



Staff Report

File #: 24-404
Version: 1

Date: 10/14/2024
Item #: 3.3c.

TO: Mayor and City Council
THROUGH: Keith Stahley, City Manager
FROM: Brian D. Martin, PE, Public Works Director

SUBJECT:

Purchasing from a Business Associated with a City Employee

Ward(s): All Wards
Councilor(s): All Councilors
Neighborhood(s): All Neighborhoods
Result Area(s): Good Governance

SUMMARY:

Public Works maintains a roster of consultants of record for public participation, involvement, and relations related to watershed management. The services are procured according to the City’s Public Contracting Rules (PCR) for consultants of record via a competitive process with the highest ranked proposers awarded an annual contract renewable for up to five years. One of the selected firms, Phronesis Network, is owned by the spouse of a City Public Works Department employee. PCR 1.7 “Purchasing from City Employees Prohibited” requires a contract with any City employee, or any business with which the employee is associated, to be authorized and approved by City Council.

ISSUE:

Shall City Council authorize the City Manager to execute a contract with a City employee associated business, Phronesis Network, to provide consultant services for public participation, involvement, and relations related to watershed management?

RECOMMENDATION:

Authorize the City Manager to execute a contract with a City employee associated business, Phronesis Network, to provide consultant services for public participation, involvement, and relations related to watershed management.

FACTS AND FINDINGS:

PCR 1.7 defines "Business with which a City employee is associated" as any business in which the City employee is a director, officer, owner or employee, or any corporation in which the City employee owns or has owned ten percent or more of any class of stock at any point in the preceding calendar year. Although the rule does not expressly refer to businesses owned by a family member, the City is following the rule for this contract because of the potential conflict of interest for the City employee (James Winslow).

In order to stay in compliance with all City and State ethics laws, the following requirements will be strictly enforced:

- City Employee shall not be involved in selection, fee negotiations, invoice approvals, or contract management for the consultant services under this contract.
- City Employee/Business shall not use confidential information to obtain financial benefit for the Business.
- City Employee/Business will notify the Contracts and Procurement Manager, in writing, of a potential or actual conflict if private endeavors could or would be affected by the Employee's public employment.

The City employee was not involved in the original evaluation of proposals for selection of this consultant of record contract. In addition, the City employee has already updated their annually required conflict of interest disclosure and submitted it to the City Human Resources Department.

BACKGROUND:

The City procures consultants of record via request for proposals every five years. The highest ranked proposers are eligible for annual contracts renewable each year during the five-year period before reissuing a request for proposals. Selection as a consultant of record does not guarantee work to any or all of the selected businesses. Individual assignments for tasks with a specific scope of services are made according to processes outlined in PCR and the consultant of record contract based on the projected cost of the work.

Allen Dannen, PE
City Engineer

Attachments: