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OAKLAND

CITY OF OAKLAND



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Office of the City Administrator
Deborah A. Edgerly
City Administrator

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July 12, 2005

Community & Economic Development Committee
Oakland City Council
Oakland, California

Chairperson Brunner and Members of the Committee:

SUBJECT: AN INFORMATIONAL REPORT REGARDING THE FORMAL CONTRACTING PROCESS AND TIMELINES, STARTING FROM THE INITIAL STEP OF IDENTIFYING THE NEED THROUGH COMPLETION OF THE DELIVERABLES

SUMMARY

At the March 8, 2005 meeting of the Community and Economic Development Committee, Councilmember Brunner requested an informational report outlining the City's administrative contracting process. This report provides a detailed description of the City's contracting process from the moment the need for a contract is identified to the final step of executing the contract. A comprehensive report coming forward to Finance & Management Committee will respond to the Budget Advisory Committee's recommendations and Council direction regarding establishing a central repository and tracking system for contracts.

The City's contracting process is complex due to the inherent qualities of public sector contracting that bring sunshine to the process. Additionally, the City Council in Oakland is a progressive one that wants to ensure that the money spent by the City is with vendors who provide living wages, equal benefits, local hiring programs and more. Each of these policies adds time to the process in assisting contractors with necessary forms and reviewing them for compliance. It is therefore up to the City staff to ensure that the internal processes put in place to implement these policies and administer these programs are as efficient as possible to get contracts executed in a timely manner and to encourage more vendors to participate in the competitive bidding process for professional services and public works project contracts.

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As you will see below, there are many steps in the process of a City contract from the identification of the need to the execution of the contract. The time it takes to complete each step varies from one day to over three weeks, depending upon the complexity of the contract, the amount of time the contractor spends completing forms and complying with the City's policies, and the amount of time it takes for the contract to travel through the City's internal system of review.

FISCAL IMPACT

This report is informational in nature, so there is no fiscal impact.

BACKGROUND

At the March 8, 2005 Community & Economic Development Committee meeting, Councilmember Brunner requested an informational report detailing the City's administrative contracting process with an associated timeline. Some additional materials and workflows used in the various City Agencies and Departments to facilitate the contracting process are shown in Attachment A.

KEY ISSUES AND IMPACTS

The process for initiating a professional services or a public works contract is listed below:

CONTRACTING STEP	TIMELINE
Authorization to Begin the Contracting Process	14-25 days
1. The service needed or public works project is defined.	3-5 days
2. The funding source is defined.	3-5 days
3. Product/service justification and specifications are developed.	5-10 days
4. Agency Director, Department Head or Division Manager approval is granted.	3-5 days

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Selecting a Contractor	RFP Process: 129-159 days; Bid Process: 83-96 days
1. An RFP/Q (or construction documents for a public works project) is prepared for the professional services or public works project in question.	2-15 days
2. RFP/construction documents reviewed by Contract Administration (in Public Works Department).	3 days
3. RFP/construction documents forwarded to Contract Compliance for review of L/SBE designation and living wage. Contract Compliance schedules a pre-proposal meeting and a bid opening date. A contract compliance officer is assigned at this time.	5 days
4. RFP/construction documents duplicated and legal advertisement arranged.	2 days
5. RFP/Open Bid announcement forwarded to the Webteam for inclusion on the website.	1 day
6. RFP/Open Bid Advertising and Opening process: pre-proposal meeting is held and prospective contractors prepare responses to RFP.	20 days
7. <u>Public works project only:</u> Prepare and Publish Canvas of Bids (no protests)	4 days

7. <u>RFP only</u> : As proposals are received from contractors, a list of submittals is prepared. One copy of each proposal and the list of submittals is sent to Contract Compliance.	1 day
9. Contract Compliance reviews the proposals/bids, determines compliance and sends findings to the Agency.	5 days
10. Distribution of Compliance Evaluation	1 day
11. <u>RFP Only</u> : A technical proposal review is scheduled with the appropriate staff members.	1 day
12. <u>RFP Only</u> : The technical review is conducted and from that, a short list of contractors is prepared.	10 days
13. <u>RFP Only</u> : Panel interviews are scheduled with the short list and contractors are notified of the interview date and time.	15-20 days
14. <u>RFP Only</u> : Interviews are conducted and contractors are ranked.	10-15 days
15. <u>RFP Only</u> : The rankings and recommendations are forwarded to the Agency Director/Department Head for final selection.	3-5 days
16. <u>RFP Only</u> : Negotiations begin with the contractor selected by the Agency Director/Department Head.	10-15 days

17. Prepare Council Report and Resolution/City Attorney & Budget Review/Council Approval	40 days
Preparing and processing a Professional Services (or a Public Works) Contract	30-55 days
1. City Clerk certification of resolution.	3 days
2. The employee fills out Part B of Schedule M (Independent Contractor Questionnaire) and asks the Contractor to fill out Part A of the same schedule. These forms are sent to the city attorney for review and determination of whether the individual or corporation is an independent contractor. If the City Attorney indicates that the individual is not an independent contractor, the contract cannot be executed.	1 day
3. The contract is drafted using the City's boilerplate contract. A unique scope of services and payment schedule is written up for the contract.	3 days
4. The draft contract and both parts of Schedule M are sent to the city attorney for review and initial.	1-5 days

