

**PROCUREMENT STANDARDS BOARD
MINUTES**

Wednesday, September 2, 2009

Members attending: Mr. Richard Riebeling, Chair; Mr. Tom Cross; Ms. Cynthia Croom

Others present included: Mr. Jeff Gossage, Purchasing & Contract Management; Mr. Fred Adom, Office of Financial Accountability; Mr. John Irvin, Minority and Small Business Coordinator; Ms. Sandra Walker, Purchasing & Contract Management; Ms. Michelle Lane, Minority & Small Business; Mr. Ted Morrissey, Legal

Chairman Riebeling called the meeting to order.

Approval of Previous Meeting Minutes – Mr. Richard Riebeling

The minutes were approved from the previous meeting, which was held on Wednesday, May 13, 2009.

Procurement Update – Mr. Jeff Gossage

Mr. Gossage spoke about the new bonding requirements that were activated on 09-09-2009 and stated that Ms. Lane would discuss in detail later in the meeting. The Procurement Nondiscrimination Program just completed its first year. Since August 12, 2009 no large procurements or capital projects were initiated but standard procurements were moving along.

Small Business Utilization Report – Ms. Michelle Lane

Ms. Lane reviewed the reports submitted to the Board on utilization. The SBE total 4th quarter business was 11.2% and the MWBE total was 7.72%. However, compared with the annual totals of SBE 9.31% and MWBE 6.42% the Disadvantaged Business participation fell below 7% to 6.42%. Also, Subcontracting participation decreased. No additional questions were asked from the board.

Metro Prompt Pay Reports – Mr. Fred Adom

Mr. Fred Adom reviewed the reports submitted to the Board on Prompt Pay. Metro's average was 9 days. School's had the biggest change with with an average of 21 days late payment. Chairman Riebeling asked if this was a staffing issue Board member Cynthia Croom stated smaller staff was the main problem for departments with late payments. Mr. Gossage will discuss with Schools about their prompt pay issues when he meets with the MNPS Board in late October. No additional questions were asked from the Board.

Procurement Performance Measurements – Mr. Pat Edwards

Mr. Pat Edwards presented the Board with the reported savings by the Procurement Division. Mr. Edwards gave an overview of how savings are measured at three levels: Historical, Budget and Negotiated. There were significant savings in historical and budget for FY09 however the negotiated saving for FY 09 were lower than the previous year. Mr. Edwards stated the negotiated contracts had to be finalized in order to get the correct percentage which is a reason for the low year end saving. No additional questions were asked from the Board.

Procurement Regulations &/OR Codes (New Business) – Mr. Jeff Gossage

Mr. Gossage proposed procurement regulation changes to Regulation 4.08.080-Authority to Contract for Professional Services. The issue is we currently have two approval processes for architects and engineers

based on contracts below and above \$100,000 levels. A streamline process is being recommended that better complies with the code. Mr. Gossage recommended changes start with the B. *Selection Process*. Board member Cross made a motion to except the proposed regulation, but amend the second paragraph with The Purchasing Agent shall recommend to the Finance Director and the Finance Director will appoint the Capital Improvements Architectural/Engineering Review Board (Review Board). Board member Croom also motioned she would like this change monitored to see its effects on departments in the next quarterly meeting. With that suggestion, Mr. Cross amended his motion and Board member Croom seconded it. The motion carried. Mr. Gossage discussed Minority & Small Business access to funding from the banking industry Chairmen Riebeling asked that his staff bring it back at the next board meeting.

Change in the Procurement Code Regarding Bonding Requirements – Ms. Michelle Lane

Ms. Lane stated that the Mayor approved the bonding changes affective 09-09-2009 and that Mr. Gossage had covered the new bonding rules well earlier in his opening remarks. No further discussion was needed.

Adjournment – Mr. Richard Riebeling, Chairman.

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

Respectfully submitted,

Sandra Walker
Secretary to the Board

APPROVED:

Richard M. Riebeling, Board Chair