



Staff Report

File #: 16-035

Version: 1

Date: 6/6/2016

Item #: b.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Peter Fernandez, PE, Public Works Director

SUBJECT:

Purchasing from City Employee-Owned Business

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

ISSUE:

Shall the City Council award annual renewable contracts to City employee-owned business, Northwest Rock, Inc., dba Salem Mobile Mix, to provide control density backfill (CDB) and hauling services.

RECOMMENDATION:

Staff recommends City Council authorize the City Manager to execute annual renewable contracts with Northwest Rock, Inc., dba Salem Mobile Mix, a City employee-owned firm, as primary provider for CDB and for truck hauling services. CDB is used in backfilling excavations in accordance with City of Salem construction standards during regular business hours on a routine basis. Hauling services are intended for ditch cleaning and repair excavation material removal in accordance with City of Salem construction standards during regular business hours on a routine basis.

SUMMARY AND BACKGROUND:

The City of Salem Public Works Department routinely requires CDB for backfilling excavations and hauling services for ditch cleaning to ensure conveyance during winter rain events to meet City of Salem construction standards during regular working hours. CDB and hauling services are, as are most materials and services, procured through the Public Contracting Rules (PCR) competitive bid process, and the lowest price responsive bidder is awarded an annual renewable contract subject to the contract language.

City of Salem Public Contracting Rules (PCR 1.8 "Purchasing from City Employees Prohibited")

provides, in part, that:

1. No contract shall be entered into with any employee of the City, or any business with which the employee is associated, unless:
 - a. The contract is expressly authorized and approved by City Council.

FACTS AND FINDINGS:

1. The Public Works Operations Division uses CDB and hauling services for a variety of construction projects on a routine basis. Annual renewable contracts are bid on a regular basis and awarded to the lowest responsive bidder able to meet specifications.
2. Northwest Rock, Inc., dba Salem Mobile Mix, whose president is City of Salem Firefighter Lance Davis, successfully bid on the CDB and hauling services contracts as the lowest cost responsive bidder. Salem Mobile Mix is a responsible vendor serving the Salem Area.
3. Terms and conditions would be added to the Employee/Contractor contract that would require compliance with all City and state ethics laws and rules and would include the following:
 - a. Employee/Contractor shall not conduct private business on public time.
 - b. Employee/Contractor shall not use public supplies, facilities, equipment, personnel, records, or any other public resources to carry out private business.
 - c. Employee/Contractor shall not condition official City action toward a third party on a requirement that the third party enter into a private business relationship with the Employee/Contractor.
 - d. Employee/Contractor shall not use confidential information to obtain financial benefit for the Employee/Contractor.
 - e. Employee/Contractor will notify Purchasing Administrator, in writing, of a potential or actual conflict of interest if private endeavors could or would be affected by Employee/Contractor's public employment.

Mark Becketl, AICP
Operations Division Manager

Attachments: None
5/13/2016