

RESOLUTION NO. 5736

A RESOLUTION AUTHORIZING THE CLASS SPECIAL PROCUREMENT OF PROFESSIONAL SERVICES FOR LEAN SIX SIGMA TRAINING.

WHEREAS, Albany Municipal Code 2.66.070 and 2.66.060 (11), Oregon Revised Statutes 279B.085, and OAR 137-047-0285 allow the City Council, acting as the Local Contract Review Board, to authorize the use of the special procurement process for the selection of a consultant for a specific personal services contract; and

WHEREAS, such authorization must be based on a written request submitted by the contracting agency seeking the exemption that describes the special procurement method to be used and the circumstances that support the use of the special procurement as set forth below; and

WHEREAS, under authority granted by the City Manager, Management Systems Director Bob Woods has submitted a written request ("Memorandum") for a class special procurement process to select a consultant to provide Lean Six Sigma training (the "Project") in the current fiscal year and to provide the ability to again utilize the services of the consultant in FY 2010, subject to the provision of budget authority in the FY 2010 budget; and

WHEREAS, the implementation of Lean Six Sigma training was a stated objective in the implementation of process improvement and performance measurement activities of the City; and

WHEREAS, the City desires to maximize the effectiveness of our efforts by securing high-quality training at a reasonable cost and by ensuring that staff are trained in a consistent approach to facilitate effective collaboration between students that have been trained at different times; and

WHEREAS, the memorandum describes circumstances and facts that support the use of the special procurement, including the following:

1. In two prior requests for bids, the company receiving the contract was the lowest responsive bidder. The trainer, Mr. Scott Lasater of the Lasater Institute, is no longer associated with the prior vendor but agrees to abide by the same terms and conditions that resulted in the lowest cost to the City.
2. The performance of Mr. Lasater as an instructor has been of the highest caliber and has garnered the praise of students for his ability to present complex and highly technical material. This expertise benefits the public by providing quality training at a demonstrated low cost.
3. Consistency in training methods, approaches, and quality will allow staff attending different training classes to have a common and consistent understanding as they utilize the skills learned.
4. The use of the proposed special procurement process would avoid costs and delays of a formal Request for Qualifications vendor selection process needed to insure a similar high level of quality in the services received. The additional costs of a formal process should be evaluated in the light of an intermediate procurement of a total cost of under \$30,000 per eight-day class, where the actual experience of the City of Albany is that the net cost to the City has been less than half of the total cost as a result of the City opening the sessions to other organizations to participate.
5. Because the requested class special procurement is for specific knowledge of a technical discipline that has been demonstrated to be provided at a low cost to the City, its approval would not diminish competition or lead to favoritism for any other City contract.

WHEREAS, based on the circumstances described above and the other facts and circumstances described in the Memorandum, the City Council finds that the use of the special procurement will:

1. Be unlikely to encourage favoritism in the awarding of City contracts or to substantially diminish competition for the City's contracts; and
2. Results in substantial cost savings to the City as follows:
  - a. The selected consultant will provide services at a cost level that has been demonstrated as the lowest cost from a responsive bidder as realized through prior bid request processes; and

- b. The use of a formal qualification process will result in increased internal costs in order to select a vendor who could provide a similar level of quality in presentation skills and with the same level of student acceptance.

These costs include: public notice; use of staff time to develop qualifications documents, requirements, and scoring/evaluation systems; potential pre-quote meetings to insure a common understanding of requirements by potential vendors; staff time on selection teams and review of formal written proposals; costs associated with verifying qualifications with others who have received services in the past from each vendor; and costs that might arise to verify the quality of the instruction provided.

WHEREAS, the Lasater Institute has confirmed that it has the capacity to complete the project as required by the City; and

WHEREAS, the City is requesting that approval be given for a class special procurement under the provisions of AMC Section 2.66.070, so that the Management Systems Director may negotiate and enter into Lean Six Sigma training contracts.

NOW, THEREFORE, BE IT RESOLVED BY THE ALBANY CITY COUNCIL ACTING AS THE LOCAL CONTRACT REVIEW BOARD:

Section 1. Each of the recitals set forth above and the facts set forth in the accompanying memorandum of the Management Systems Director are hereby adopted as findings of fact; and

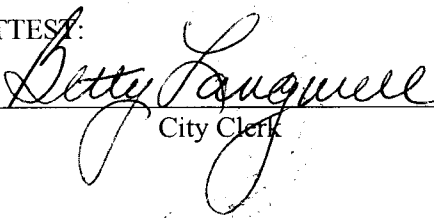
Section 2. Notwithstanding the provisions of AMC Section 2.66.070, the City is authorized and directed to use the class special procurement method to directly appoint the Lasater Institute to provide Lean Six Sigma Training projects for the balance of FY 2009 and in FY 2010, subject to budgetary authority being granted in the FY 2010 Adopted Budget; and

Section 3. The Management Systems Director is hereby directed to negotiate and enter into contracts with the Lasater Institute on the basis of \$3,000 per classroom day plus \$125 per student with instructor expenses included.

DATED AND EFFECTIVE THIS 11<sup>TH</sup> DAY OF FEBRUARY 2009.

  
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Mayor

ATTEST:

  
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City Clerk