Office of Contract Management

- Manages over 400 contracts and grants from ‘cradle to grave’, including invoice approval
- Handles professional services procurements for both BFS (DHS), DAS and Admin/IT
- Conducts fiscal monitoring of grants
Office of Contract Management: Staff and Assignments

OCM Director: Esperanza Zapien, esperanza.zapien@sfgov.org

OCM - Program Liaisons:

- **DAS:** Rocio Duenas, rocio.duenas@sfgov.org
- **FCS:** Elizabeth Leone, elizabeth.leone@sfgov.org
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- **Feeding Unit:** Jennifer Grant, jennifer.grant@sfgov.org

OCM Procurement Specialist: Candace Gray, candace.gray@sfgov.org
Procurements are used when Program wants to fund a new program or renew an expired procurement.

Procurements time vary by funding source or by local legislation. The Office of Contract Management generally prefers having the procurement and contract for 4 years.
Why is the Public Procurement process so important?

Overview:
- Necessary & quality services
- Follow applicable laws, regulations, internal policies & principles
- Allow public to bid on services and contracting opportunities
- Transparent in accordance with Sunshine laws
- Internal Controls that decrease the potential of misuse of public funds

Advantages:
- Creates thoughtful process to determine Agency needs
- Allows a process to negotiate terms
- Works to obtain reasonable costs & increased returns
- Fair Competition
- Prevents the waste or misuse of public funds
### Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Contracts</td>
<td>Legally binding agreement with an exchange of consideration - usually the provision of services or a work product for funding</td>
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<tr>
<td>Grants</td>
<td>Grants are agreements that meet these requirements:</td>
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<tr>
<td></td>
<td>• Non-profit <em>(KIND OF...we’ll explain...)</em></td>
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<td>• Services don’t benefit city employees, or are mandated in some way...</td>
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<td></td>
<td>• Must be selected through a procurement process</td>
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<tr>
<td>Contractors vs. Employees</td>
<td>Contractors are not employees...</td>
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Procurement Ethics for Program Managers

- Support a competitive, fair, and transparent process
- No Conflicts of Interest

Program May Not:
- Favor a particular potential bidder
- Utilize an unsolicited proposal as a scope
- Have discussions with bidders outside process
- Influence the panel to change scores in evaluation
Program Manager Activities

- Developing a Scope
  - Developing Objectives and Deliverables
- Developing Minimum Qualifications (MQs) and Evaluation Criteria
- Panel selection
- Panel participation
- Negotiation
- Presenting at the Commission
Procurement Types - Overview

- **RFP** = Request for Proposals
- **RFQ** = Request for Qualifications - not really used anymore
- **IB** = Informal Bid
- **Sole Source Waiver** = an exception to the bidding process:
  - Goods & services only available from one source
  - Government entity; such as School District, Department of Rehab
  - Only one prospective vendor is willing to enter into a contract with the city
  - In order to comply with applicable law or funding source
  - Licensed or patented good or service
Procurement Types in Detail

- **RFP = Request for Proposals**
  - Most commonly used mechanism
  - Bid packet is widely advertised by the City’s website, newspapers and specialized mailing to CARBON vendors
  - Bidders submit proposals, they are scored by Review Panel, and awarded to top scorer(s)
  - Can take 3-6 months from start to finish
    - Standard Release Time: 5 or 6 weeks from release date to bids due date

- **RFQ = Request for Qualifications**
  - Phasing out this mechanism
  - Can take 3-6 months from start to finish
  - Former RFQ Process (obsolete): Bidders submit proposals, they are reviewed for MQ’s, then scored, Program can choose vendor from the resulting pool...
  - Current RFQ Process: Bidders submit proposals, they are reviewed for Minimum Qualifications (MQs), scored, a secondary selection process is run where pool of bidders is scored, award goes to top scorer(s) - now a two-tier process that could take longer than RFP...
Procurement Types in Detail

