

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS

RESOLUTIONS:

ITEM-200: Authorizing Managed Competition Consultant Support Contract and Funding.

▶ [View referenced exhibit back-up material \(Part 1 of 2\)](#).

▶ [View referenced exhibit back-up material \(Part 2 of 2\)](#).

(See Report to the City Council No. 08-092.)

**STAFF'S RECOMMENDATION:**

Adopt the following resolution:

(R-2008-1181)

Authorizing the Mayor to execute, for and on behalf of the City, an agreement with Grant Thornton LLP, for managed competition program support, under the terms and conditions set forth in the Agreement;

Declaring that the contract with Grant Thornton has an authorization to expend an amount not to exceed \$1,100,000, contingent upon the City Auditor and Comptroller first certifying that funds are available;

Authorizing the City Auditor and Comptroller to appropriate and expend an amount not to exceed \$400,000 in Business Office (Fund 100, Department 210) from the General Fund Appropriated Reserves (Fund 100, Department 602) to fund managed competition consultant support;

Declaring that this activity is exempt from California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061 (b)(3).

**STAFF SUPPORTING INFORMATION:**

Essential elements of a successful managed competition program include detailed preliminary planning and well defined, performance-based Statements of Work (SOW). In order to gain the specialized knowledge and experience necessary to support these processes, the managed competition program issued a Request for Proposals (RFP) on October 19, 2006. Four proposals were received and were evaluated separately for technical merit and price. Grant Thornton was evaluated the best value provider and was awarded a one-year contract, with four Option years. The scope of work for the consultant includes: preliminary planning including functional scoping and grouping, workload and data systems collection, market research, and determination of baseline costs; development project schedules; SOW and RFP development support; post-award support; training; and overall project support.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

RESOLUTIONS: (Continued)

ITEM-200: (Continued)

**STAFF SUPPORTING INFORMATION:** (Continued)

During the past fourteen months, the City has issued task-orders under limited notice to proceed for discrete elements of work to assist the City with program development, preliminary planning and pre-competition assessment. For Fiscal Year 2007 the City issued three task orders, expending a total of \$54,040.50. In the current fiscal year, the City has issued one task order, expending \$195,097. The total contract value to date is \$249,137.50.

This contract is an “indefinite delivery, indefinite quantity” (IDIQ) format wherein task orders are issued on an as needed basis. This contract type is used when the exact delivery times and/or quantities of services required under the contract are not known when the contract is awarded, but recurring need is anticipated. Included in the RFP was a cost comparison worksheet that dictated a set quantity of hours (6,100) and was to be completed by proposers and included as their price proposal.

This worksheet was used strictly for comparison and price proposal evaluation purposes. Therefore, despite the fact that the price proposals returned estimates in excess of the \$250,000 threshold required to bring a consulting contract to the City Council for approval, these estimates were based on an arbitrary quantity of consultant time and there was no basis to assume that this quantity of work was actually being procured.

The managed competition program has made significant progress and is now in need of more robust support to assist in SOW development. It is requested that the Council continue to provide for this program and authorize the contract.

**FISCAL CONSIDERATIONS:**

Funding to support this contract is requested in the amount of \$400,000 via transfer from Fiscal Year 2008 General Fund Appropriated Reserves. The remaining funding requirement will be drawn from the proposed Fiscal Year 2009 budget as approved by Council.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:**

- March 27, 2006 - City Council adopted Ordinance O-19474, placing on the November 7, 2006, ballot the proposition to amend Article VIII of the City Charter by adding subsection (c) regarding the use of managed competition to Section 117.
- January 9, 2007 - City Council approved Ordinance O-19565, which amended Article 2, Division 37 of the Municipal Code.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

RESOLUTIONS: (Continued)

ITEM-200: (Continued)

**STAFF SUPPORTING INFORMATION:** (Continued)

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Thirty-seven potential consultants were contacted and made aware of the RFP. The RFP was advertised in the *San Diego Daily Transcript* and posted to the City's official web site.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Interested parties include:

- The voters of the City of San Diego, who expressed their enthusiasm for a managed competition program within the City of San Diego (City) through their approval of Proposition C in November 2006
- City employees
- The City's recognized labor unions
- Local businesses
- The residents and visitors of the City of San Diego

Managed competition is intended to aide the City of San Diego in ensuring that it is delivering quality services to taxpayers, residents, and visitors in the most economical and efficient means possible.

Danegger/Goldstone

Aud. Cert. 2800894.

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