<p>5. After city attorney sign-off, four copies of the contract, Schedule C-1 (ADA Compliance Declaration), Schedule D (Ownership, Ethnicity & Gender Questionnaire), Schedule N (Living Wage Ordinance), Schedule N-1 (Equal Benefits, Declaration of Non-Discrimination), Schedule O (Campaign Contribution Form), Schedule P (Nuclear Free Zone Disclosure) and Schedule Q (Certificate of Insurance) are sent to the Contractor for review and completion. If it is a public works contract the following additional forms must be attached and sent to the Contractor for review and completion: Schedule E (Project Consultant Team), Schedule R (Subcontractor, Supplier, Trucker Listing), Schedule S (Supplier Listing), Schedule T (Trucking Listing), Schedule U (Local/Small Local Business Program Compliance Commitment).</p>	<p>3 days</p>
<p>6. The Contractor reviews, signs and completes these documents and returns them with a copy of their business tax license and certificates of required liability, auto and/or worker's compensation insurance.</p>	<p>10-15 days</p>

7. If any modifications or waivers of insurance are requested, Risk Management reviews them at this time.	1-5 days
8. If the contract is \$24,999 or over, the contract and attachments are sent to Contract Compliance for review of Living Wage and Equal Benefits.	5 days
9. The four contracts are sent to the Agency Director or Department Head for signature.	1-5 days
10. The four contracts are sent to the City Attorney for signature.	1-5 days
11. If the contract exceeds Agency Director contract sign-off authority limits, the four contracts are sent to the City Administrator for signature. <u>Public Works project: Prepare Notice to Proceed</u>	1-5 days
12. The contracts are now fully executed and the first payment can be processed. <u>Public Works project: Notice to Proceed ready to issue.</u>	

In preparing this report, members of City staff in the departments with the largest contract burdens – the Public Works Agency, the Community & Economic Development Agency and the Department of Human Services – were interviewed to determine their experiences with the current contracting process and where, if any, improvements can be made.

1. Communication between City departments, Contract Compliance and City Attorney’s Office – An issue that was raised in several of the interviews with City staff was the need for clear guidelines on what constitutes compliance when a new policy is enacted by Council. In the past there has been confusion about the starting date of a new policy and

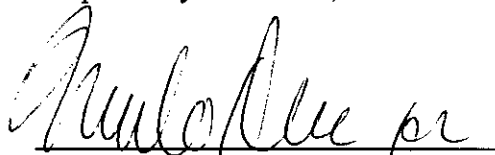
what documents a contract must submit in order to show compliance. There are no current issues like this, but it will have to be addressed for the future.

2. Intranet to facilitate contracting process – Members of City staff identified a need to have better access to contracting materials to facilitate the contracting process. Ideally, they would like to be able to route contracts through the City electronically. In response, the City Administrator’s Office has committed to putting contracting and purchasing guidelines, schedules and contractor databases on the intranet to assist staff members who are responsible for executing contracts.

ACTION REQUESTED OF THE CITY COUNCIL

This report was requested for informational purposes, so no action is requested at this time. Additional recommendations to address issues raised in this report will be included in the comprehensive contracting report coming forward to the Finance & Management Committee in the Fall.

Respectfully submitted,



DEBORAH A. EDGERLY

City Administrator

Prepared by:

