

CITY OF OAKLAND

AGENDA REPORT

OFFICE OF THE CITY ADMINISTRATOR
2007 MAY 10 PM 3:30

TO: Office of the City Administrator
ATTN: Deborah A. Edgerly
FROM: Finance and Management Agency
DATE: May 22, 2007

RE: Informational Report on City Wide Contract Management and Training

SUMMARY

On November 14, 2006, the Finance and Management Committee requested a follow up report with an update on the implementation of the enhancements to the Contract Management and Training process. The enhancements were originally recommended by the Budget Advisory Committee in February 2005. This report will outline the following:

- Summary of Contract Enhancement Items (see Key Issues and Impact sections of this report)
- Status of Implementation
- Description of Process or Future Action Plans

This is an informational report and there is no action requested of the Committee.

FISCAL IMPACT

This is an informational report only; there is no fiscal impact.

BACKGROUND

The Budget Advisory Committee (BAC) conducted an evaluation of the City's contracting process, and on February 8, 2005, provided recommendations to standardize the procedure. As a result of that report, staff was directed to enhance the City's contracting process by completing the following:

1. Create a central repository for all City contracts.
2. Create a signed certification process for every contract in order to locate the staff most knowledgeable about the contract.
3. Create guidelines for the awarding of sole-source contracts.
4. Include a statement of a contract's goal or policy objective in every contract.
5. Develop a working definition for Contracts Outside the Purchasing Ordinance (COPOs).
6. Create a renewal trigger system to ensure that any contract proposed for renewal can be sufficiently reviewed.

7. Ensure each contract has clear language detailing the frequency, extent and process by which it will be audited or evaluated.
8. Provide training to all City employees that manage contracts.
9. Create a process to collect and maintain performance evaluations on all City contracts.

Two (2) informational reports have been provided to the Finance Committee on this issue. The dates of those meetings and the direction given to staff are as follows:

- April 11, 2006: The Finance Committee received an informational report, which detailed the proposed enhancements to the contracting process.
Staff was directed to implement the proposed enhancements and report back to the Finance Committee with action plans, timelines and implementation progress.
- November 14, 2006: The Finance Committee received an informational report which outlined the action plans, timelines, and status of the implementation of the enhancements to the contracting process.
Staff was directed to return to the Finance Committee at a future meeting with an update on the implementation of the enhancements to the contracting process.

KEY ISSUES AND IMPACTS

Item: Create a central repository for all City contracts.

Status: Complete

Description: City Agencies / Departments are required to submit all original contract documents to the Office of the City Clerk for central repository. (Reference Section 402 of the City Charter.) The submission of the contract document to the City Clerk is ensured by the implementation of "Schedule T – Contract Summary Transmittal" (Attachment A) which requires the City Clerk's signature indicating receipt of the documents. The initial contract payment will not be made by Accounts Payable unless a completed "Schedule T" is submitted with the payment request.

Item: Create a signed certification process for every contract in order to locate the staff most knowledgeable about the contract.

Status: Complete

Description: The Contract Summary Transmittal (Schedule T) includes fields that require the Agency, Department, and Responsible Employee name(s) and other contact information. Schedule T is submitted to the Office of the City Clerk as part of the Contract packet.

Item: Create guidelines for the awarding of sole-source contracts.

Status: Pending.

Description: The Administrative Instruction (AI) addressing "Other Than Full and Open Competition" has been drafted and is currently under review. A follow-up Informational

Report with an update on the implementation of this item will be presented to the Finance and Management Committee in September, 2007.

Item: Include a statement of a contract's goal or policy objective in every contract.

Status: Complete

Description: The Contract Summary Transmittal (Schedule T) includes a statement of the contract goal/purpose. Schedule T is submitted to the City Clerk's Office as part of the Contract packet.

Item: Develop a working definition for Contracts Outside the Purchasing Ordinance (COPOs).

Status: Pending

Description: The Purchasing and Contract Compliance Departments are working together to develop an Administrative Instruction for Contracts Outside the Purchasing Ordinance. A follow-up Informational Report with an update on the implementation of this item will be presented to the Finance and Management Committee in September, 2007.

Item: Create a renewal trigger system to ensure that any contract proposed for renewal can be sufficiently reviewed.

Status: Pending

Description: The Purchasing Department is currently evaluating options for the renewal trigger system. A follow-up Informational Report with an update on the implementation of this item will be presented to the Finance and Management Committee in September, 2007.

Item: Ensure each contract has clear language detailing the frequency, extent and process by which it will be audited or evaluated.

Status: Complete

Description: The Contract Summary Transmittal (Schedule T) includes a section regarding inspections, fiscal reporting, and audit requirements. Schedule T is submitted to the City Clerk's Office as part of the Contract packet.

Item: Provide training to all City employees that manage contracts.

Status: Complete

Description: Three hundred and twenty-two (322) employees completed the initial contract training sessions (July through September 2006) Additional/Refresher training sessions are offered through the City Wide Training program.

Item: Create a process to collect and maintain performance evaluations on all City contracts.

Status: Complete

Description: The Contract Summary Transmittal (Schedule T) is updated at the completion of the contract when the final payment is being processed, to include an evaluation of the contractor. The updated Schedule T is filed with the original contract documents in the central repository (City Clerk's Office).

