

# Report from the City Auditor

## A STUDY OF INFRASTRUCTURE CONTRACT PROCESSING TIMES



OFFICE OF THE CITY AUDITOR

APRIL 2002  
01-R-12

# City of Palo Alto

Office of the City Auditor

April 16, 2002

The Honorable City Council  
Attn: Policy and Services Committee  
Palo Alto, California

The City Manager established the CityWorks Contract Streamlining Team in November 2001 to improve the City's infrastructure contracting process. With millions of dollars of projects in the pipeline to address the City Council's Top 5 Priority on infrastructure, staff was concerned that the contracting process could impact the success of the infrastructure program. The City Auditor's Office designed this study to assist the Team in identifying bottlenecks, redundancies, and opportunities for improvement.

Our study indicates that there is room for the City to improve its contract processing times. Average contract processing times range from 43 to 120 days in other municipalities. Our analysis shows that Palo Alto's median time for processing infrastructure contracts is approximately 137 days.

A more detailed analysis of our contracting process showed wide variation in processing times, and revealed that some infrastructure contracts are already being processed faster than others. We look forward to helping the Team identify and propagate these best practices, at the same time targeting down time and rework.

Flowcharts (attached in Appendices B and C) demonstrate the complexity of the current process – many steps, many hands, and multiple departments – and point to redundant levels of review and opportunities for simultaneous processing.

We have reviewed this information with the City Manager, Executive Staff, the CityWorks Contract Streamlining Team, and the City Manager's Infrastructure Team. City staff is determined to improve this process, and I believe they found the information useful. The City Manager's response is attached.

We appreciate the cooperation of staff from several departments who facilitated this study. I look forward to working with the CityWorks Contract Streamlining Team to develop specific procedural recommendations that will improve the timeliness of the infrastructure contracting process while maintaining an adequate system of internal controls.

Respectfully submitted



Sharon W. Erickson  
City Auditor

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## INTRODUCTION

In accordance with the City Auditor's 2001-02 Annual Plan and in cooperation with the CityWorks Contract Streamlining Team (Team), we have prepared a study of infrastructure contract processing times. The purpose of our study was to provide the Team with baseline information that it can use to restructure and improve the infrastructure contracting process. Therefore, this report is informational in nature, and does not include audit findings or recommendations.

This project is one of several on the City Auditor's Annual Plan that emphasize collaboration between the City Auditor's Office and other City staff. These projects were designed to use the independent, analytical skills of the City Auditor's Office to support staff initiatives without impairing the City Auditor's organizational independence. We conducted this review in accordance with generally accepted government auditing standards and limited our work to those areas specified in the Scope and Methodology section of this report.

The City Auditor's Office would like to thank the members of the CityWorks Contract Streamlining Team, City Manager's Office, City Attorney's Office, Information Technology and Purchasing Divisions of the Administrative Services Department, Public Works Department, and Utilities Department for their assistance and cooperation during this project.

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### Background

The City of Palo Alto (City) is responsible for constructing and maintaining a wide range of public facilities and other infrastructure improvements including parks, landscaping, open space, buildings and facilities, streets, sidewalks, medians, utility distribution systems, and waste water systems. The City expects to commit a total of \$240 million to capital improvement projects from 2001 to 2006, including CityWorks projects to rehabilitate the City's General Fund infrastructure. The City uses the services of professional architects, engineers, and contractors to design and complete infrastructure projects.

Infrastructure contracts over \$25,000 are usually initiated through the Invitation for Bid (IFB) or the Request for Proposal (RFP) processes. Where project specifications are exact and detailed (such as construction work), the City uses the IFB process which requires formal competitive bidding. Where project specifications require solution to a problem or an architectural or engineering design, the City follows the RFP contracting process in which

competing proposals are evaluated using pre-determined criteria to judge each proposer's expertise and experience.

Each infrastructure contract involves a number of City departments. Project managers and/or infrastructure planners in the initiating department prepare technical specifications or scopes of services. Contract managers in the Purchasing Division of the Administrative Services Department (Purchasing) use that information to assemble IFB or RFP packages, and distribute the packages to prospective vendors. The City Attorney's Office reviews preliminary and final contract documents. Department directors and the City Manager approve and sign purchase requisitions, Council memoranda, and legal documents as necessary. Contracts over \$65,000 require City Council approval, with the Mayor and City Clerk signing the final contract.

In November 2001, the City Manager's Office and Public Works Department assembled the CityWorks Contract Streamlining Team to improve the infrastructure contracting process. The Team is a cross-departmental effort with members from the Administrative Services Department, the City Attorney's Office, the Community Services Department, the Public Works Department, the Utilities Department, and the City Auditor's Office.

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## **Scope and Methodology**

We researched authoritative sources for contract cycle times for infrastructure items, and conducted telephone interviews of several other cities and a major local company to obtain their estimates of contract cycle times for construction items requiring formal bids.

With the assistance of the Information Technology Division, we extracted a list of capital improvement project contracts over \$25,000 from the City's Integrated Fund Accounting System (IFAS). We selected contracts administered by Community Services, Public Works, and Utilities Departments, that were finalized during the eighteen months ended December 31, 2001. We excluded change orders, sole source acquisitions, and emergency contracts. We did not test the reliability and accuracy of all of the data provided in the report. We used this list to estimate average contract cycle times from the purchase requisition entry date to the purchase order print date for 66 contracts. Although limited by the fact that some departments enter purchasing documents into IFAS at a different stage than other departments, IFAS does provide a convenient measurement of overall cycle time.

We used contract documents, correspondence, and project tracking logs to estimate cycle times for several activities within

the contracting process for 28 of the 66 contracts. We selected this limited sample of contracts based on availability of information and type of contract.

