

**CITY OF OAKLAND**  
**AGENDA REPORT**

2011 APR -7 PM 6:24

TO: Office of the City Administrator  
ATTN: P. Lamont Ewell, Interim City Administrator  
FROM: Deborah Barnes, Department of Contracting and Purchasing  
DATE: April 12, 2011  
RE: Discussion and Possible Action on the City's Contracting Process and Timeline  
for Various Agencies

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**SUMMARY**

The Committee requested an informational report regarding the contracting process and timeline for the Public Works Agency, Police Department, Fire Department, City Attorney's Office, Library, Community and Economic Development Agency, Department of Human Services, and City Administrator's Office.

**FISCAL IMPACT**

There are no fiscal impacts associated with this report.

**BACKGROUND**

This report focuses on average time lines of the contracting process from various City departments. Staff recently presented a report detailing the process and timelines for construction contracts for the March 22, 2011 report to the Finance and Management Committee. Information was also presented regarding strategies and activities being implemented to significantly streamline and reduce the construction contracting process.

There is a basic baseline contracting process for informal bids, whereby three bids or solicitations are required, and the formal process whereby a public advertisement and an open competitive process is followed. The following provides a summary of the process with competitive bids.

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**Table 1: Timeline for Non-Construction Contracts**

<b>Phase 1</b> Preparation Needs for Work Order by Project Manager	1	Define good and/or service need and secure funding.
	2	Define funding requirements if different from City
	3	Identify appropriate method to buy good or service: a. Informal or b. Formal
	4	Decide: Request for Proposal or Notice Inviting Bids
	5	Prepare Specifications/Scope of Work
<b>Phase 2</b> Once Work Order Submitted: Public Process	6	Advertise (2 to 3 weeks)
	7	Pre-Proposal Meeting (conducted 1 week after advertisements)
	8	Receipt and Review of Bids or Submittals (PM and DCP, 1-2 weeks)
<b>Phase 3</b> Review and Contract Award	9	Evaluations, Interviews, Assessments, Compliance Analysis. (4-12 weeks)
	10	Council Action (6-8 weeks)
	11	Negotiations with Contractors (1-5 weeks)
	12	Contract Preparation, Insurance and Bonds, Execution and Distribution (up to 2 months)

**KEY ISSUES AND IMPACTS**

As requested by the Finance and Management Committee, the following is a snapshot of the contracting process and timeline for various City departments.

The Department of Contracting and Purchasing (DCP) administers the majority of purchases of goods and services that result in City contracts and includes the following types:

- Construction contracts over \$15,000
- Professional services contracts over \$15,000
- Contracts for goods and commodities over \$5,000

Grants and loans are administered by the program agency, such as CEDA or DHS. The Social Equity Division of DCP conducts compliance evaluations for Living Wage and Equal Benefits as well as non-compliance investigations.

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***Professional Services and Construction Contracts Administered by DCP: Process and Timeline***

DCP works with using agencies to assist in satisfying their procurement and compliance needs. The average RFP time line noted above in Table I is approximately 145 days when considering a variety of influencing factors such as complexity of purchase, changes to the scope of work, and protests. Information about the contract process and timeline for construction contracts, including recent changes made to streamline and shorten the timeline, was recently provided to this Committee. See Attachment A. Current efforts by the inter-departmental committee on contracting and purchasing convened by the City Administrator's office will result in further reductions in the timeline.

Additional reductions in time may be realized by increasing the City Administrator's contract authority from the existing threshold of \$15,000 for Oakland Redevelopment Agency (ORA) contracts and \$100,000 for non-ORA contracts.

***Contracts for Goods Administered by DCP's Purchasing Unit***

DCP's purchasing division administers informal bids ranging from \$5,000 to \$50,000 and formal bids over \$50,000 for goods and commodities. The process for informal bids is an estimated 20 days and for formal bids is an estimated 60 days to reach an award. Awards requiring Council approval would take an additional 6 to 8 weeks. Tasks performed by Purchasing staff include converting requests submitted by using agencies into a biddable format to include specifics of the purchase (specifications). Purchasing will advertise a minimum of 10 days before bid opening and a bid recap is prepared in order to identify the lowest bidder. See Attachment B for the activities and timeline.

***Grants and Loans***

Grants and loans must follow a contracting process expressly stipulated by the awarding authority. Grants may include a community process and may also include the naming of grant partnerships that contribute to the actual grant award.

The majority of the City's grants and loans, including to nonprofit organizations, are administered by the Community & Economic Development Agency (CEDA) and the Department of Human Services (DHS). DCP/Social Equity conducts compliance and non-compliance investigations for Living Wage and equal benefits.

