. All changes or modifications to contracts for the purchase of commodities, supplies, equipment and construction services shall be effected by an advice of change in order to the contract which shall document the reason and basis for the change or modification to the contract.

D. A copy of the advice of change in order and the supporting documentation relative to any change or modification to a contract shall be filed and maintained in the contract file by the Purchasing Director.

E. Every contractor awarded a contract containing clauses authorizing changes or modifications to the contract shall be deemed, by acceptance of the contract, to have agreed to the changes or modifications of the contract as provided therein.

8.2 Any contractor who is determined in writing by the Purchasing Director and the Department of Law to be in breach of any of the terms and conditions of a contract with the Lexington-Fayette Urban County Government shall, in the discretion of the Purchasing Director, and with the consent of the Mayor and the Urban County Council, be declared in default and such contract may be terminated as a result of such default.

8.3 A default in performance by a contractor for which a contract may be terminated shall include:

A. Failure to perform the contract according to its terms, conditions and specifications.

B. Failure to make delivery within the time specified or according to a delivery schedule fixed by the contract.

C. Late payment or non-payment of bills for labor, materials, supplies or equipment furnished in connection with a contract for construction services as evidenced by mechanic's liens filed pursuant to the provisions of KRS Chapter 376, or letters of indebtedness received from creditors by the Division of Central Purchasing.

D. Failure to diligently prosecute the work under a contract for construction services.

8.4 The Lexington-Fayette Urban County Government shall not be liable for any further payment to a contractor under a contract terminated for the contractor's default after the date of such default as determined by the Purchasing Director, except for commodities, supplies, equipment, or services delivered and accepted on or before the date of default and for which payment had not been made as of that date.

A. The contractor and/or his surety, if a performance and/or payment bond has been required under the contract, shall be jointly and severally liable to the Lexington-Fayette Urban County Government for all loss, cost or damage sustained by the Lexington-Fayette Urban County Government as a result of the contractor's default provided, however, that a contractor's surety's liability shall not exceed the final sum specified in the contractor's bond.

8.5 The Lexington-Fayette Urban County Government shall be authorized to terminate for its own convenience all contracts for the procurement of supplies and services when the Purchasing Director determines in writing that such termination will be in the best interest of the Lexington-Fayette Urban County Government, provided that the contract provides for cancellation for convenience by either party.

9.0 **<u>SURETIES AND BONDS</u>**

9.1 Each bidder responding to Invitations for Bids for construction contracts estimated by the Lexington-Fayette Urban County Government to exceed $50,000 or to other Invitations for Bids wherein bid security is required shall submit required security with his/her bid.

A. Bidders security shall be in form of a bond, executed by a surety company authorized to do business in the Commonwealth of Kentucky, or the equivalent in cash in a form acceptable to the Lexington-Fayette Urban County Government.

B. Bidder's security shall be in an amount equal to at least five (5) percent of the amount bid. The Lexington-Fayette Urban County Government may require that bidder's security be furnished in an amount greater than five (5) percent of the amount bid.

C. When a bidder fails to comply with the security requirement of an Invitation for Bids, his bid shall be rejected except under exceptions provided in these regulations.

9.2 Every contractor to who it is proposed to award a contract for construction services costing more than $50,000 (or less than $50,000) when such bonding is required by the Invitation for Bids, shall, prior to the award of such contract give a bond or bonds to the Lexington-Fayette Urban County Government as obligee, in form satisfactory to the Lexington-Fayette Urban Government and executed by a surety company authorized to do business in the Commonwealth of Kentucky.

A. Bond or bonds shall be in a penal sum equal to 100 percent of the contract price, as it may be increased, and shall bind the contractor, as principal, and the surety to the performance of the contract according to the terms, conditions and specifications of the contract, including changes and modifications thereto, and to the payment of all costs for labor, materials, equipment, supplies, taxes, and other proper charges incurred or to be incurred in performance of the contract.

9.3 Every contractor to whom it is proposed to award a contract for the purchase of commodities, supplies, equipment or services by the Lexington-Fayette Urban County Government shall, when required by the terms of an Invitation for Bids or Request for Proposals, give bond to the Lexington-Fayette Urban County Government as obligee, with surety satisfactory to the Urban County Government, in a penal amount not to exceed 100 percent of the contract price. The actual amount of the bond required will be that determined by the Purchasing Director as sufficient to assure faithful performance of the contract by the contractor according to its terms.

9.4 A contract shall not be awarded to any contractor who fails or refuses to give bond to the Lexington-Fayette Urban County Government when required as provided by these regulations.