- **IB = Informal Bid**
  - For agreements with NTE of $200k or less
  - No formal advertising; no bidders conference
  - *Quicker turnaround* → about a month from start to finish, with IB out for release for 2-3 weeks
  - Program provides Contracts Dept. with 3 or so vendors to send IB to for potential bidding
  - Bids received by due date are evaluated by Review Panel for scoring & award
  - Personal Services Contracts (PSC) will still be needed if contract is with a For-Profit provider
    - $100k or less = Expedited PSC = 30 days for approval
    - Over $100k = Regular PSC = 4 months for approval
Procurement Types in Detail

- **Sole Source Waiver**—exception to solicitation; requires:
  - Justification Memo
  - Budget (price quote) & Term
  - Vendor Letter confirming sole source exception
  - Approval by HSA for Grants, and the City’s Office of Contract Management for Contracts
### Procurement Information Needed by Contracts

<table>
<thead>
<tr>
<th>Procurement Info Needed Up Front:</th>
<th>Why It’s Important for Contracts:</th>
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<tbody>
<tr>
<td>Service/Program category</td>
<td>Determines which Commission</td>
</tr>
<tr>
<td>Annual Estimated Amount</td>
<td>If over $10 million, could trigger BOS which is a lengthy, separate process</td>
</tr>
<tr>
<td>Estimated Term (start date/length in years)</td>
<td>Determines which Commission month</td>
</tr>
<tr>
<td>Funding Source</td>
<td>If Local/GF only, could trigger local requirements</td>
</tr>
<tr>
<td>For-Profit vendor likely?</td>
<td>For-profits trigger OCA &amp; PSC approvals (both lengthier, time-consuming processes)</td>
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<tr>
<td>Multiple awards?</td>
<td>More certifications = more work for Contracts!</td>
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Main Steps in Procurement Process Overview:

Main Steps:
1. Draft RFP/IB & get approvals
2. Publish procurement / Submit Review Panel names
3. Bidders Conference
4. Q&A
5. Bids Due / Review Panel /Scoring
6. Recommendation Memo issued / Tentative Award Letter Issued

Then → Negotiation
Main Steps in Procurement Process

1. Draft RFP (or IB) & Get Approvals

- Program informs Contracts of upcoming procurement need
  - Ideally, it is already on annual procurement schedule
  - Inform via email, through Department Liaisons, not CMs directly (Liaison will assign the procurement to a CM)

- Contract Manager & Program Manager work together on finalizing procurement Draft
  - CM confirms Budget & Revenue, plus key procurement dates/deadlines
  - PM drafts programmatic language of procurement
  - PM should be thinking of names for potential Review Panelists

- Contract Manager routes final procurement to all approving parties before publishing
Main Steps in Procurement Process
1. Draft RFP (or IB) & Get Approvals, con’t.

Developing A Scope

- Clarity on service and activities
- Clearly delineate contractor vs. city responsibilities
- Must make sense in terms of implementation
- Must have mutual agreement and understanding
- Balance between specificity and flexibility
Main Steps in Procurement Process

1. Draft Procurement & Get Approvals, con’t.

Developing Objectives & Deliverables

Objectives measure the delivery and impact of services

- **Service objectives** generally capture the quantities of service
  - Number of clients, time frames, units of services, completion
  - i.e. *How many widgets they make?*

- **Outcome objectives** measure larger impact of services and changes in conditions
  - What is the end or ultimate goal of program?
  - Discussion on customer satisfaction surveys—can be problematic if only measure
  - i.e. *How do we know the widgets work?*

- **Deliverables** are the end products of certain contracts, depending on how a contract is framed

- **Various considerations:** how to measure, cost of tracking, documentation, standardizations
Main Steps in Procurement Process


2. Publish Procurement - Contracts Department releases procurement on City website, via email, publishing in local newspapers
   - PM submits 3 or more names to Contracts for Review Panel

