

TO: BOARD OF SUPERVISORS
 FROM: INTERNAL OPERATIONS COMMITTEE
 DATE: FEBRUARY 6, 2006
 SUBJECT: INTERNET-BASED AUTOMATION OF COUNTY OUTREACH PROGRAM



Contra Costa County

D.4

SPECIFIC REQUEST(S) OR RECOMMENDATION(S) & BACKGROUND AND JUSTIFICATION

RECOMMENDATIONS:

1. APPROVE and DIRECT the General Services Director, under the oversight of the County Administrator's Office, to implement *e-Outreach* for the purchase of commodities and routine services (as defined by the Purchasing Agent) over \$10,000.
2. APPROVE and AUTHORIZE the General Services Director, or designee, to execute a service agreement with RFP Depot to provide an Internet-based platform to implement the *e-Outreach* process.
3. DIRECT that transactions identified by departments as Small Business Enterprise (SBE) Program transactions shall be advertised by General Services Department (GSD) Purchasing as available only for County-certified SBEs.
4. DIRECT that County departments may conduct outreach on individual purchasing transactions of \$10,000 or less using the *e-Outreach* process or independently, at their own discretion.
5. ADOPT revisions to the Purchasing Outreach Program in Attachment 2.

CONTINUED ON ATTACHMENT: YES

SIGNATURE: Julie Enza

RECOMMENDATION OF COUNTY ADMINISTRATOR
 APPROVE _____ OTHER _____

RECOMMENDATION OF BOARD COMMITTEE

SIGNATURE(S): ABSENT
 GAYLE B. UJLKEMA, CHAIR

MARK DeSAULNIER
 MARK DeSAULNIER

ACTION OF BOARD ON 1/28/06 APPROVE AS RECOMMENDED OTHER

VOTE OF SUPERVISORS

UNANIMOUS (ABSENT) II

AYES: _____ NOES: _____
 ABSENT: _____ ABSTAIN: _____

INCLUDED CORRECTED ATTACHMENT 2

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF AN ACTION TAKEN AND ENTERED ON THE MINUTES OF THE BOARD OF SUPERVISORS ON THE DATE SHOWN.

CONTACT: JULIE ENZA (925) 335-1077

ATTESTED: FEBRUARY 28, 2006

CC: INTERNAL OPERATIONS COMMITTEE STAFF
 COUNTY ADMINISTRATOR
 GENERAL SERVICES DIRECTOR

JOHN SWEETEN, CLERK OF THE BOARD OF SUPERVISORS AND COUNTY ADMINISTRATOR

BY Teri O'Keefe DEPUTY

6. DIRECT GSD Purchasing to send notification letters to all vendors in its vendor database and in the County's SBE and Outreach vendor databases to inform them that bids for purchasing transactions will be conducted through the *e-Outreach* process, and to provide information to enable vendors to register with RFP Depot.
7. DIRECT the County Administrator's Office and General Services Department to coordinate and conduct informational workshops and training to explain the *e-Outreach* process to County departmental staff and interested vendors.
8. DIRECT the County Administrator's Office and General Services Department to report to the Internal Operations Committee in six months on the status of the program.

FISCAL IMPACT:

No additional County cost is anticipated. Cost savings through procedural efficiencies and increased competition is anticipated. For further explanation, reference the following "Outreach Cost".

BACKGROUND:

For several years, the County Administrator's Office has been attempting to develop an automated system to advertise County business opportunities to the broadest group of vendors possible, and to standardize and automate performance reporting under the Small Business Enterprise and Outreach Programs. Several factors hindered efforts to complete such a system – primarily limited staff resources; the scheduled implementation of other, high-priority Countywide systems; and the availability of affordable technology to accomplish the task. Efforts continued, nevertheless, and the General Services Department, under direction from the County Administrator's Office, recently presented our Committee with an online demonstration of an internet-based outreach and electronic bidding process entitled "*e-Outreach*," which is expected to meet and possibly exceed our goals for streamlining and improving the County's Outreach Program.

The General Services Department Purchasing Division (GSD Purchasing) evaluated several online bid listing services to determine the feasibility of securing an internet-based system to support the objectives and improve the effectiveness of the County's Purchasing Outreach Program. As a result of that evaluation, GSD Purchasing determined that the *e-Outreach* program, hosted by RFP Depot, best meets the County's needs, goals, and objectives:

- ◆ Enhance countywide department advertisement to a larger representative group (including MBEs, WBEs, SBEs, OBEs, LBEs, and DVBES) to inform businesses about contracting opportunities with Contra Costa County.
- ◆ Provide a standard procedure with a single point of access to allow businesses to take advantage of County contracting opportunities.

- ◆ Implement an improved purchasing outreach process that compliments existing purchasing policies and procedures, is cost effective, and supports County departments.
- ◆ Establish a uniform and centralized procedure to review, report, evaluate, and monitor the efforts of County departments to advertise and award contracts for commodities that is easy to prepare, simple to understand, and eliminates labor intensive efforts by departments to produce current Purchasing Outreach Program reports.
- ◆ Achieve cost savings and higher quality goods and services through advertising to a broader vendor pool and increasing competition.
- ◆ Enhance contracting opportunities by providing Contra Costa County businesses with access to Bay Area, California, and nationwide business opportunities.