9.5 A contractor may be declared in default of his contract with the Lexington-Fayette Urban County Government, and his bond forfeited, when it is determined by the Purchasing Director and the Department of Law that the contractor is in breach of the terms and conditions of the contract, including, in contracts for construction services, failure to make timely payment of bills for labor, materials, and supplies as evidenced by liens filed against the construction fund by laborers and suppliers pursuant to KRS 376.195 to 376.260, or by letters of indebtedness filed with the

Purchasing Director evidencing that such bills are due and have not been paid by the contractor.

9.6 The form of performance and payment bond required to be given by contractors for construction services contracts that exceed $50,000 shall be in the form published as part of the Lexington-Fayette Urban County Government Bid Conditions for Construction Services.

A. The form of bond required to secure the performance of all other contracts for procurement shall be the standard form of performance and payment bond customarily written and issued by surety companies authorized to do business in the Commonwealth of Kentucky, together with such additional terms as may be required by the Purchasing Director and agreed to by the surety.

10.0 DISCIPLINARY ACTION FOR FAILURE TO PERFORM

10.1 Any bidder or contractor to the Lexington-Fayette Urban County Government who, except for good cause shown, may have committed or failed to perform, as the context may require, one or more of the following acts or omissions, shall be liable to disciplinary action by the Division of Central Purchasing. Specific grounds for disciplinary action include:

A. Failure to post bid or performance bonds, or to provide alternate bid or performance guarantee in a form acceptable to the Division of Central Purchasing in lieu of a bond as required by an Invitation for Bids or a Request for Proposals.

B. Substitution of commodities without the prior written approval of the Division of Central Purchasing.

C. Failure to comply with the terms and conditions of the Invitation for Bids or Request for Proposals or with the terms, conditions and specifications of a contract, including failure to complete performance of a contract within the time specified in the contract.

D. Failure to replace inferior or defective materials, supplies or equipment immediately after notification by the Division of Central Purchasing or the agency to which such materials have been delivered that such replacement is required.

E. Failure by a bidder listed on a bidders list to respond to Invitations for Bids sent to such bidder.

F. Refusal to accept a contract awarded pursuant to the terms of an Invitation for Bids.

G. Falsifying invoices, or making false representations to any Lexington-Fayette Urban County Government agency or official, or untrue statements about any payment under a contract, or to procure award of contract, or to induce modifications in the price or the terms of a contract to the contractor's advantage.

H. Collusion or collaboration with another bidder or other bidders in the submission of a bid or bids for the purpose of lessening or reducing competition.

I. Falsifying information in the submission of an application for listing on the Division of Central Purchasing bidders lists.

J. Failure to report and to pay over to the Department of Revenue of the Commonwealth of Kentucky and Kentucky sales and/or taxes as may be due in connection with a procurement contract as provided by law.

K. Failure to obtain any licenses or permits required by a procurement contract, or to pay to the Lexington-Fayette Urban County Government, Division of Tax collection, any fees and/or taxes due in connection with a procurement contract as provided by law.

L. Failure to comply with the prevailing wage requirements of state or federal laws as may be applicable to any public works contract of the Lexington-Fayette Urban County Government.

10.2 Penalties

A. Any contractor determined by the Purchasing Director to have done any act prohibited, or failed to do any act required by sections 10.1 (A-F) of this Article, shall, in the discretion of the Purchasing Director, be liable to be placed on probation or suspended from bidding to the Lexington-Fayette Urban County Government or a combination of suspension from bidding and probation for not more than twelve (12) months.

B. Any contractor determined by the Purchasing Director to have done any act prohibited by Sections 10.1 (G-I) of this Article shall be removed from the bidders lists and shall be ineligible for reinstatement to such lists for a period not to exceed twenty-four (24) months following the date of removal. Any contractor removed from the bidders lists under this section shall be eligible to apply for inclusion in the approved bidders list as provided in this Article after the expiration of the removal period.

C. Any contractor or any subcontractor determined by the Kentucky Department of Labor to have violated the prevailing wage requirements of

KRS Chapter 337 shall be suspended from bidding to the Lexington-Fayette Urban County Government, or from participating in a public works contract of the Lexington-Fayette Urban County Government, effective on and after the date the Division of Central Purchasing receives notice that such contractor or subcontractor has been determined to have violated the prevailing wage law, and until such time as the Department of Labor has determined the contractor or subcontractor to be in compliance with the requirements of such law.