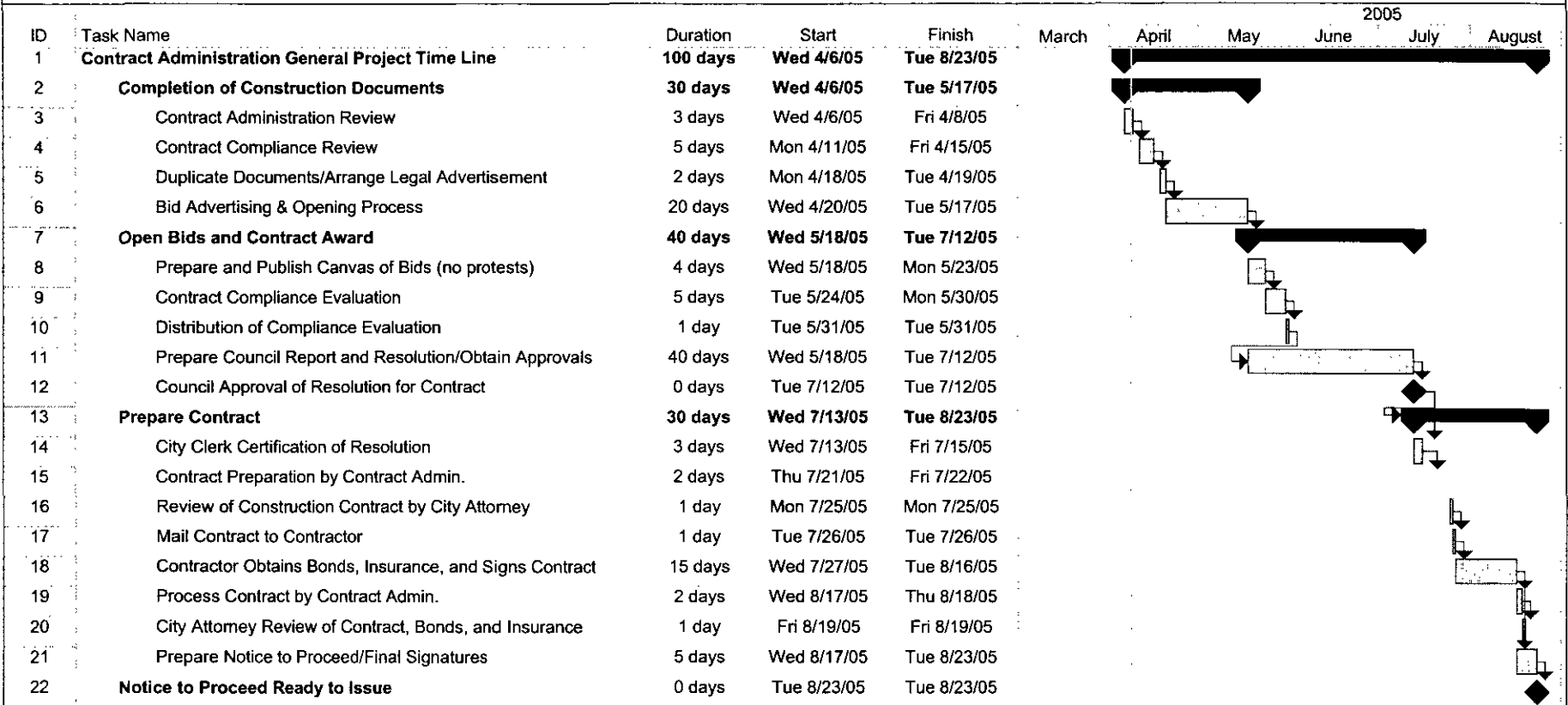
Anne Campbell Washington

Assistant to the City Administrator

ATTACHMENT A

Selected Agency/Department Contracting Materials

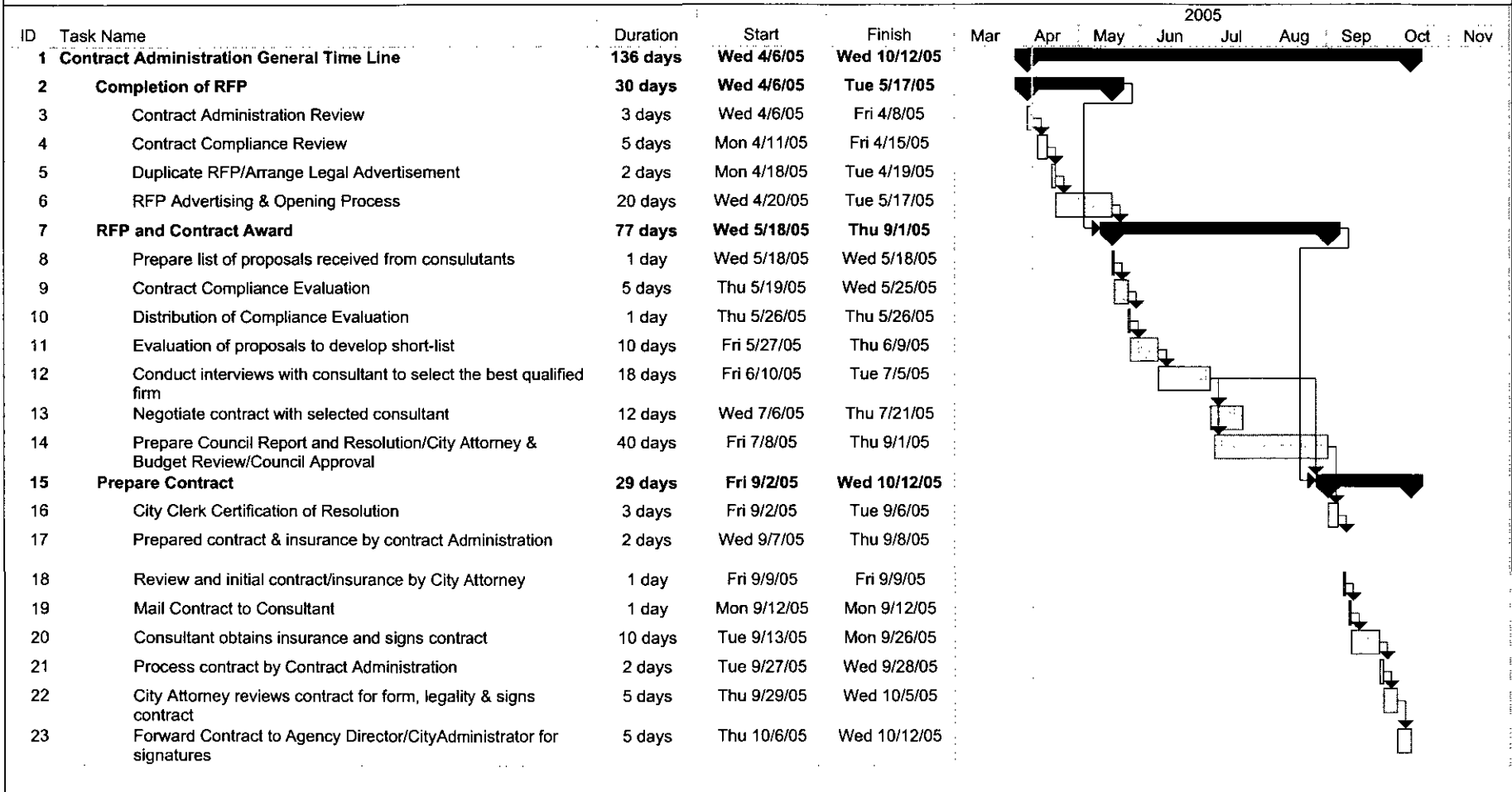
PUBLIC WORKS AGENCY
 CONTRACT ADMINISTRATION
 GENERAL TIME LINE FOR CONSTRUCTION PROJECTS
 March 2005



PWA Contract Administration General Time Line for Construction Projects	Task		Rolled Up Task		External Tasks	
	Progress		Rolled Up Milestone		Project Summary	
	Milestone		Rolled Up Progress		Group By Summary	
	Summary		Split			

Note: The time lines above are for reference only and may vary depending upon the work load of staff, complexity of the project, number of bidders, and the responsiveness of the contractor.