GSD Purchasing has been piloting the program for several months for purchases it makes on behalf of County departments. Based on this successful pilot and based on an online presentation facilitated by RFP Depot at our Committee's regular meeting on February 6, 2006, we are recommending that the Board extend the *e-Outreach* service to all County purchases covered under the Outreach Program.

We understand that the County Counsel's Office has been consulted and has no legal concerns with the implementation of *e-Outreach*, as proposed.

We understand that prior to making this recommendation to the Board of Supervisors, the General Services Department will present the *e-Outreach* proposal to County department heads and to the Advisory Council on Equal Employment Opportunity to provide an opportunity for questions and comments, and to receive feedback that might affect the implementation of the program.

What is e-Outreach?

E-Outreach can provide internet-based notification of County business opportunities to potential vendors for the purchase of commodities, and a single registration point of access for businesses. *E-Outreach* can also provide a uniform, centralized, and efficient procedure for County departments to outreach to businesses and report information related to these outreach efforts. *E-Outreach* can automatically document purchasing transactions and produce reports required under the County's Outreach Program.

Centralized online business registration and outreach can enable the County to focus the business community on one convenient location for County business opportunity information. The County, through marketing and educational activities, can create a business opportunity identity that can be readily and conveniently accessed by the larger business community.

Who is RFP Depot?

The RFP Depot website, which would host *e-Outreach*, serves as a central point for public agencies from across the United States to list business opportunities. The website is built on a database comprising over

200,000 national vendors. The database includes the GSD Purchasing vendor directory and the County's SBE and Outreach vendor directories.

Once registered with RFP Depot, vendors receive access to their own online vendor record and may select one or more National Institute of Governmental Purchasing (NIGP) commodity codes to identify the goods and/or services they supply.

Whenever a bid opportunity for a particular NIGP code from any public agency is placed on the RFP Depot site, all of the vendors registered for that NIGP commodity will be notified via email or facsimile of the bid opportunity. RFP Depot also supports vendors by providing training on how to use the website to respond to solicitations. Vendors may also receive assistance from RFP Depot through toll-free telephone support.

e-Outreach Transaction Process

The *e-Outreach* process would require County departments to select a departmental representative responsible for assigning purchasing responsibilities and authority/security levels to selected department personnel. GSD Purchasing will provide County departments access to the RFP Depot website in accordance with authorized assignments.

As proposed, for purchasing transactions of \$10,000 or more, departments would submit a requisition to GSD Purchasing to list the bid using *e-Outreach*. Access outside of GSD Purchasing would be limited to listing bid opportunities directly on the RFP Depot website within pre-defined criteria such as requests for proposals or qualifications within the purchasing thresholds.

Depending upon the transaction type and dollar value, GSD Purchasing or departments will evaluate the bids, select a winning bid, and complete the requisition approval process and forward it to GSD Purchasing. Upon receipt of the approved requisition, GSD Purchasing will issue a Purchase Order to the selected vendor.

e-Outreach Reporting

E-Outreach process can provide all reporting required under the current Purchasing Outreach Program for purchasing transactions over \$10,000 and the Small Business Enterprise (SBE) Program for transactions under \$50,000. GSD Purchasing would prepare SBE reports under \$10,000 for all departments. Manual tracking and compilation by departments would no longer be necessary for purchasing transactions.

e-Outreach Cost

RFP Depot Service Fee. Vendors can register, view, download documents, and respond to bid advertisements through RFP Depot at no cost and the County can post its business opportunities at no cost. Bid opportunities are sent to registered vendors automatically via email or Fax.

RFP Depot charges a service fee (typically 1%-2%) to vendors upon award of a contract, which is defined

in the terms and conditions of the bid. Since all vendors registered with RFP Depot agree to the service fee as a condition of submitting a bid, the service fee has no adverse impact on the fairness of the competitive bid process.

County Department Cost Savings and Increased Productivity. It is anticipated that County departments will realize cost savings and operational efficiencies as a result of the *e-Outreach* process. Cost savings are expected as a result of increased competition. Operational efficiencies are expected as a result of the centralized and automated reporting capabilities of the *e-Outreach* process, which can replace departmental reporting under the current SBE and Purchasing Outreach programs.

e-Outreach Implementation Plan

At the outset, we are recommending that *e-Outreach* be limited to the purchase of commodities and simple purchasing services such as equipment maintenance and building-related services. As County departments gain proficiency with *e-Outreach*, it may be worthwhile to further evaluate whether or not *e-Outreach* would be appropriate for other County contracting opportunities such as construction and professional/personal services contracts. For this reason, we are also recommending that staff report back to the Internal Operations Committee six months from implementation on the progress of the program.

We are also recommending that *e-Outreach* through GSD Purchasing be made applicable to all purchasing contracts over \$10,000, consistent with the County Outreach Program purchasing threshold. Contracts designated as SBE contracts by departments with Purchasing Source Discretion will be advertised as available only for Contra Costa County certified SBEs. Departments may process individual purchasing transactions of \$10,000 or less through RFP Depot or independently.

Attachments:

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| Attachment 1. | <i>e-Outreach Frequently Asked Questions</i> |
| Attachment 2. | <i>Proposed Revisions to the Purchasing Outreach Program</i> |
| Attachment 3. | <i>Comparison of e-Outreach, Outreach, and SBE Program</i> |