10.3 Except for grounds mentioned in Sections 10.1 (E,F,K) a preliminary written determination shall be made concerning the facts of any allegation or claim that a bidder or contractor has either committed an act prohibited or failed to perform an act required by Section 10.1 before any disciplinary action is taken against such contractor. Such preliminary determination shall be submitted to the Commissioner of Law for review prior to the administration of any disciplinary action as authorized herein. Notice of disciplinary action shall be sent to the bidder or contractor at the address shown in the records of the Division of Central Purchasing by certified mail, return receipt requested.

10.4 Bidders or contractors against whom disciplinary action has been taken under this section may appeal the action to the Commissioner of Finance.

A. The appeal must be filed, in writing, in the office of the commissioner of Finance within ten (10) working days after the date notice of the disciplinary action has been received by the bidder or contractor as shown by the certified mail receipt.

B. The appeal should state facts showing cause why the disciplinary action should be set aside. An appeal constituting a general denial of the charges contained in a notice of disciplinary action, unless supported by specific arts rebutting such charges, shall be dismissed.

C. The appellant may request either a formal hearing before a hearing officer to be designated by the Commissioner of Finance to take proof and make findings and recommendations to the Commissioner, or an informal hearing to be conducted by the Commissioner of Finance or his/her designee.

D. A written report of the substance of the matters raised in such an informal hearing shall be prepared. If the Commissioner's designee conducted the hearing, the report shall be submitted to the Commissioner recommending that the appeal be sustained or denied.

E. Following the hearing and report, the Commissioner of Finance shall either sustain or deny the appeal in writing. The decision of the

Commissioner of Finance shall be final and shall remain in effect until rescinded or modified or until the expiration of any penalty imposed.

F. The rules of evidence shall not apply in either formal or informal hearings conducted under this section, and any matter considered pertinent to the issues of the hearing shall be admissible, subject only to the determination by the hearing officer as to the proper weight to be accorded all matters introduced at the hearing.

10.5 No purchase of any kind shall be made by the Lexington-Fayette Urban County Government from a bidder or contractor who has been suspended or removed from the bidders list, except for those removed for the grounds stated in Section 10.1 (E). All agencies of the Lexington-Fayette Urban County Government shall be promptly informed about bidders or contractors suspended or removed from the bidders lists and shall immediately comply with this section.

10.6 The administration of disciplinary action against a bidder, potential bidder or contractor under this section shall not preclude the taking of other action by the Lexington-Fayette Urban County Government, based on the same facts, as may be otherwise available, either at law or in equity, including, without limitation to the generality thereof, suits for damages or actions for specific performance.

11.0 APPROPRIATIONS

11.1 No contract shall be awarded for any procurement when the contract price exceeds the funds appropriated for the procurement by the Urban County Council. If all bids or proposals received in response to an Invitation for Bids or Requests for Proposals exceed the funds appropriated for the procurement, the Purchasing Director may:

A. Request that the head of the Agency initiating the procurement apply to the Urban County Council for the additional appropriation necessary for the award of the contract.

B. Reject all bids and issue a new Invitation for Bids or Request for Proposals based on the same or revised specifications.

11.2 If the Purchasing Director determines that it is in the best interest of the Lexington-Fayette Urban County Government to invite bids or request proposals for a particular procurement in anticipation of an appropriation of funds for the procurement, the Invitation for Bids or Request for Proposals shall clearly state that funds for the procurement, while anticipated, have not been appropriated.

11.3 A contract may be awarded for the procurement of supplies, equipment or services for a period that exceeds a Fiscal year if it is determined that such a contract best services the interest of the Lexington-Fayette Urban County

Government, and if the contract includes a provision, acceptable to the Purchasing Director and agreed to by the contractor, that permits cancellation of the contract, without either penalty or further payment, in the event that funds for the contract are not appropriated in succeeding Fiscal Years.

12.0 VERIFICATION AND PUBLIC AVAILABILITY OF RECORDS

12.1 The records of the Division of Central Purchasing shall be audited, as part of the general Urban County Government audit, by a qualified, independent auditor at the close of each Fiscal year.

12.2 The records of the Division of Central Purchasing shall be open to public inspection during normal business hours and upon reasonable request.

12.3 Copies of records, specifications, procedures and regulations of the Division of Central Purchasing shall be available to the public upon request and at a cost not to exceed the cost of copying.

12.4 The Purchasing Director may not disclose to the public or to a prospective vendor's competitors:

A. Information furnished in response to a request from the Division of Central Purchasing for information necessary to determine a bidders' responsibility.