PUBLIC WORKS AGENCY
 CONTRACT ADMINISTRATION
 GENERAL TIME LINE FOR PROFESSIONAL SERVICES CONTRACT
 April 2005



PWA Contract Administration General Time Line for Professional Services Contracts	Task		Rolled Up Task		External Tasks	
	Progress		Rolled Up Milestone		Project Summary	
	Milestone		Rolled Up Progress		Group By Summary	
	Summary		Split			

Note: The time lines above are for reference only and may vary depending upon the work load of staff, complexity of the project, number of consultants, and the responsiveness of the consultants.

**Community & Economic Development (Agency)
Interoffice Memorandum**

TO: CEDA Contract Administration

FROM: (Division Name)

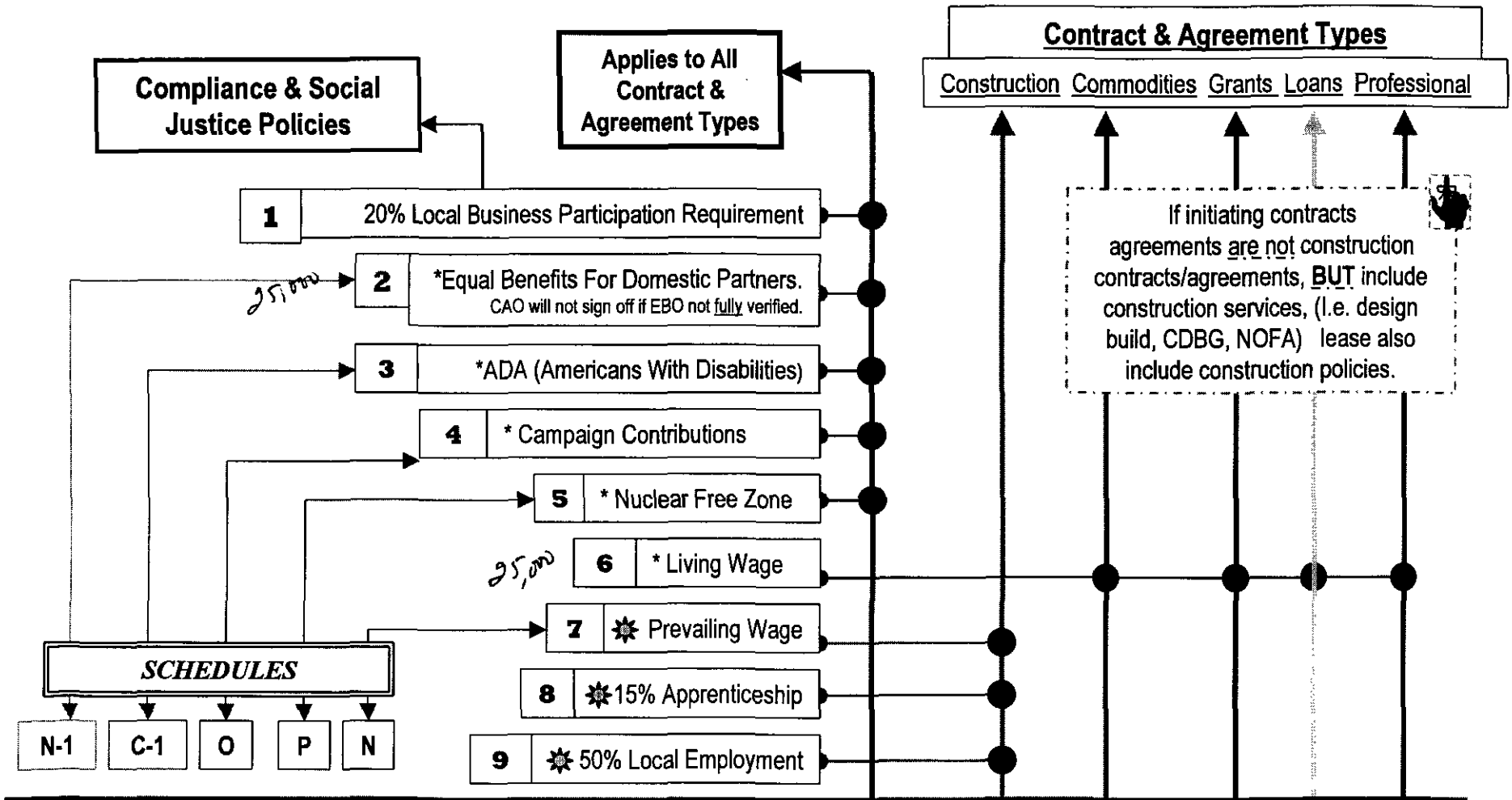
DATE: (Current date)

1. Purpose of contract/agreement
2. Fund #, org. #, account # , project #, Contract amount
3. Contract Compliance 3% assessment fee, fund #, org. #, acct. #, project #, dollar amount. If not applicable, please explain why.
4. Resolution # and date, if applicable.
5. Start and end date of agreement.
6. Note any special circumstances(s), if applicable for the reader(s) to know.
7. Contact person and phone #.
8. Sole Source – Please provide justification in the cover memo including documentation of good faith effort and if applicable a copy of the bids that did not match the service being requested.

