

### **3.2.5. NON-DA SOLE SOURCE PROCUREMENT FOR PROFESSIONAL SERVICES**

#### **DEFINITION:**

**Non-Competitive Procurement** – is a procurement method accomplished after soliciting, negotiating and contracting with only one vendor – the sole source vendor.

**Service Authority Contract** – a contract for Professional Services for up to one year and up to \$150,000, and therefore not required to be approved by the Board of Airport Commissioners (BOAC).

#### **PROCEDURES:**

The steps are numbered sequentially for identification purposes only. As indicated below, various steps can be worked on concurrently or in parallel with other steps. Unless otherwise indicated, the steps are performed by the requesting division.

Should you have any questions on this guide, please contact Procurement Services Division staff at 424-646-5390.

#### **PHASE I: IDENTIFYING BUSINESS NEED**

##### **STEP 1: IDENTIFY THE BUSINESS NEED:**

#### **POLICY:**

The intent of the LAWA Procurement Policy remains the same: competitive bids or proposals are preferred when letting out contracts. This policy reiterates relevant Los Angeles City Charter (Charter) and Los Angeles City Administrative Code (Admin Code) sections and is meant to address how specific exceptions to the competitive process, as allowed by the Charter and Admin Code, are applied at LAWA.

Contracts for Professional Services valued at no more than \$150,000, and with terms of no more than one year may be awarded by the Executive Director. Thus, for sole source Service Authority Contracts for Professional Services, the Chief Executive Officer, the Chief Financial Officer, or a Deputy Executive Director must make a finding, via memo, at the time of award, that competitive bidding or competitive proposals is not practicable, compatible or advantageous with LAWA's interests due to the temporary and occasional character of the services required. (See sample memo at the end of the section)

Furthermore, when the required services are valued at \$25,000, or more, in compliance with Charter Section 1022, and Admin Code Section 10.23, the Director of Procurement Services must also find in writing that the services to be contracted out can be performed more economically or feasibly by independent contractors than by City employees.

Below is a listing of the exceptions to competitive bidding and competitive sealed proposals per Los Angeles Charter Section 371(e) and Los Angeles Administrative Code Section 10.15 (a):

- (1) Contracts involving consideration reasonably valued at less than Twenty –Five Thousand Dollars (\$25,000.00)

- (2) Contracts, as determined by the contracting authority, for the performance of professional, scientific, expert, technical, or other special services of a temporary and occasional character for which the contracting authority finds that competitive bidding is not practicable or advantageous.
- (3) Contracts for the furnishing of articles covered by letters patent granted by the government of the United States.
- (4) Contracts for leasing as lessee or purchasing real property when approved by majority vote of the Council.
- (5) Contracts for repairs, alterations, work or improvements declared in writing by the contracting officer or board, or its designee, to be of urgent necessity for the preservation of life, health or property. The declaration shall give the reasons for the urgent necessity and must be approved by the Council or its designee. Approval may be conditioned upon compliance with one or more of the requirements of this section.
- (6) Contracts entered into during time of war or national, state or local emergency declared in accordance with federal, state or local law, where the Council, by resolution adopted by two-thirds vote and approved by the Mayor, suspends any or all of the restrictions of this section or their applicability to specific boards, officers or employees.
- (7) Contracts for equipment repairs or parts obtained from the manufacturer of the equipment of its exclusive agent.
- (8) Contracts for cooperative arrangement with other government agencies for the utilization of the purchasing contracts and professional, scientific, expert or technical services contracts of those agencies and any implementing agreements, even though the contracts and implementing agreements were not entered into through a competitive bid process.
- (9) (This exception concerns the City Department administering the El Pueblo de Los Angeles Historical Monument and thus is not available to LAWA.)
- (10) (10) Subject to the requirements of Charter Section 1022, contracts (including without limitation those, as determined by the contracting authority, for the performance of professional, scientific, expert, technical or other special services), where the contracting authority finds that the use of competitive bidding would be undesirable, impractical or impossible or where the common law otherwise excuses compliance with competitive bidding requirements. For purposes of this Section, and for construing the same term in Charter Section 371(e) (10), the term "undesirable" shall mean and include only such situations in which the nature of the subject of the contract is such that competitive bidding would work an incongruity or be unavailing or would not produce an advantage, with sole reference to the public interest and in light of the purposes to be accomplished.

In order for the Requesting Division (RD) to identify the need for required professional services, the RD analyst should perform the following activities prior to initiating a procurement request:

1. Develop scope of work
2. Identify cost estimates
3. Obtain project approval from the Division Manager and Deputy Executive Director
4. Verify funding availability:

Confirm with the Division budget analyst or in SAP if funding is available. If funding is unavailable, obtain written confirmation from the LAWA Finance and Budget Division that the funds will be made available at the time the contract is awarded, either through an internal funds transfer or through an additional appropriation of funds from the Un-appropriated Balance of the Airport Revenue Fund.

**TIP:** Include the following in the project file:

1. Cost Center
2. Cost Element
3. Budget Amount
4. Date Verified
5. SAP Screen Printout

More information can be found on the [Finance and Budget Division Website](#).

## **PHASE II: DOCUMENT PREPARATION AND PROJECT APPROVAL**

### **STEP 2: PREPARE THE SCOPE OF WORK AND OTHER DOCUMENTATION**

#### **1. Scope of Work**

Identify the scope of work and the specific duties to be performed by the contractor and the expected outcomes.

#### **2. Timeline (recommended)**

Use Visio Gantt chart, Microsoft Project or Excel to develop a procurement scheduling detailing major steps, milestones and required timeframes of the process. Determine the time for review by your RD Management, PSD, City Attorney, and the contractor's response time.