B. Information obtained from a prospective vendor during bidding or negotiation which qualifies as confidential technical information or trade secrets, and/or the disclosure of which would constitute violation of patent rights or copyrights.

13.0 MISCELLANEOUS PROVISIONS

13.1 Grant Requirements

Nothing in these regulations shall be construed in such a manner as to relieve the Lexington-Fayette Urban County Government of the responsibility to comply with any procurement requirements imposed by any Agency from which the Lexington-Fayette Urban County Government may receive funds, including, but not limited to State and Federal grantor Agencies.

13.2 Equal Employment Opportunity

The Purchasing Director shall include as part of any Invitation for Bids or Requests for Proposal for supplies, equipment or services, Equal Employment Opportunity language as may be required by local ordinance, Kentucky Revised

Statute and the procurement requirements of any Agency from which the Lexington-Fayette Urban County Government may receive funds.

13.3 Reports of Suspected Collusion

It shall be the policy of the Lexington-Fayette Urban County Government, Division of Central Purchasing, to report all instances of suspected collusion on the part of bidders responding to an Invitation for Bids or Request for Proposals to the Attorney General of the Commonwealth of Kentucky.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
PROCUREMENT REGULATIONS

PROPOSED PURCHASING CHANGES

Entire Document

- Change Purchasing Coordinator to *Purchasing Requester*
- Change Department of Finance to *Department of Finance & Administration*

Section 1.4 C

Add other cooperative purchasing arrangements:

To secure for the Urban County Government the best value for monies spent and to obtain the greatest economic savings by employing and encouraging a system of competitive bidding, by establishing price contracts where feasible, by using to advantage price contracts established by the Commonwealth of Kentucky *and other cooperative purchasing agreements where it is deemed that a competitive bid process has occurred*, and in general by using a system of comparative pricing for all purchases.

Section 2.1 – Eliminate

Section 2.2 A

Change 'other person designated above' to *Division Director*

Section 2.2 B

Change 'Division of Central Purchasing' to *Division of Enterprise Solutions*

Section 2.3 C

Change 'Price Contract Vouchers' to *purchase requisitions*

Section 3.0

Change Header to read:

SOURCE SELECTION: COMPETITIVE BID PROCESS (See Section ____ for Professional & Personal Services)

Section 3.3

Add: *Purchase of Contractual Personal Services.*

Section 3.3 G & H

Add: *Or other cooperative purchasing agreements approved by the Division of Central Purchasing.*

Section 4.1

Delete: Pre-Qualification

Section 4.1 A

Change: 'vendor' to '*bidder'*

Section 4.1 B

Change: 'vendor pre-qualification' to *bidder registration*

Section 4.2 C

Add: *and on the LFUCG website*

Section 4.4 H

Delete: a program for the development of

Section 4.5

Change last sentence to read:

Submission of or modification of bids by telephone, facsimile, or email is not permitted.

Section 4.9 E

Clarify acceptance of late bids:

Add to the end of 2nd sentence: *, make a photocopy of the front of the bid for the bid file and then return the bid via the method in which it was delivered.*

Delete: last sentence.

Section 4.10 J

Delete: 'with the attached Purchase Requisition'

Section 4.10 K

Add: *The requesting division will submit a purchase requisition.*

Section 4.10 L

Renumber lettering. No other changes.

