



CITY OF LAKE FOREST PURCHASING PHILOSOPHY

What is the City's Purchasing Philosophy?

The City's purchasing philosophy is procuring goods and services that represent the best quality and value in an open and competitive market. The City strongly encourages broad participation in the procurement process and invites all businesses to register with the City to be notified of upcoming bids and proposals. Opportunities are advertised regularly through the City's website and other means to encourage a wide range of respondents.

How does the City select the best qualified vendor for commodities (i.e., equipment and supplies) and non-professional services?

In determining the best qualified vendor, the Lake Forest Municipal Code ("LFMC") specifies consideration will be given to quality and performance of the equipment or supplies or non-professional services. LFMC 3.12.125 also lists criteria to be considered including but not limited to the following:

- Cost
- Ability, capacity and skill to perform the contract or provide the supplies or services
- Ability to provide the commodity or services promptly without delay or interference
- Character, integrity, reputation, judgment, experience and efficiency of the vendor
- Performance on previous purchases or contracts with the City
- Ability to provide future maintenance repair parts and services
- Current compliance with Federal and State law

In some cases, the City participates in multiple award contracts, such as CALNET 2 for telecommunications services, to obtain reduced pricing.

How does the City determine the best qualified vendor for professional services?

The City is required by State law (GC § 4526) to select vendors for architectural, landscape architectural, engineering, environmental services, land surveying, and construction project management services based on demonstrated competence and professional qualifications, rather than competitive bidding, and at fair and reasonable prices.

The LFMC specifies that the City shall use a request for proposal procedure to determine the best-qualified vendor for professional services, including those listed above, by using the procedures outlined in these Purchasing and Contract Guidelines. Vendors are evaluated based upon three criteria which are consistent with state law:

1. Mandatory Elements - the firm is properly licensed to practice in California, has no conflict of interest, adheres to the proposal instructions and includes a Letter of Transmittal
2. Qualitative Evaluation - expertise and experience, response to the scope of work, and allocation of resources as expressed in the written proposal
3. Oral Presentation/Interview

Once firms are ranked based upon quality, the staff determines if the highest ranking firm's cost proposal is reasonable prior to making a recommendation for selection. If the cost proposal is found to be unreasonable, staff evaluates the next highest ranked firm's cost proposal. Determining a reasonable cost is based upon comparison of proposals, project budget, prior experience, comparative project costs in neighboring cities and professional judgment.

How does the City determine the best qualified vendor for public projects? (i.e., public works projects)

A Public Project is defined as construction, reconstruction, erection, alteration, renovation, painting, repainting, improvement, demolition and repair work involving any publicly owned, leased or operated facility. The City elected to become subject to the Uniform Public Construction Cost Accounting Act, set forth in Public Contract Code Sections 22000 et seq. Accordingly, LPMC 3.13.060 allows public projects under \$45,000 to be performed by City employees by force account, negotiated contract or purchase order. For public projects between \$45,001 and \$175,000, the City selects the lowest responsible bidder after obtaining bids using the informal bid procedures outlined in LPMC 3.13.070. For public projects in excess of \$175,000, contracts shall be awarded by the City Council to the lowest responsible bidder except as otherwise provided in LPMC 3.13.

Do Lake Forest businesses receive special consideration?

The City does not have a formal local preference policy as federal and state law limit the City's ability to afford local businesses special consideration in the award of its contracts. While the City recognizes that utilizing Lake Forest vendors to provide goods and services can result in increased local economic activity and other benefits, the City's primary goal is to obtain the best combination of quality and price in an open, competitive purchasing process.

For purchases of commodities and non-professional services, a vendor's location may be a factor in determining its ability to provide the commodity or service efficiently and promptly without delay. Therefore, once quality and price are assessed, Lake Forest businesses may realize some advantage of being able to provide a commodity or non-professional service promptly without delay, due to proximity.

For most professional services, State law requires the City to primarily consider experience and professional qualifications when selecting a vendor. While a vendor's location is sometimes apparent when evaluating other factors, such as price (e.g., the extent travel expenses will add to the overall project cost), and ability to perform the services (e.g., ability to respond within a specified time period), location is not a primary selection factor. However, in situations where multiple vendors demonstrate comparable qualifications and offer identical or highly similar pricing, and/or other stated selection criteria, the City may consider the location of a business, as appropriate.

For most public works projects, the City is required by state law to select the lowest responsible, responsive bidder. As such, the City may not grant a local preference because of the clear statutory requirement that public works projects be let to the lowest responsible bidder.