



CITY COUNCIL AGENDA REPORT

MEETING DATE: SEPTEMBER 6, 2011

ITEM NUMBER:

SUBJECT: APPROVAL OF REQUEST FOR PROPOSAL (RFP) EVALUATION PROCESS

DATE: AUGUST 24, 2011

FROM: FINANCE DEPARTMENT /FINANCIAL PLANNING DIVISION

PRESENTATION BY: BOBBY YOUNG, FINANCE DIRECTOR

FOR FURTHER INFORMATION CONTACT: BOBBY YOUNG, FINANCE DIRECTOR (714) 754-5243

RECOMMENDED ACTION:

Approval of Request for Proposal (RFP) evaluation process with regards to outsourcing.

BACKGROUND/ANALYSIS:

Over the past few months, the City has been developing the RFP's for each of the services City Council authorized to evaluate for outsourcing. Following completion of the Contracting Committee duties for each service as outlined in Council Policy 100-6, recommendations will be submitted to the City Council for each service, including, if applicable, a Request for Proposal to be issued upon Council approval. Unfortunately, staff believes Council Policy 100-6 does not specifically address the RFP review/evaluation process. Therefore, should Council determine to issue any RFPs which may result from this process, it is important to affirm the process by which responses to RFPs will be submitted and how each set of responses to any RFP will be reviewed, analyzed and presented. Staff is recommending that the following process be followed.

Also note, that employees, or groups of employees, who wish to submit a proposal in response to the RFP, will be permitted to do so. Staff recommends that employees who wish to submit bids, or responses to RFPs, as contract providers should be advised to do so in compliance with the RFP requirements at the same time as other bidders.

Once proposals are received, each will be evaluated by a review committee selected by the Project Facilitator and the CEO, which will determine which proposals/bidders should be further explored through negotiations. The discussion/negotiation process will be used as an introduction of the bidder(s) to the City and an opportunity to clarify any questions with the initial proposal, as well as to attempt to negotiate the most favorable terms for the City in terms of quality, level of service, and costs associated therewith. At any time during the RFP process, the affected employee association(s) may submit an alternative plan for reorganization, or cost reduction to the City CEO to be considered by Council. Ideally, any such plan would be submitted prior to staff recommendation to the Council on award of any contract to RFP proposers so that the alternative(s) can be thoroughly evaluated and considered by staff and the CEO. Staff would then make a recommendation to the Council to allow the Council to approve a contract or approve an alternative proposal to "contract in"

for the services or otherwise restructure the services being performed to increase efficiency and/or reduce costs.

Before presenting a final recommendation to City Council, the City CEO will meet with each employee association potentially affected by the final recommendation. Staff will then present its final recommendation to the City Council for action.

ALTERNATIVES CONSIDERED:

The City Council could choose to alter any step in the evaluation process, however staff will need direction on completion of the RFP process.

FISCAL REVIEW:

There is no fiscal impact to the recommended action.

LEGAL REVIEW:

The City Attorney is working closely with staff on implementing the contracting evaluation and RFP process. The City Attorney recommends Council approve the implementation process developed by staff.

CONCLUSION:

As the City continues, through the work of contracting committees, to assess delivery of services, cost efficiencies, and recommendations regarding requesting proposals for each of the services City Council authorized for outsourcing, it is important to affirm the process by which any issued RFP's responses will be reviewed, analyzed and presented. Staff has developed a process that includes having staff assess the responses/proposals to any RFPs, with such experts as may be advisable or necessary, and then negotiating with proposed vendors for the best possible contracting outcome. The last step of the process will be the final recommendations presented to City Council for action.

THOMAS R. HATCH
Chief Executive Officer

BOBBY YOUNG
Finance Director

KIMBERLY HALL BARLOW
Special Counsel