3. Bidders Conference - OCM Procurement Specialist will facilitate meeting, with primary info coming from PM; Contracts staff records meeting and all bidder questions

4. Q&A:
   - Bidders will have until 2 business days after the Bidders Conference to submit questions via email to Contracts Staff
   - CM works with PM to answer any outstanding questions regarding the procurement
   - Contracts Staff will release Q&A to all conference attendees, email inquiries, and post it with the main procurement on the City’s website
Main Steps in Procurement Process
5. Bids Due / Review Panel / Scoring

Bids Due - Contracts Department will confirm receipt within 1 business day

Review Panel - Contracts Department will facilitate review panel, either in person or via zoom meeting
  ▶ Before Review Panel, Contracts reviews proposals to make sure each one meets MQs before they’re sent to the review panel for final evaluation & scoring

Scoring - Contracts Department will tabulate the panelists scores and create spreadsheet that shows each bidder, their score, and the order of scoring
Main Steps in Procurement Process
5. Bids Due / Review Panel / Scoring, con’t.
Reviewing the MQs and Evaluation Criteria

- Minimum Qualifications (MQs) are designed to either have a ‘wide door’ or a ‘narrow’ door to eliminate agencies that cannot provide services and may limit review to those most capable
  - usually minimum years of experience, could include qualifications and licenses, very concrete and easy to determine

- Evaluation Criteria = program approach and services, organizational capacity, budget and fiscal; are the sole basis on which proposals are scored
  - These can and should be tailored to assist the department in selecting the best provider, without any unfair bias
Main Steps in Procurement Process
5. Bids Due / Review Panel / Scoring, con’t.
Panel Selection

- Program recommends panel members who meet the following criteria
  - Panel as a whole should have broad subject matter expertise including:
    - Knowledge of services, field and clients
    - Understanding of program implementation and management
    - Understanding of budgets and fiscal
    - Technical knowledge as needed
    - No blind spots
  - Other Requirements:
    - Diverse
    - No conflicts of interest
    - Cannot be a program director or staff who have worked on the RFP
    - No more than 50% can be within the department
    - Must be able to evaluate and score based on criteria and the materials provided
- We usually have an odd number (3-5) for tie breakers and more panelists on very competitive or contentious RFPs
Main Steps in Procurement Process

5. Bids Due / Review Panel / Scoring, con’t.

Panel Participation

► For most RFPs, Program may sit with a panel discussion to observe and to answer questions

► Program has an Informational Role, cannot add or change any criteria as written in the public document

► Should not communicate anything to unduly influence the panel and scoring

► We have thrown out panels due to this issue more than once
Main Steps in Procurement Process
6. Recommendation Memo & Tentative Award

Recommendation Memo issued:
- Contracts Department will confer with Program regarding the number of awards
- OCM Procurement Specialist will issue Recommendation Memo based on highest score(s) and number of awards - Deputy of Admin and Finance and Executive Director approves...

Tentative Award Letter issued:
- Contracts will issue award, PM is cc’d
- CM will begin Negotiation - either via zoom with Program or via email, if not complicated
Negotiation

- Contracts staff facilitates negotiation meeting(s)
- Have a pre-meeting or discussion with your Contract Manager before negotiation
- Know your bottom lines
- Provide clarity in writing, preferable if scope can be sent before meeting
- Strive for mutual understanding
- Strive for success, not simply the best deal from a financial perspective
- Balance between too much detail and too little detail
- Work product is the Scope (Appendix A) and the Budget (Appendix B)
Presenting at the Commission

- Invite the Contractor/Grantee
- Follow the script provided to you by another PM or by your CM
- Know your program
- Dress professionally
- Anticipate questions
- Be ready to answer questions or to defer
Working Together

- Cooperation
- Understanding the process
- Planning ahead
- Hitting deadlines
- Mutual decision-making
- Regular communication
THANK YOU!

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