Section 5.1 B and 5.1 B 1

Delete

Section 5.1 C becomes 5.1 B

Section 5.1 C

Add: *Procurement Cards*

Section 5.6

Change: '$500' to '$*1000'*

Section 5.6 A

Change: '$500 and $5000' to '*$1000 and $10,000'*

Section 5.6 B

Change: '$5000' to '$*10,000'*

Section 6.2 A

Delete: Form 280-12

Section 6.6

Change in both places: '$10,000' to '*$20,000'*

RESOLUTION NO. 167-91

A RESOLUTION SUPPORTING ADOPTION OF THE ADMINISTRATIVE PLAN FOR A TEN PERCENT (10%) MINIMUM GOAL FOR DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION IN LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT CONSTRUCTION AND PROFESSIONAL SERVICES CONTRACTS; PROVIDING THAT AS PART OF THEIR BIDS ON LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT CONSTRUCTION CONTRACTS, GENERAL CONTRACTORS SHALL MAKE A GOOD FAITH EFFORT TO AWARD AT LEAST TEN PERCENT (10%) OF ALL SUBCONTRACTS TO DISADVANTAGED BUSINESS ENTERPRISES; PROVIDING THAT DIVISIONS OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT SHALL MAKE A GOOD FAITH EFFORT TO AWARD AT LEAST TEN PERCENT (10%) OF THEIR PROFESSIONAL SERVICES AND OTHER CONTRACTS TO DISADVANTAGED BUSINESS ENTERPRISES; PROVIDING THAT DISADVANTAGED BUSINESS ENTERPRISE SHALL MEAN ANY LEGALLY CONSTITUTED BUSINESS ENTERPRISE WHICH IS MAJORITY OWNED AND CONTROLLED BY DISADVANTAGED INDIVIDUALS; PROVIDING THAT A DISADVANTAGED INDIVIDUAL MAY INCLUDE ANY LEGAL RESIDENT OF THE UNITED STATES HAVING ETHNIC ORIGIN IN THE BLACK RACIAL GROUPS OF AFRICA, ANY LEGAL RESIDENT OF THE UNITED STATES WHO IS A MEMBER OF AN ECONOMIC, RELIGIOUS, ETHNIC, CULTURAL, RACIAL OR NATIONAL ORIGIN GROUP WHICH HAS A HISTORY OF NON-PARTICIPATION IN GOVERNMENT CONTRACTS, A HANDICAPPED PERSON OR A FEMALE; AND PROVIDING THAT THE PROGRAM SHALL BE REVIEWED AFTER A TWO YEAR TRIAL PERIOD TO DETERMINE ITS SUCCESS AND THE NEED FOR ITS CONTINUATION.

BE IT RESOLVED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 - That the Urban County Council hereby supports the adoption of the "Administrative Plan for Implementation of DBE 10% Minimum Goal for Construction Contracts and Professional Services", which is attached hereto and incorporated herein by reference.

Section 2 - That this Resolution shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL: April 18, 1991

Scotty Baesler
MAYOR

ATTEST:

Clerk of Urban County Council

PUBLISHED: April 24, 1991-1t

045/J43

~~151-91~~
R-167-91

Lexington
Fayette
Urban
County
Government

SCOTTY BAESLER, Mayor

M E M O R A N D U M

TO: LEXINGTON-FAYETTE URBAN COUNTY COUNCIL

FROM: MAYOR SCOTTY BAESLER

DATE: MARCH 19, 1991

SUBJECT: ESTABLISHMENT OF A 10% "MINIMUM GOAL" FOR DISADVANTAGED BUSINESS ENTERPRISES' PARTICIPATION IN GOVERNMENT CONTRACTS

I have attached to this memorandum the plan for implementation of the Lexington-Fayette Urban County Government's proposed 10% minimum goal program for Disadvantaged Business Enterprise(s) (DBE) in the construction and professional service areas.

In practice, the plan for putting the "10% Minimum DBE Goal "in operation is intentionally simple for several reasons:

A. To eliminate creating a cumbersome bureaucratic process;

B. To utilize the existing administrative procedures and requirements to the greatest extent possible; and

C. To make it easy for both divisions and contractors to comply with the requirements of the plan.

The major features of the plan are:

1. Pre- and post-award elements for both construction contracts and professional services;

2. Use of contract language and processes developed by the Department of Public Works for the locally funded West Hickman project;

3. Including modified language in the bid and contract documents to establish the "10% Minimum DBE Goal" as a formal contract element;

4. Utilizing the existing Equal Opportunity/Affirmative Action Plan Review process to evaluate goal attainment;

5. To provide necessary technical assistance to contractors in locating and utilizing DBEs;

6. Establishing a "good faith effort" standard against which to judge contractor achievements in using DBEs;

7. Using a two tiered competitive selection process for the selection of all professional service providers;

8. Establishing a "good faith effort" standard for divisions to follow in competitively selecting professionals;

9. Utilizing a "line number" approach for all DBE expenditures to assist in evaluating a division's performance.

10. Requiring a short DBE report to be submitted to the EEO Officer on a quarterly basis; and

11. Maintaining the Mayor as the point of review and approval for all major professional service procurements through the administrative review process.

The proposed "10% Minimum DBE Goal" plan has been reviewed by all commissioners and division directors.

I propose that the "10% Minimum DBE Goal" be formally adopted by Council and established by resolution. Upon Council approval, the administrative process necessary to implement the plan will begin.