SUSTAINABLE OPPORTUNITIES

There are no sustainable opportunities in this report

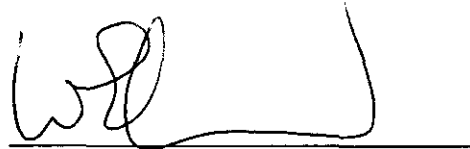
DISABILITY AND SENIOR CITIZEN ACCESS

There are no ADA or senior access issues contained in this report.

RECOMMENDATION(S) AND RATIONALE

Staff recommends that the City Council accept this informational report.

Respectfully submitted,

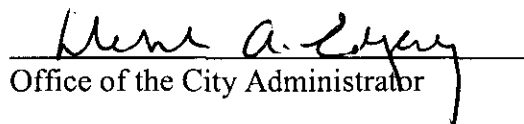


William E. Noland
Director, Finance and Management Agency

Prepared by:
Ace Tago, Acting Controller
Finance and Management Agency

Attachment A: Schedule T Contract Summary Transmittal

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:



Office of the City Administrator



SCHEDULE T
CONTRACT SUMMARY TRANSMITTAL *

FOR USE BY ALL CITY AGENCIES AND DEPARTMENTS FOR PROCUREMENT, CONSTRUCTION AND PROFESSIONAL SERVICES CONTRACTS

1. Agency: _____ Department: _____
2. Project Name: _____ Project Amount: _____
3. Budget / Funding: (** Multiple Funding Sources - Complete Additional Funding Section on Page 2)
Fund #: _____ Org #: _____ Account #: _____ Project #: _____ Program #: _____ Encumbrance Amount \$: _____
4. Project Manager / Responsible Employee Name: _____
Title: _____ Phone: _____ email: _____
5. Supervisor / Direct Report or Alternate Employee Contact:
Name: _____ Phone: _____ email: _____
6. Consultant / Contractor Name: _____
Address: _____ Phone: _____ email: _____
7. Type of Contract (Mark X): Professional Service: _____ Construction: _____ Commodities: _____ Technology: _____
8. Statement of Contract Goal / Purpose: _____
9. Actual or Estimated Notice To Proceed (NTP) Date: _____ Estimated Completion Date: _____
10. Resolution Number: _____ Resolution Date: _____
11. Location of the Contract Documents: _____

THIS PORTION MUST BE COMPLETED BY THE AGENCY / DEPARTMENT AND/OR THE PROJECT MANAGER

Insert language below regarding the evaluation of performance and/or audit requirements. For example: This contract is subject to an independent audit initiated by the City of Oakland and/or this contract will be evaluated quarterly according to the deliverables defined below. Please attach separate sheets if required.

Performance, Inspection, Fiscal Reporting and Audit Requirements	
Performance Evaluation:	
Inspection Requirement:	
Fiscal Reporting Requirement:	
Audit Requirement:	

Deliverables	Date Due	Completion Date	Responsible Source (Prime, Sub, Supplier, Other)	Performance
1				
2				
3				

City Representative: _____ <small>(Please Print)</small>	Date: _____
City Representative Signature: _____	

City Clerk: _____ <small>(Please Print)</small>	Date: _____
City Clerk Signature: _____	

*** Must be attached to the signed Contract / Agreement and the First and Final (last) Payment Requests**

CONTRACT SUMMARY TRANSMITTAL PROCEDURE

Note: This Contract Summary Transmittal form must be completed and attached to the signed Contract / Agreement

Note: Agency / Department - Project Managers are responsible and must ensure:

Contract Compliance and Employment Services performed the following:

- 1) Compliance Analysis
- 2) Equal Benefits Determination
- 3) Living Wage Determination

Note: Before submission of a Contract:

Schedule M (Part A and B) must be submitted to the City Attorney's Office for written approval

- 1) Consultant / Contractor must complete Schedule M – Part A
- 2) The City Agency / Department must complete Schedule M - Part B

Note: A photocopy of the completed Contract Summary Transmittal form must be attached to the first and final payment request:

- 1) Photocopy the front and back of the completed Contract Summary Transmittal form
- 2) Photocopy must be attached to the back-up documentation, on the first payment request and on the final payment request that is submitted to the Finance and Management Agency / Accounts Payable Section

Contract Transmittal Procedure	Date Received	Received Initials	Date Returned	Returned Initials
Contract: Send to the City Attorney's Office for First Review				
Contract: Send to the Consultant / Contractor				
Contract: Send to the City Attorney's Office for Final Signature				
Contract: Send to the Agency / Department Fiscal Services to Encumber Funds				
Contract: Send to the Finance and Management Agency / Purchasing Division ***				
Contract: Send to the Agency / Department for Director's Signature				
Contract: Send to City Administrator's Office for Approval (for contracts over \$15,000)				
Contract: Send to City Clerk's Office				

*** All Contracts are sent to the Finance and Management Agency / Purchasing Division to ensure the required Funds are encumbered

Funds that are not encumbered may result in a delayed payment to the Consultant and/or Contractor

**Additional Funding Section

Fund Number	Organization Number	Account Number	Project Number	Program Number	Encumbrance Amount