(cc: -if applicable)

(Revised 7/30/01)

Compliance & Social Justice Policies for Contracts and Agreements that support Loans, Grants, CIPs, and Subsidized Projects



* Must be with submittals, signed with appropriate documentation attached.

* Discussed in detail at : Post Award, and/or Pre-Bid & Pre-Proposal Meetings, and Pre-Submittal Meetings for loans, NOFA and grants.

COMMUNITY AND ECONOMIC DEVELOPMENT AGENCY (CEDA)

**PROCEDURES FOR PROCESSING
PROFESSIONAL /SPECIALIZED SERVICE AGREEMENT
(\$15,000 AND ABOVE)**

NOTE:

- A. *OMC 2.04.051. Competitive Process and Qualification-based Awards for Professional Services Contracts. (a) Request for Qualifications or Proposal for Professional Services Contract in excess of \$25,000. The City Administrator, or the City administrator's designee, shall conduct a request for proposal ("RFP") or Request for Qualification ("RFQ") process for the award of contracts that exceed twenty-five thousand dollars (\$25,000) and are exempt from bidding under section 2.94.050.I.1. The City's RFP and RFQ processes shall be set forth in a City Administrator's Administrative Instruction. The RFP or RFQ requirement applies, but is not limited, to contracts for professional, technical or specialized services. The selection and award of contracts for professional service shall be based on demonstrated competence and qualifications for the types of services to be performed, at fair and reasonable prices to the city; and (b)Waiver. Upon a finding by the City Council or its designee that is in the best interests of the city, the City Council may waiver the requirement for an RFP or RFQ process.***
- B. To ensure that funding has been allocated the Interim Fiscal Services Manager will initial all agreements next to the signature line for CEDA Directors.**
- C. Attach Cover Memo and Route Slip to Professional/specialized service agreements.**
- D. To ensure that the (3%) contract compliance assessment for professional or specialized service agreements have been allocated, staff will submit appropriate documentation to Contract Administrator when submitting the agreement for review. Contract Administrator will prepare the BCR, and submit to Fiscal Services to process when contract is fully executed.**
- E. The Environmental Opportunities section will be required on Council Agenda Reports begin January 4, 2000.**
- F. The Accord Certificate of Insurance must be accompanied with the**

additional insured form #CG20 10 11 85 (or more recent) and/or CA 2048 – designated insurance form (for business auto insurance).

- G. The HUD Certification of Debarment and Suspension B form is to be completed by the primary participant (contractor) and Suspension Form B to be completed by the lower tier participant (sub-contractor).**

- H. During the term of the contract, the Project Manager will review and sign all invoices, tasks/deliverables submitted by the Contractor/consultant for payment. At the same time should there be any discrepancies found in the invoices, tasks/deliverables, the Project Manager and contractor will meet and discuss the matter, so that at the end of the contract period, there will be no delay in the release of the 10% retention.**

- I. All contracts \$25,000 and above are subject to the Equal Benefits Ordinance, Municipal Code, Chapter 2.32. that provides employee benefits to their employees with domestic partners equivalent to those provided to their employees with spouses. (Schedule N-1)**

The following procedures are to be followed for processing professional/specialized service agreement \$15,000 and above:

- 1. Schedule M: - Part A - Questionnaire to be completed by contractor.

- 2. Schedule M: - Part B - Questionnaire to be completed by the City Department or Agency representative. . Staff attaches the completed Schedules M, (Questionnaire Part A & Part B), Schedule A and submits to City Attorney's Office, Attention: **Celso Ortiz**, before submission of professional/specialized service agreement.

If the contractor's determination is denied by the CAO, the process stops. Notify your supervisor immediately for direction.

- 3. Should the contractor request an insurance waiver, staff will prepare the Insurance Requirements Modification Request form, and attach Schedules A, M, (Part A & B), Q, existing insurance documentation from contractor and signed statement from contractor on company letterhead verifying reasons for waiver or reduction of insurance requirement. Documents are submitted to Stephanie Garrabrant-Sierra for determination. (Telephone 238-7971)

- 4. Contractor submits the ACCORD Insurance Certificate, additional insured endorsement form, #CG20 11 85 (or more recent) and/or CA 20 48 -

Designated Insured form (for business auto insurance) with signature, and current business license.

5. Staff prepares professional/specialized service agreement for contractor and attaches Schedules, A, C-1, E, M, (Part A and B) O, P, and Q. **(if agreement is over \$25,000 attach Schedule N and Equal Benefits-Declaration of Nondiscrimination-Schedule N-1)**. All documents along with the cover memo and route slip are submitted to Contract Administration for review and initial. The agreement is forwarded to Contract Compliance for determination and signature. When the determination and signature is complete, Contract administration will contact staff for document pick-up.
6. Route process for execution of agreement:
 - (a) City attorney for initial
 - (b) Contractor for signature
 - (c) City Attorney for signature
 - (d) Interim Fiscal Service Manager
 - (e) CEDA Directors – Claudia Cappio/Daniel Vanderprien
 - (f) City Administrator for signature
7. Distribution of executed agreement:
 - (a) Original to Office of the City Clerk
 - (b) Original to Contractor
 - (c) Original to Contract Administration
 - (d) Copy to Interim Fiscal Manager
8. **Staff will provide Contract Compliance with copies of the Progress Payment Form, Schedule G or a facsimile of, as payment requests are received from Contractor.**
9. **Staff will complete Contractor’s Report Card, Schedule L or a facsimile of, at the middle and end of the contract period and forward to Contract Compliance.**

(Revised 01/05/05)