Scotty Baesler
Mayor

SB:DRH:saw
Attachment
1360-091

Chief Administrative Office **POLICY MEMORANDUM**	Date of Issue October 21, 1996 October 12, 1998 REVISED April 21, 2003 REVISED	Expiration Date: N/A	No. 1
TO: ALL Divisions and Departments	Subject: Professional Services		
SIGNATURE:			
COMMENTS:			

I. As used in this Policy Memorandum:

"Professional services" shall mean contractual services of a professional nature, such as engineering, architectural, accounting, legal, medical or consulting services.

II. The Division of Central Purchasing will annually advertise in the newspaper having the highest circulation within Fayette County and other smaller newspapers, as appropriate, an announcement soliciting general letters of interest from individuals and firms to perform various professional services for the government. These letters of interest will be retained on file within the Division of Central Purchasing.

III. Any budget unit of the Urban County Government having funds appropriated to it by the Urban County Council in any fiscal year shall use its regular internal processes and standard Division of Central Purchasing procedures for making non-bid professional services contracts. Any non-bid professional services contract for $25,000 or more in any one fiscal year, including the payment of $25,000 or more in any one fiscal year to any one attorney or any one law firm regardless of the number of cases handled, will require the approval of the Chief Administrative Officer (CAO).

The CAO shall consult with the Department to whom the services are to be provided, the Division of Central Purchasing, a representative from the office of the Urban County Council and others as needed. The CAO shall consider the following factors when he evaluates the proposals received: (1) specialized experienced and technical competence of the person or firm (including a joint venture or association) with the type of service required; (2) capacity of the person or firm to perform the work, including any specialized services, within the time limitations; (3) character, integrity, reputation, judgment, experience and efficiency of the person or firm; (4) past record and performance on contracts with the Urban County Government or other governmental agencies and private industry with respect to such factors as control of cost, quality of work and ability to meet schedules; (5) familiarity with the details of the project; (6) degree of local employment to be provided by the person or firm in the performance of the contract by the person or firm; and (7) estimated cost of services.

IV. An approved contract may be completed by using normal purchasing procedures if sufficient funds are appropriated to cover the cost of the services, unless the total cost in any one fiscal year is $50,000 or more, in which case, adoption of a resolution by the Urban County Council will be required for final approval. In any case where the CAO approves a non-bid professional services contract in an amount between $25,000 and $49,999 in any one fiscal year or recommends to the Council the approval of a non-bid professional services contract in the amount of $50,000 or more in any one fiscal year, the head of the department, division or office who will be supervising the performance of the particular non-bid contract in question, or his designee, will make a written report to the Council concerning the scope of the project, the cost, and the terms and conditions of the contract.

V. The provisions of this Policy Memorandum shall not apply to any purchase constituting an emergency within the meaning of KRS 424.260.

VI. The provisions of this Policy Memorandum shall not exempt any written agreement between the government and outside parties from Council approval. It will only exempt from Council approval any purchase order or cash disbursement request for professional services in an amount of less than $50,000 in any one fiscal year.

VII. The provisions of this Policy Memorandum will apply to any non-bid professional services contract which is amended in any one fiscal year to reach the threshold amounts specified in this Policy Memorandum. Such amendments shall be subject to the procedures specified herein.

Intergovernmental Committee Items-Pending

April 5, 2010

Item	Referred By	Date Referred	Status
Exit Interviews	**Myers**	**3-9-10**	
Purchasing, Procurement & Professional Service Selection Process	**Crosbie**	**3-9-10**	
Legal Bill Review Services	**Crosbie**	**2-23-10**	**Mar 2010**
Council Rules: Option to Speak Regarding Items Not on the Agenda	Crosbie	12-8-09	Feb Meeting
E911 Call Center Management	Lawless	12-1-09	Jan 2010 /Follow Up Mar 2010 Referred to Internal Auditor
UK Smoke Free Ban	Lawless	10-27-09	On Hold
Groups that Make Board/Commission Nominations	Crosbie	8-11-09	September 2010
Grievance Procedures	James	4-8-08	Sub Committee
Citizens' Advocate Office Draft Policy & Procedures Manual	Myers/ Ellinger	2-5-08	Sub Committee Meeting Pending

Item	Referred By	Date Referred	Status
Boards & Commissions That Adhere to Ethics Act Financial Disclosure	Myers	8-14-07	
Boards/Commissions Reporting	Myers	8-14-07	
Council Standing Committees	Myers	1/16/07	COW Discussion
High Risk Pay Supplement	Gorton	2/14/06	Unknown
Proposed New Compensation System	Gorton	1/15/05	Delayed-Finance & HR

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