



RESOLUTION NO. 2011-225

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, ESTABLISHING "REVERSE AUCTION" PILOT PROGRAM INFORMAL BID PROCEDURES FOR THE PURCHASE OF APPROPRIATE EQUIPMENT, MATERIALS AND SUPPLIES

WHEREAS, the Fresno City Charter recognizes the Council as the legislative body for the City of Fresno and delegates all authority necessary for the Council to legislate on behalf of the residents of Fresno; and

WHEREAS, the Purchasing Manager/Agent, under the supervision and direction of the City Manager is the officer in charge of the purchasing function and has general charge of purchases including purchases of goods for the use of all departments and branches of the City government, except where otherwise provided by state law or the Fresno Municipal Code; and

WHEREAS, the Purchasing Manager/Agent is authorized to develop, customize, and utilize forms and procedures for competitive bidding, requests for proposals, and other procurement methods; and

WHEREAS, in instances where competitive bidding (as that term is used in the title of Section 1208 of the Charter) is not required, and the purchase is authorized and an appropriation has been made therefor, it is variously the duty of the Purchasing Manager/Agent to purchase informally goods, by using best efforts and best practices to secure the lowest price by calling for bids from providers; and

WHEREAS, for purposes of this resolution, "reverse auction" means a competitive electronic solicitation process for equipment, materials and supplies in which bidders compete against each other electronically in real time in an open and interactive web environment; and

WHEREAS, utilizing reverse auction procedures can result in savings in the purchase of equipment, materials and supplies, primarily by reducing the cost and enhancing the value of purchased goods, and secondarily by automating parts of the sourcing process, and increasing the efficiency of the purchasing function; and

WHEREAS, based on the potential savings, Council desires to establish a pilot program allowing the Purchasing Manager/Agent to utilize electronic "reverse auction" informal bid procedures to purchase appropriate equipment, materials and supplies when it is advantageous to do so; and

Adopted 11-3-11
Approved 11-14-11
Effective 11-14-11



WHEREAS, the Council finds that such a “reverse auction” program is in the public interest,
and

WHEREAS, this resolution is adopted in furtherance of Fresno Charter Section 1208 and Fresno Municipal Code Chapter 4, and shall be effective only to the extent consistent therewith.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fresno that:

1. The above recitals are true and correct and incorporated herein.
2. A pilot program allowing electronic “reverse auction” informal bid procedures to purchase certain appropriate equipment, materials and supplies as provided herein, substantially on the terms and conditions in Exhibit “A” attached hereto and incorporated herein, is hereby approved.
3. All persons participating in electronic “reverse auction” informal bid procedures shall comply with all governmental and regulatory requirements, and pay any and all applicable fees, at the times, and under the conditions set forth herein and/or in the Master Fee Schedule as such may be amended from time to time.
4. The Purchasing Manager/Agent and designee(s) thereof shall administer and implement electronic “reverse auction” informal bid procedures set forth herein, and execute necessary documents and instruments, subject to any required City Attorney approval to form. The Purchasing Manager/Agent shall prepare report(s) to Council, no less frequently than annually, summarizing the results of all reverse auction bidding, the amount of each award, the cost of program administration, and cost trends relative to comparable historic costs and future projected costs.
5. Not later than one year from the passage of this resolution, the City Council shall meet at regularly scheduled public session to evaluate the provisions of this resolution. The City Council will determine if any modifications or related actions are necessary based on the actual experience in the previous year.

///

///

///



* * * * *

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, REBECCA E. KLISCH, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the 3rd day of November, 2011.

AYES : Baines, Borgeas, Olivier, Westerlund, Xiong, Brand
NOES : None
ABSENT : Quintero
ABSTAIN : None

Mayor Approval: N/A, 2011.
Mayor Approval/No Return: November 14, 2011.
Mayor Veto: N/A, 2011.
Council Override Vote: N/A, 2011.

REBECCA E. KLISCH
City Clerk

BY: Rebecca E Klisch
~~Deputy~~

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE

BY: R Kyle 11-03-11

Attachment: Exhibit "A" - Electronic "Reverse Auction" Informal Bid Procedures, Terms and Conditions

November 4, 2011

Council Adoption: 11/03/11
Mayor Approval:
Mayor Veto:
Override Request:



TO: MAYOR ASHLEY SWEARENGIN
FROM: REBECCA E. KLISCH, CMC
City Clerk

SUBJECT: TRANSMITTAL OF COUNCIL ACTION FOR APPROVAL OR VETO

At the Council meeting of 11/03/11, Council adopted the attached Resolution No. 2011-225 entitled **Establishing a pilot program allowing electronic "reverse auction" informal bid procedure, etc.**, Item No. **10:00 A.M. #2 A-1**, by the following vote:

Ayes : Baines, Borgeas, Olivier, Westerlund, Xiong, Brand
Noes : None
Absent : Quintero
Abstain : None

Please indicate either your formal approval or veto by completing the following sections and executing and dating your action. Please file the completed memo with the Clerk's office on or before November 14, 2011. In computing the ten day period required by Charter, the first day has been excluded and the tenth day has been included unless the 10th day is a Saturday, Sunday, or holiday, in which case it has also been excluded. Failure to file this memo with the Clerk's office within the required time limit shall constitute approval of the ordinance, resolution or action, and it shall take effect without the Mayor's signed approval.

Thank you.

APPROVED:

VETOED for the following reasons: (Written objections are required by Charter; attach additional sheets if necessary.)

Ashley Swearengin, Mayor

Date: _____

COUNCIL OVERRIDE ACTION:

Ayes :
Noes :
Absent :
Abstain :

Date: _____



EXHIBIT "A"

Electronic "Reverse Auction" Informal Bid Procedures, Terms and Conditions

(a) Reverse auctions may be utilized for the acquisition of equipment, materials and supplies when it is advantageous to do so. The reverse auction process shall include a specification of an opening date and time when real-time electronic bids may be accepted, and provide that the procedure shall remain open and extended until the lowest bid is received with no further bids.

(b) Reverse auction hosting vendor(s) shall be selected through the Purchasing Department's competitive bid or RFP process.

(c) All bids on reverse auctions shall be posted electronically, updated on a real-time basis, and shall allow registered bidders to lower the price of their bid below the lowest bid posted electronically and thus extend the bidding for the designated incremental time.

(d) Bidders shall be required to register and pre-qualify, before the reverse auction opening date and time, and as part of the registration agree to any terms and conditions and other requirements of the solicitation.

(e) The reverse auction process may not be used for bidding on any contract that requires competitive bidding under Section 1208 of the Charter.

(f) To the furthest extent allowed by law, each bidder shall indemnify, hold harmless and defend City and its officers, officials, employees, agents and authorized volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by City, its officers, officials, employees agents or authorized volunteers, or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen out of bidder's participation in/award under the Electronic "Reverse Auction" Informal Bid Procedures and said obligations under the preceding sentence shall apply regardless of whether City, or any of its officers, officials, employees, agents or volunteers is negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused solely by the gross negligence, or by the willful misconduct, of City, or any of its officers, officials, employees agents or authorized volunteers.