COMMUNITY AND ECONOMIC DEVELOPMENT AGENCY

CONTRACT ADMINISTRATION PROCEDURES FOR RFP/Q

NOTE:

1. **Budget 3% assessment fee for all Construction Contracts \$50,000 and above.**
2. **Budget 3% assessment fee for Professional/Specialized Service Agreements \$15,000 and above.**
3. **Waivers must be requested prior to contract execution and will be included as part of the agenda request to award the contract.**
4. **All RFP/Q must include the Equal Benefits Language.**
5. **Equal Benefits-Declaration of Nondiscrimination – Schedule N-1.**
6. ***OMC 2.04.051. Competitive Process and Qualification-based Awards for Professional Services Contracts. (a) Request for Qualifications or Proposal for Professional Services Contract in excess of \$25,000. The City Administrator, or the City administrator’s designee, shall conduct a request for proposal (“RFP”) or Request for Qualification (“RFQ”) process for the award of contracts that exceed twenty-five thousand dollars (\$25,000) and are exempt from bidding under section 2.94.050.I.1. The City’s RFP and RFQ processes shall be set forth in a City Administrator’s Administrative Instruction. The RFP or RFQ requirement applies, but is not limited, to contracts for professional, technical or specialized services. The selection and award of contracts for professional service shall be based on demonstrated competence and qualifications for the types of services to be performed, at fair and reasonable prices to the city; and (b) Waiver. Upon a finding by the City Council or its designee that is in the best interests of the city, the City Council may waive the requirement for an RFP or RFQ process.***

THIS IS THE TIME TO UTILIZE THE “CITY ADMINISTRATOR CONTRACT/GRANT AUTHORITY CHECKLIST.

- A. Staff forwards an electronic copy of the RFP/Q to CEDA Contract Administrator who will review to ensure that the RFP/Q includes mandatory and applicable language, etc. When the Contract Administrator completes the review the document is forwarded back to staff. Staff forwards an electronic copy of the RFP (with work order form) to Contract Compliance Manager, who will assign a Contract Officer for the pre-proposal meeting. **(staff should discuss RFP/Q, with Director to determine whether or not the document should be sent to the City Administrator before being published)**

- B. The Project Manager, listed on the RFP/Q, will submit a copy of each proposal received to Contract Compliance for review. Contract Compliance will review the proposals for the Local/Small Local Business Enterprise requirements.
The analysis will be returned to the Project Manager with a copy to Mary Joseph, Contract Administrator. The Project Manager should continue with the process of reviewing the proposals and scheduling interviews.
- C. When the negotiations are complete, the Project Manager will forward to Contract Compliance the final version of Schedule E (or a facsimile of). The Schedule E will list the dollar amounts for the sub-consultants as well as the prime. Contract Compliance will perform the final participation of percentages.
- D. After CEDA staff obtains Council approval, staff will schedule a post award meeting with a Contract Compliance Officer, ext. 238-3790.
- E. When CEDA staff issues a "Notice to Proceed" and submits an executed copy of the contract to Contract Compliance monitoring will begin.

(Revised (3/18/05))

**COMMUNITY AND ECONOMIC DEVELOPMENT AGENCY (CEDA)
PROCEDURES FOR PROCESSING
PROFESSIONAL OR SPECIALIZED SERVICE AGREEMENT**

LIMIT \$14,650-under most circumstances (FOR AGREEMENTS UNDER \$15,000)

**DO NOT SUBMIT CONTRACTS OVER THE LIMIT ESTABLISHED BY
CEDA ADMINISTRATION**

NOTE:

- 1. To ensure that funding has been allocated the Interim Fiscal Service Manager will initial all agreements next to the signature line for CEDA Directors.**
- 2. Attach the Cover Memo and Route Slip to Professional/specialized service agreements.**
- 3. The Accord Certificate of Insurance must be accompanied with the additional insured form #CG20 10 ll 35 (or more recent) and/or CA 20 48 – designated insurance form (for business auto insurance).**
- 4. During the term of the contract, the Project Manager will review and sign all invoices, tasks/deliverables submitted by the contract for payment. At the same time should there be any discrepancies found in the invoices, tasks/deliverables, the Project Manager and contractor will meet and discuss the mater, so that at the end of the contract period, there will be no delay in the release of the 10%.**

The following procedures are to be followed for processing professional/specialized service agreement **under \$14,650 or less:**

Professional or specialized service agreements in this category are not applicable to the Living Wage Ordinance.