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***CEDA Grants and Loans***

All CEDA contracts which require a formal RFQ/RFP process are typically worked on with DCP assistance. The timeline associated with administering different CEDA grants and loans varies, and is dependent on whether special requirements are attached, such as from the funding source. Below is a snapshot.

**Grant programs with pre-authorization from Council (mostly Façade/Tenant Improvement Program grants): 3-5 months**

1. Concept/owner application/bids: Avg. 2 months
2. Contract preparation and execution: 1-3 months

**Community Development Block Grants: 15 months**

1. Public competitive process including local CDBG boards: 7 months
2. Council report preparation and approval: 2 months
3. Contract development and approval: 6 months. Note that this step is long due to the delay in the release of HUD funds following Council action, and mandatory orientation training for contractors (in addition to the usual City contracting processes).

**Cultural Arts Program grants: 11 months**

1. Public competitive process including Cultural Arts Commission: 6 months
2. Council report preparation and approval: 2 months
3. Contract development and execution: 3 months

**Housing Funding Agreement: 8-10 months**

1. NOFA process: 5 months.
2. Council report preparation and approval: 2 months
3. Letters of commitment—immediate
4. Final loan agreement execution: 1 to 3 months; varies widely depending on complexity of the transaction and negotiations, also upon developers' attainment of other financing.

**Professional Services contracts less than \$15K, no separate Council approval required: 3-4 months**

1. Informal bid/selection process: 1.5-2 months
2. Contract preparation and execution: 1-2 months

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**ORA-funded Professional Services contracts greater than \$15K, Council approval required: 5-6 months**

1. Informal selection process: 1-2 months
2. Council report preparation and approval: 2 months
3. Contract development and execution: 2 months

**Loans to first-time homebuyers: 2-2.5 months**

1. Intake/Underwriting: 3 days
2. Close: 45-60 days after the buyer enters into contract.
3. In-house review: 5 days (if all documents are complete)
4. Check through AP: 3 days
5. Wire transfer: 7 days

**Rehabilitation Programs: 2-3 months**

1. Intake/Underwriting: 10-14 days
2. Project Design: 30-45 days
3. Bid Process: 15 days
4. Escrow Closing: 10-14 days

**Emergency Home Repair Program: 1 month**

1. Intake/Underwriting: 10-14 days
2. Loan Approval/Escrow Closing: 10-14 days

### ***DHS Grants***

DHS administers contracts for a number of different grants, including the Oakland Fund for Children and Youth (OFCY), Measure Y, Head Start, and other programs. The general process is the following:

- DHS issues an RFP based on strategic plan or City priorities. Receive responses to RFP and then they are ranked by review panels. Recommendations are determined. Notifications and Appeals occur.
- OFCY recommendations go to the POC for approval. Review by POC: OFCY Review and Selection Committee requires 4 *noticed* public meetings (mid Feb through March). For Measure Y, the Measure Y Oversight Committee reviews. For the CAP- recommendations go to the CAP Administering Board for approval.

- Recommendations for grantee contractors go forward to Council Committees (Life Enrichment or Public Safety) and then onto full Council.
- An example of the timeline would be as follows: RFP is issued in November and is due in January. Review and Appeals by mid-March. POC Recommendation and Appeal Process (April 1 to May 5) (*three noticed public meetings*). Council report drafted by April for presentation in May. In total, a six-month process from inception to approval.
- Scopes of work are negotiated. Grantees begin completing their forms. (Some are required with the RFP and the rest are submitted afterwards.) We are dependant on grantees to submit forms in order to complete the contracting process.
- Contracts are forwarded to City Attorney for a 2-3 week turnaround (depending on amount of contracts to be reviewed could take even longer), also need Risk Management and City Administrator’s approval which can add another 2 weeks.
- For most programs with the exception of OFCY, the timeline is approximately 7-8 months in total.
- Below is a table which portrays OFCY’s timeline. Their timeline is about 9 months total from inception to completion due to the required noticed public meetings.

**OFCY Grants Timeline**

<b>OFCY Request for Proposal &amp; Review Process</b>	
RFP released (mid November)	
Proposals due (mid January)	8 weeks
Review: Proposals are read and scored by external reviewers and staff (mid to late Feb)	4 weeks
Review by POC: OFCY Review and Selection Committee requires 4 <i>noticed</i> public meetings (mid February through March)	6 weeks
POC Recommendation and Appeal Process (April 1 to May 5) ( <i>three noticed public meetings</i> )	4 weeks
LEC agenda report prepared and submitted by and approved by June 15; resolution	4 weeks
	26 weeks
<b>Contracting Process</b>	
Negotiation and approval of scope of work by June 30	
Organizations submit required forms and insurance; policy targets 100% by Oct. 1	( 30 days to 4 months) Submitted June to October.
From document submission, Grant Compliance Review	1 week
City Attorney Review	(2 to 3 weeks)

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DHS 2 <sup>nd</sup> Review	(1 week)
City Administrator Review	(1 to 2 weeks)
	9 or more weeks

### ***Public Works Agency (PWA)***

The PWA administers contracts under \$15,000 for construction and professional services and under \$5,000 for goods and commodities.

