

MBE Advisory Committee Conference Call April 6, 2010

Participants:

Ruth Byrd-Smith – Allegheny County M/W/DBE Department
John Deighan – Allegheny County Purchasing Division
Lisa Edmonds – Allegheny County M/W/DBE Department
Mark Patrick Flaherty – Office of the Allegheny County Controller
Joyce Query – I2, Inc.

The purpose of this conference call was for Chief Purchasing Officer John Deighan to discuss procurement within Allegheny County. He explained that since the County is a government entity, the Administrative Code dictates the bidding process and advertising process along with the dollar thresholds for the bidding process. Within the Purchasing Division there are six agents that manage over 400 contracts and issue over 7,000 purchase orders per year. The primary tools used are invitations for bid and requests for proposal. Bids are awarded based on cost only. RFPs are awarded based on cost and other relevant information identified within the body of the RFP. The Purchasing Division works closely with the M/W/DBE Department to encourage competition, create a transparent process and encourage M/W/DBE participation in all contracts.

Joyce Query asked Mr. Deighan to describe the Purchasing Division's relationship with the M/W/DBE Department. He explained that he meets with Ruth Byrd-Smith and Lisa Edmonds on a quarterly basis to talk about opportunities and how the process and competition can be improved. Also, the M/W/DBE goals are included in the bidding process, and the M/W/DBE Department reviews the M/W/DBE plans of suppliers prior to issuing a contract. The Purchasing Division has taken the position that if a viable plan is not presented, a contract will not be issued. Ms. Query asked if that happens often. Mr. Deighan replied that it happens more than you would think because you would hope that suppliers would be willing to present reasonable plans. He also acknowledged that the Controller's Office is a very important partner to the procurement process.

Ms. Query asked if the Purchasing Division lets all bids and RFPs, and Mr. Deighan responded that they let most of them but the number of bids outside of Purchasing is shrinking. He explained that all bids are received by the Controller's Office and kept secured until opening. The bids are opened and announced publicly by a Purchasing Agent and a representative from the Controller's Office. RFPs are kept in the Purchasing office until opening.

Addressing Ms. Query's question regarding the fact that the County handles IT procurement differently from other professional services, Mr. Deighan stated that per the Administrative Code, professional services encompasses architects, engineers, financial consultants, legal services and medical consulting. The Professional Services

Review Committee reviews all proposals that fall into these categories and chooses three contenders for award. This Committee is made up of the County Executive or a designee, the County Manager or a designee, two members selected by Council President and one member appointed by the County Executive. The three proposals are then presented to the County Executive and the President Judge or County Council for final selection. Once a proposal is chosen, the normal contracting process ensues. Mr. Deighan emphasized that he is not part of this process. IT services are handled through the normal bid process by a Purchasing Agent.

Ms. Byrd-Smith asked whether the County piggybacks off of state contracts for IT and Mr. Deighan confirmed that. He also defined the term "piggyback." Mark Patrick Flaherty offered that the County piggybacks off the state contract for computers. Ms. Query said that she has not seen bids for IT professional services. Mr. Deighan countered that all contracts are posted on the County website, along with a contract expiration report that shows when current contracts are due to expire. He offered to flag IT contracts and send them to Ms. Query and she accepted.

Ms. Byrd-Smith asked if the IT contracts would come up on BidNet and Mr. Deighan answered yes. She asked Ms. Query if she took advantage of the complimentary BidNet bid matching service that the M/W/DBE Department offered, and Ms. Query replied that she already had paid for the service. Ms. Byrd-Smith stated that Ms. Query could have added an additional year on to her already-paid subscription. She expects to extend the offer again later in the year to firms who missed the initial deadline. Ms. Query asked if the M/W/DBE Department needs to assist primes in locating subcontractors when bids come in, and Lisa Edmonds explained the process the M/W/DBE Department follows to ensure that primes are making a good faith effort to solicit M/W/DBEs. Ms. Edmonds noted that M/W/DBE participation waiver requests are received mostly for commodities contracts, and Ms. Byrd-Smith added that it depends on the industry, the region, and the willingness of business owners to seek certification. Ms. Query asked if Allegheny County accepts only PA UCP certification, and Ms. Byrd-Smith replied that PA UCP is the only one accepted for Department of Transportation funded projects. Out-of-state certified firms that are certified with Women Business Councils or Minority Supplier Councils do apply to the County's goals, and Pennsylvania Department of General Services certification can be accepted as well.

Mr. Deighan referenced procurement relationships the County has with other government-faced buying groups such as U.S. Communities and the National Intergovernmental Purchasing Alliance (NIPA). The NIPA is initiating a national purchasing card program which will allow the County to rebate based on the use of the P-card by agencies across the Country. Amerinet is a health care based program which the County uses for the Kane Regional Centers, the Jail and the Shuman Center. Ms. Query asked if these national and state contract holders have done their due diligence to include M/W/DBEs, and Mr. Deighan answered that M/W/DBE participation on piggyback contracts is an area to which the County needs to be more attentive in the future. Ms. Byrd-Smith added that she has discussed M/W/DBE participation with Joe Flannery of Amerinet.

Ms. Query asked Ms. Byrd-Smith if she knew of any M/W/DBEs that sold to Amerinet and Ms. Byrd-Smith replied that Amerinet supplies a by-yearly report that details M/W/DBE spend. Also, Allegheny County is the lead agency for the office supply contract, which is a co-op contract encompassing five other local agencies, and derives minority and women spend from that vendor, Staples. Staples supplies an M/W/DBE spending report on a quarterly basis. Moreover, a fair amount of participation comes from another significant contract for the County, food service management at the Jail. Reports for this contract are provided on a monthly basis. Ms. Query was not familiar with the aforementioned large buying groups, so she planned on researching them to see which ones buy IT services. Mr. Deighan stated that Amerinet caters to all needs of the health care industry, from medical supplies to IT supplies to perishable food. Ms. Byrd-Smith offered to send Ms. Query Joe Flannery's contact information.

Ms. Byrd-Smith asked if Ms. Query's company was ITQ certified to provide IT service and Ms. Query responded that it was at one time but the process to maintain the ITQ became too arduous. Ms. Byrd-Smith thought that the process had again changed and advised Ms. Query to look into it. Mr. Deighan verified that if Ms. Query were to reapply for ITQ that her company could be part of a piggyback contract. Ms. Byrd-Smith suggested that Ms. Query contact Fred Tarpley of Trilogic, an ITQ-certified company, to ask about what that process currently involves.

Ms. Query suggested that the County make information on the large buying groups available to M/W/DBEs. Ms. Byrd-Smith wondered if that could be added to the County website. This conference call concluded with confirmation that Mr. Deighan will send a list of Review Committee members to Ms. Query and Ms. Byrd-Smith will send Ms. Query Joe Flannery's contact information.