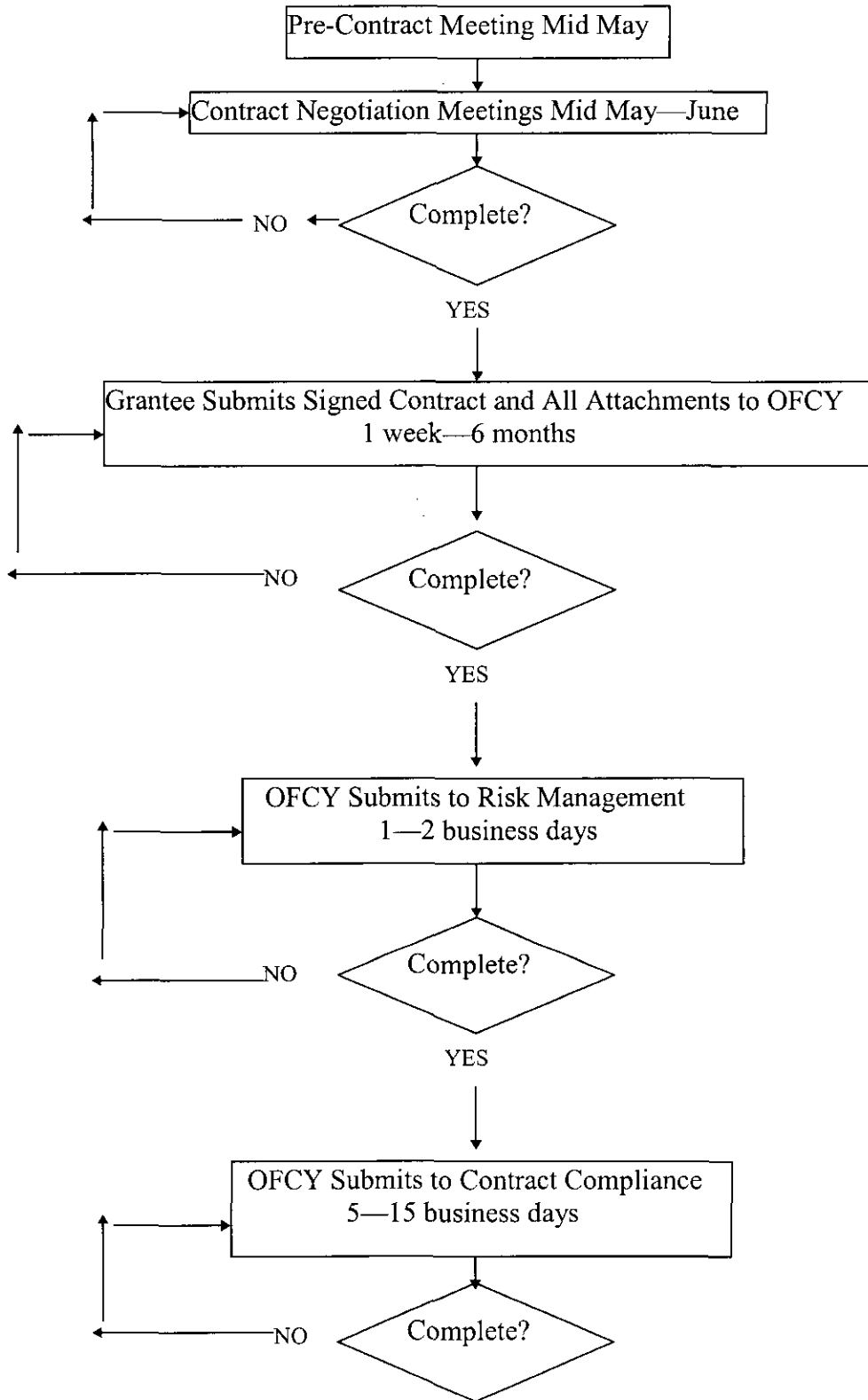
- 1. Schedule M: - Part A Questionnaire to be completed by contractor.**
- 2. Schedule M: - Part B Questionnaire to be completed by the City Department or Agency representative. Staff attaches the completed Schedule M, (Questionnaire Part A & Part B), Schedule A (Scope of Services), and submits City Attorney's Office, Attention: Celso Ortiz, **before** submission of professional/specialized service agreement.**

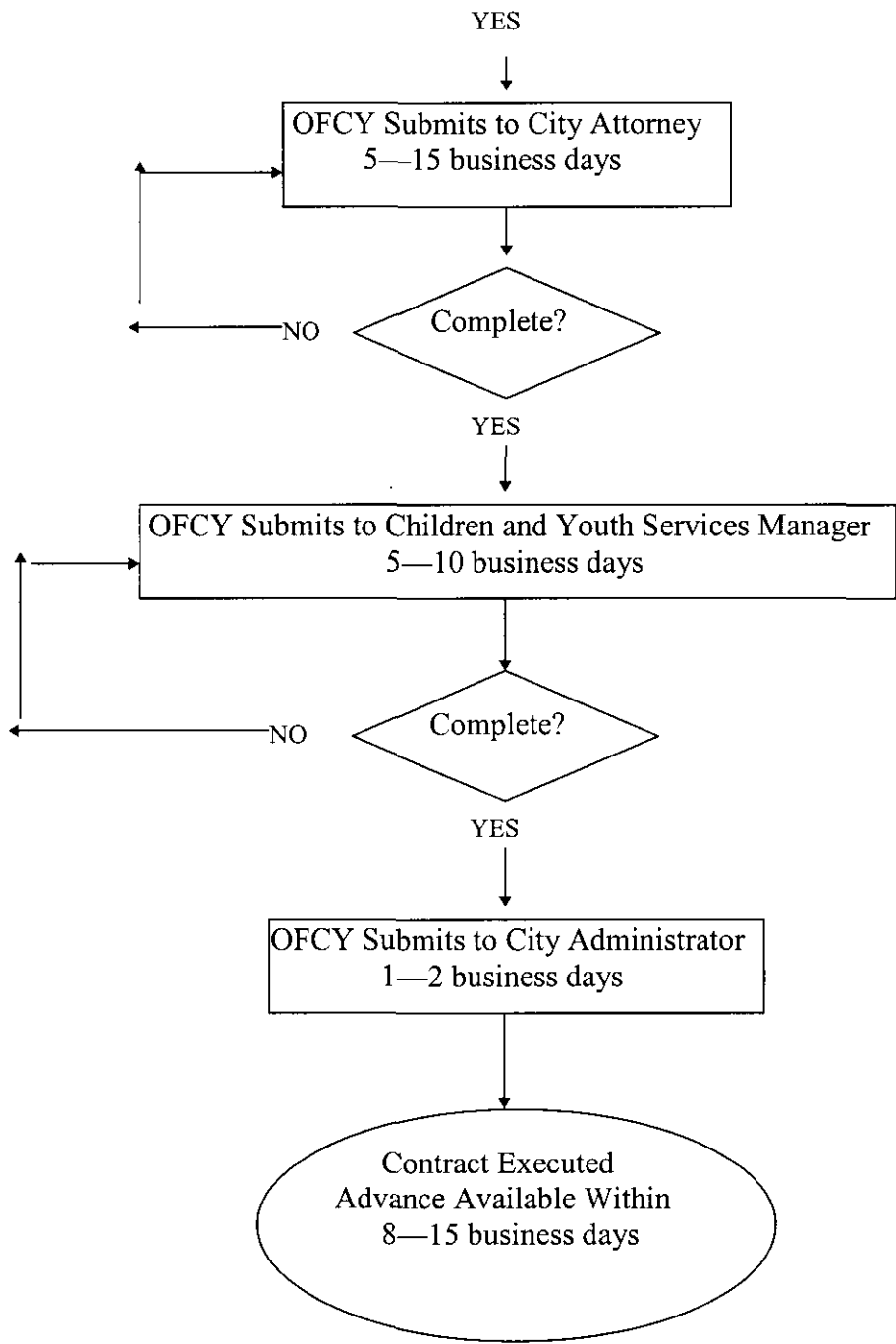
If the consultant/contractor's determination is denied by the CAO, the process stops. Notify your supervisor immediately for direction.

