REPORT TO COUNCIL
City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
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Consent
September 11, 2007

Continued from 9-11-07

Honorable Mayor and
Members of the City Council

Title: Agreement: Consulting Services to Review and Revise Procurement Related Policies and Procedures

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** authorizing the City Manager to execute an agreement with CGI Technologies to provide consulting services related to procurement policies, procedures and operations in an amount not to exceed $100,000.

Contact: Russell Fehr, Finance Director, (916) 808-5832

Presenters: None

Department: Finance

Division: Administration

Organization No: 1111

Description/Analysis

Issue:

In April 2006, the City Internal Auditor submitted a report to the Mayor and City Council related to the City's procurement policies and procedures. This report recommended revising several procurement administrative policy instructions (API's) and operating procedures. Several of these recommendations have been addressed. However, staff has determined that it is in the City's best interest to retain a consultant to assist with the remaining procurement recommendations to ensure that the City implements the best industry practices and standards.

On May 30, 2007, the Department of Finance issued a Request for Proposal (RFP) for Procurement Policies, Procedures, and Operations (RFP # P071111003). On July 13, 2007, the City received seven responses. Proposals were reviewed based on qualifications, experience, and price. Staff is requesting authorization to execute an agreement with CGI Technologies in amount not to exceed $100,000.

Policy Considerations: The Request for Proposal process was consistent with City policies.

Environmental Considerations: This project has been determined to be exempt from the requirements of the California Environmental Quality Act (CEQA), under Section 15061(b)(3) of the CEQA Guidelines, which states that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and Section 15378(b)(2) of the CEQA Guidelines which states that CEQA review is not required for continuing administrative or maintenance activities.

Rational for Recommendation: Retaining the services of a consultant will help to ensure the inclusion of best practices and standards in the City's procurement policies and procedures.

Financial Considerations: The cost of the procurement consulting services will be paid from the Department of Finance operating budget. No additional funds are requested.

Emerging Small Business Development (ESBD): Two of the seven proposals are certified with the City of Sacramento as Small Business Enterprise (SBE). CGI Technologies is not certified with the City of Sacramento as a small business.

Respectfully Submitted by: _____
Tina Lee-Vogt
Administration Division Manager

Approved by: _____
Russell Fehr
Director of Finance

Recommendation Approved:

_____
for Ray Kerridge
City Manager

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Attachment 1

Background

In April 2006, the City Internal Auditor submitted a report to the Mayor and City Council, *Bidding and Contract Processes Administration: The General Services Department and the Office of the City Clerk*. This report presented five categories of findings with 38 recommendations. Management has taken action to resolve eleven of these recommendations. Staff from several departments including the Department of Transportation, the Department of Utilities, and the Department of General Services has been working to address and resolve the remaining issues. However, it has become evident that additional assistance is needed to address and resolve these issues. Staff has selected CGI Technologies as the most qualified consultant for the project.

CGI Technologies will assist staff by reviewing current City policies and procedures, identifying best practices, and recommending revisions to City policies and procedures consistent with the audit report. In addition to addressing the unresolved audit recommendations, CGI will assist the City with development of policies and procedures related to the electronic Citywide Accounting and Payroll System (eCAPS). CGI will also review current procurement operations and provide recommendations for operational and/or organizational changes and efficiencies.

Attachment 2

Proposal Pricing Information

Proposer	SBE	Proposed Cost
The Claro Group	N	$ 265,000.00
Performance Management Partners	N	$ 120,700.00
Third Wave	Y	$ 100,000.00
CGI Technologies & Solutions	**N**	**$ 99,827.00**
Berry Dunn McNeil & Parker	N	$ 96,150.00
Cambria Solutions	N	$ 92,560.00
Calyptus Consulting Group	N	$ 84,670.00
Matrix Consulting	Y	$ 75,000.00

RESOLUTION NO.

Adopted by the Sacramento City Council

Agreement: Consulting Services to Review and Revise Procurement Related Policies and Procedures

BACKGROUND

A. In April 2006, the City Internal Auditor submitted a report to the Mayor and City Council, *Bidding and Contract Processes Administration: The General Services Department and the Office of the City Clerk.*

B. Management has taken action to resolve eleven of the 38 recommendations included in the report. To address and resolve the remaining issues, staff has determined that additional assistance from a consultant with procurement experience is needed.

C. On May 30, 2007, the Department of Finance issued a Request for Proposal for consulting services to review and recommend revisions regarding procurement related policies, procedures and operations.

D. On July 13, 2007, seven proposals were received. These proposals were reviewed and evaluated based on qualifications, experience, and price. After the initial proposal evaluation and interviews, staff selected CGI Technologies as the consultant for the project.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Manager is hereby authorized to execute an agreement with CGI Technologies for consulting services to review and recommend revisions to procurement related policies, procedures and operations, for an amount not to exceed $100,000.