#### **3. Administrative Requirements Exhibit**

PSD provides the applicable administrative requirements language and forms after the Procurement Wizard is approved (Step 3).

### **STEP 3: ENTER PROCUREMENT REQUEST IN SAP AND WIZARD**

#### **1. SAP – Create a requisition in SAP for the estimated costs of the services:**

- Material Type: Professional Services
- Authority: Service Authority (SA)

#### **2. Procurement Wizard**

Once the scope of work has been defined and the estimated costs determined, enter the project information into the [Procurement Wizard](#). Be prepared to provide justification for the non-competitive procurement method selected. The Wizard will request that the appropriate exception to competitive bidding be selected and that written findings (in the form of a signed memo) as required by the above policy be uploaded to the Wizard request.

**TIP:** Read the Wizard Requestor Tutorial Manual, if using the Procurement Wizard for the first time. Contact the Wizard Administrator at 424-646-5380 to be added as a requestor.

#### **STEP 4: PSD ESTABLISHES ADMINISTRATIVE REQUIREMENTS**

Once the RD has obtained the project approvals in the Wizard, it transmits the project information to PSD to establish the administrative requirements. As necessary, PSD contacts the RD for clarification of the scope of work or other projection information. PSD issues a Project Review Memo listing all the administrative requirements and forms to be incorporated into the sole source contract.

**TIP:** Having a thoroughly written scope of work and properly completed Wizard entry will ensure the timely completion of the issuance of the Project Review Memo.

#### **STEP 5: RD MANAGEMENT REVIEWS FINAL SOLE SOURCE SOLICITATION**

Incorporate the Administrative Requirements package into the sole source solicitation and submit the final solicitation to the RD Management. RD makes necessary changes and finalizes the solicitation.

#### **PHASE III: SEND THE SOLE SOURCE SOLICITATION**

**STEP 6: RD SENDS THE SOLICITATION TO THE VENDOR** RD sends the solicitation (scope of work and Administrative Requirements) to the vendor for review and a written response.

#### **STEP 7: RECEIVE VENDOR PROPOSAL**

RD receives vendor response.

#### **PHASE IV: VENDOR PROPOSAL EVALUATION**

#### **STEP 8: DETERMINE SOLE SOURCE VENDOR RESPONSIVENESS**

**NOTE:** The following two-sub-steps can be worked on concurrently:

1. PSD Reviews Administrative Forms

Send the Administrative Requirement package submitted by the vendor to PSD for review. PSD issues a Vendor Review Memo indicating the status of the vendor's compliance with the Administrative Requirements>

2. The RD determines the responsiveness to any minimum and technical requirements.

#### **PHASE V: CONTRACT AWARD**

#### **STEP 9: NEGOTIATE CONTRACT TERMS AND FEES**

The RD negotiates the contract terms, including deliverables and costs.

1. Once the negotiation is complete, the RD conducts the following sub-steps: Requests the City Attorney to prepare the contract document (submit a memo with the contract information and attachments)
2. Requests that the vendor sign two (2) copies of the contract document
3. Requests Risk Management to create a vendor file for compliance with insurance requirements
4. Routes the two (2), vendor executed contracts to the City Attorney, LAWA Chief Financial Officer, and respective Deputy Executive Director for signatures

#### **STEP 10: ENSURE VENDOR COMPLIANCE TO INSURANCE, BTRC, AND EBO DOCUMENTS**

RD instructs the contractor to submit evidence of insurance. If not already on file, the RD instructs the vendor to submit a copy or evidence of a Business Tax Registration Certificate number. Additionally, RD verifies with PSD that the vendor is in compliance with the Equal Benefits Ordinance.

#### **STEP 11: PSD CREATES SAP AUTHORITY**

RD SAP Requisitioner uploads onto the SAP Requisition a PDF of completed Contract Transmittal Form C and any applicable documentation listed on the Form and notifies PSD Contract Compliance Section staff via e-mail that SAP Requisition (include Requisition Number) is ready for review and approval. PSD Contract Services Section reviews the SAP Requisition for completeness and adherence to policy. After the PSD Contract Compliance Section approves the SAP Requisition, PSD creates the SAP Service Authority (SA), and notifies the SAP Requisitioner of the authority number.

## SAMPLE SOURCE SOLE FINDING MEMO

Memo To: Deborah Flint, Chief Executive Officer

From: Brian Haig, Purchasing Manager – Procurement Services Division

Subject: **Contract for Configuration of the B2GNow System**

The Los Angeles World Airports (LAWA) Procurement Services Division would like to enter into a contract with Ask Reply, Inc. (dba: B2GNow) in order to complete needed outstanding configuration of the B2G system in order to correctly calculate payment information submitted by vendors/contractors/subcontractors to accurately reflect participation of SBE, LBE/LSBE, DVBE, DBE, and ACDBE firms in LAWA contracts. A copy of the proposed scope of work is attached for your review/approval. B2GNow has performed these services for the last three years and has unique and valuable experience in working with compliance reporting systems. We require this contract of service for 6 months. The cost of the six-month contract would not exceed \$24,999.

It is recommended that the following finding be made by the Chief Executive Officer:

Pursuant to City Charter Section 371 (e) (2), due to the temporary and occasional character of the contemplated professional services, and the fact that the vendor has demonstrated to have the qualifications, experience, and expertise required to perform the required services, it is not practicable or advantageous to obtain competitive proposals or bids.

Should you have any questions, or require additional informational, please do not hesitate to contact me at (424) 646-5166.

Finding Approved: \_\_\_\_\_  
Deborah Flint, Chief Executive Officer

Date of Finding: \_\_\_\_\_

BH:MT