The timeline for goods and commodities is as follow:

- Obtain 3 bids: 2 - 4 weeks
- Create the Requisition: 15 min.
- Approval the requisition and create Standard Purchase Order approval: 1 -2 days

### ***Fire Department***

The Fire Department executes a small number of contracts each year. For those that are below the threshold requiring Council approval, the process is relatively short and straight-forward.

#### **Less than \$15,000 without Formal RFP/RFQ Process**

When initiating a contract for an amount that is less than \$15,000, the following steps are followed:

1. OFD staff spends 1-2 days preparing the contract template and associated schedules.
2. The contractor spends 15-60 days completing the schedules.
3. OFD spends 1-5 days reviewing the contractor's schedules and submits to the City Attorney's office, if all documents are in order. If they are not in order, OFD staff communicates with the contractor to request additional information.
4. OFD staff reviews insurance information provided and if necessary, requests insurance waiver. This process takes 1-5 days to complete.
5. The City Attorney's office spends 1-5 days reviewing the contract and schedules, if it is a routine contract. If the contract is not routine, it can take the City Attorney's office significantly more time to analyze and decide what needs to be done in order to move forward with a particular vendor or for a particular type of agreement.
6. After the City Attorney's office sign-off, the City Administrator's office spends 1-10 days reviewing the contract and schedules before sign-off.

### ***Library***

For professional services contracts under \$15,000, bids are handled by Library staff and approved by DCP. These contracts that do not require Council action take from 7 to 30 days. The ones that require Council action take an additional 45 to 60 days.

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### ***Police Department***

When initiating a contract for an amount that is less than \$15,000, the following steps are followed:

1. OPD spends 1-2 days preparing the contract template and associated schedules.
2. The contractor spends 5 - 15 days completing the schedules.
3. OPD spends 1- 5 days reviewing the contractor's schedules and submits to the Office of Chief of Police for forwarding to the City Attorney's office and City Administrator's office for review and signature, if all documents are in order.
4. The City Attorney's office spends 5 -10 days reviewing the contract and schedules, if it is a routine contract. If the contract is not routine, it can take the City Attorney's office significantly more time to analyze and decide what needs to be done in order to move forward with a particular vendor or for a particular type of agreement.
5. After the City Attorney's office sign-off, the City Administrator's office spends 5-10 days reviewing the contract and schedules before sign-off

### ***City Administrator's Office***

The bulk of contracts are handled by DCP. For the American Sign Language contracts administered by the ADA Division, it takes about 6 weeks from the RFP to issuance of the notice to proceed.

### ***Office of the City Attorney (OCA)***

Contracts have caps and the City Attorney's Office does not pay if the contractor goes over the cap. Otherwise, every case is different. OCA prepares a scope of services, phases and tasks and oversees the completion of each component of the project. There is a range, but the average time frame varies from as little as an hour to as long as several weeks. OCA allocates specific amounts of time to each task or component.

## **SUSTAINABLE OPPORTUNITIES**

***Economic:*** A cohesive and expeditious city wide contracting process creates timely distributions of contracts to businesses doing business with the City of Oakland and more timely delivery of services to the City.

***Environmental:*** There are no environmental issues or opportunities in this informational report.

***Social Equity:*** An expeditious city wide contracting process results in more timely distributions of contracts to for profit and not for profit small and local businesses.



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**DISABILITY AND SENIOR CITIZEN ACCESS**

There are no disability and senior citizen access issues associated with this report.

**ACTION REQUESTED OF THE CITY COUNCIL**

It is recommended that the Council accept this report.

Respectfully submitted,



Deborah Bames

Director

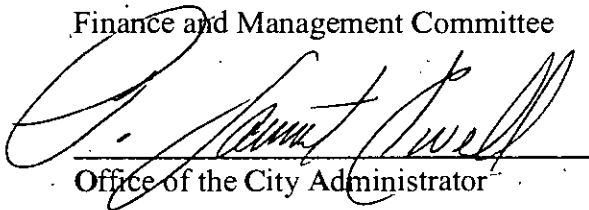
Department of Contracting & Purchasing

Reviewed by:

Margaretta Lin

Deputy City Administrator

**APPROVED AND FORWARDED TO THE  
Finance and Management Committee**

  
Office of the City Administrator

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