3. Should the contractor request an insurance waiver, **staff** will prepare the Insurance Requirements Modification Request form, and attach Schedules A, M, (Part A & B), Q, existing insurance documentation from contractor and signed statement from contractor on company letterhead verifying reasons for waiver or reduction of insurance requirement. Documents are submitted to Stephanie Garrbrant-Sierra for determination. (Telephone 238-7971)
4. Contractor submits the ACCORD Insurance Certificate, additional insured endorsement form #CG20 10 11 85 (or more recent) and/or CA 20 48 – designated Insured form (for business auto insurance) and current business license.
5. Staff prepares professional/specialized service agreement for contractor and attaches Schedules A, C-1, M, (Part A and B), O, P, and Q. All documents along with the cover memo and route slip are submitted to Contract Administration for review and initial. The agreement is forwarded to Contract Compliance for determination. When the determination is complete, Contract Administration will contact staff for document pick-up.
6. Route process for execution of agreement:
 - (a) City Attorney for initial
 - (b) Contractor for signature
 - (c) City Attorney for signature
 - (d) Interim Fiscal Service Manager for initial
 - (e) CEDA Directors – Claudia Cappio/Daniel Vanderprien
7. Distribution of executed agreement:
 - (a) Original to Contractor
 - (b) Original to Contract Administration – Mary Joseph
 - (c) Copy to CEDA Interim Fiscal Service Manager
8. **Staff will provide Contract Compliance with copies of the Progress Payment Form, Schedule G or a facsimile of, as payment requests are received from Contractor.**
9. **Staff will complete Contractor’s Report Card form, Schedule L or a facsimile of, at the middle and end of the agreement and forward to Contract Compliance.**

(8/10/04)

Oakland Fund for Children and Youth
Contract Execution Flow Chart





Oakland Fire Department
Purchasing, Professional, Technical and Consulting Service Contract Procedures

I. Preparation Phase (Requesting Division)

- Define service need
- Identify funding source & contact/project leader
- Provide product/service justification and specifications
- Obtain Division Manager approval
- Submit OFD forms 538-149 and 600-194

II. Review Phase (Personnel, Safety and Liability Division)

- Receives OFD forms 538-149 and 600-194
- Consults with OFD Budget and Accounting Division to verify fund availability
- Determines if contract follows formal or informal process
- Is an Availability Analysis required? If yes, prepare work order requesting one
- Work with Contract Compliance/Purchasing to complete the RFP/RFQ/IFB process
- Forward proposals to Contract Compliance/Purchasing for evaluation
- Works with project leader to evaluate, interview and select vendor
- Complete City Administrator Contract Authority Checklist; If City Administrator can approve, request approval. If not, prepare for Council as follows:
 - o Work with Division Manager to prepare Council Report
 - o Work with Agenda Coordinator to get item scheduled
 - o Go to Council for Approval

III. Contract Execution Phase (Personnel, Safety and Liability Division)

- Once Council or City Administrator approves, obtain executive, contractor/consultant sign off (This includes City Attorney, Risk Management, Contract Compliance)
- Forward copy of executed contract to City Clerk
- Distribute copies to contract file, requesting division and 2 copies to OFD Budget and Accounting Division
- Issue Notice to Proceed or Notice of Award and copy of executed contract to vendor and Contract Compliance/Purchasing

IV. Receipt of Deliverables/Closeout Phase (Requesting Division)

- Receive goods or services
- Insure vendor met requirements and delivered goods or services as promised
- Provide periodic reports to Personnel, Safety and Liability Division to ensure compliance
- Review and approve invoices
- Request payment through OFD Budget and Accounting Division
- Confirm contract terms have been satisfied
- Request final payment through OFD Budget and Accounting Division
- Complete Contractors Report Card
- Forward copy to Personnel, Safety and Liability Division and Contract Compliance/Purchasing

Oakland Fire Department Contract Processing Procedures