We reviewed City manuals dealing with infrastructure contracts, reviewed previously prepared flowcharts dealing with various facets of the contracting process, and spoke with City staff to obtain information about phases of the contracting cycle. We used this information to prepare flowcharts of the IFB and RFP contracting processes.



# ANALYSIS

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## Summary

The CityWorks Contract Streamlining Team is focused on improving the City's infrastructure contracting process. Our study revealed:

- Comparison processing times indicating opportunities for improvement;
- Time analyses showing wide variations in processing times and may help identify the reasons that some contracts are processed more quickly and efficiently than others; and
- Flowcharts illustrating the complexity of the current process and can be used to identify potential redundancies and opportunities for simultaneous processing.

We concur with and support the Team's objective of improving the efficiency and effectiveness of the infrastructure contract process. We look forward to working with the Team to identify opportunities for reducing the time it takes to process an infrastructure contract.

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## Comparison Processing Times

Contract processing cycle times are available from various sources such as authoritative texts and organizations, private industry, and other cities.

### Purchase Order Processing Times

The book *Municipal Benchmarks*<sup>1</sup> cites various examples of purchase order processing times as follows:

- Orlando, Florida awards 92 percent of sealed bids within 60 days;
- San Antonio, Texas averages 62 days to process formal bids;
- Fort Collins, Colorado reports 64.6 days from requisition to purchase order (sealed bids); and
- Tempe, Arizona reports a turnaround time of 80.4 days for purchase orders requiring formal bids.

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<sup>1</sup> David N. Ammons, *Municipal Benchmarks: Assessing Local Performance and Establishing Community Standards* (Thousand Oaks, CA: Sage Publications, Inc., 2001)



## Contract Processing Times

The Center for Advanced Purchasing Studies in Tempe, Arizona, prepared a benchmarking study of municipal government contract cycle times in August 2001. The study included contract cycle times for items requiring formal bid and proposal/negotiated items for data year 2000 as shown in Table 1.

Table 1: Purchasing Performance Benchmarking Study for Municipal Governments<sup>2</sup>

Benchmark	Average	Minimum	Maximum	Number of Cities Reporting
Average cycle time (in days) for properly prepared and approved purchase requisitions for formal bids	43	6	124	27
Average cycle time (in days) for properly prepared and approved purchase requisitions for proposal/negotiated procurement	60	5	180	26

## Construction Contract Processing Times

We also obtained estimates of construction contract processing times from four California cities. In phone interviews, staff estimated construction contract processing times (bid package preparation through contract signing) as follows:

Table 2: Construction Contract Processing Times

City	Number of Days
Azusa, CA	90 to 120
Burbank, CA	90 to 180 (111 Average)
Santa Clara, CA	60 to 120
Sunnyvale, CA	84 (Average)

## Private Sector Comparison

To get the private sector perspective, we spoke with a Contracts Analyst from a large, local company who estimated that their infrastructure procurements take from 90 to 120 days.

<sup>2</sup> Center for Advanced Purchasing Studies: *Purchasing Performance Benchmarking Study for Municipal Governments* ([www.capsresearch.org](http://www.capsresearch.org), 2001)

## Palo Alto's Current Infrastructure Contract Processing Time

In comparison, we estimate Palo Alto's median time<sup>3</sup> for processing infrastructure contracts (from requisition to purchase order) is approximately 137 days. The average number of days is 145. This estimate is based on a partial listing of 66 infrastructure contracts finalized between July 2000 and December 2001 (see Appendix A).

Average processing times in other municipalities generally ranged from 43 to 120 days, but did not indicate any one "best" time. Still, Palo Alto's 137-day median time indicates that there is room for the City to improve its cycle time for infrastructure contracts.

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### Time Analysis Demonstrates Wide Variation in Cycle Times

To help pinpoint the causes of long cycle times, we provided the Team more details on 28 of the 66 contracts in our sample. Our analysis shows wide variations in elapsed times for the various activities within the IFB and RFP contracting processes, and indicates opportunities for improvement.

#### IFB Cycle Times

As shown in Table 3, total cycle time for our sample of 16 IFB contracts ranged from 69 to 295 days, with an average cycle time of 152 days. The processing times for eight activities within the IFB cycle varied widely.

Table 3: Invitation for Bid Activity Cycle Times (In Days)

Description of Activity	Average	Range
Sample Contracts Processing Time	152	69 to 295
Activities:		
1. Assemble IFB (including contract)	21	1 to 55
2. Review of Bid Package	9	5 to 17
3. Complete IFB	10	0 to 27
4. Bid Open Period	26	18 to 39
5. Select and Approve Contractor	34	2 to 62
6. Secure Contract Requirements	32	2 to 77
7. Review and Signing of Contract	8	0 to 37
8. Final Signatures and Arrange for Start of Work	29	2 to 107

An examination of the averages and ranges reveals that some contracts are moving quickly through some activities. For example, assembling the IFB (#1 above) took an average of 21

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<sup>3</sup> That is, half of the contracts were completed in less time and half the contracts took longer.

days, and as many as 55 days in one case, but **only took 1 day** in another case. In another example, selecting and approving the contractor (#5 above) took an average of 34 days, as many as 62 days in one case, but **only took 2 days** in another case (details in Appendix D).

### RFP Cycle Times

As shown in Table 4, total cycle times for our sample of 12 RFP contracts ranged from 132 to 247 days, with an average cycle time of 189 days. Cycle times for each activity within the RFP process also varied widely.

Table 4: Request for Proposal Activity Cycle Times (In Days)

Description of Activity	Average	Range
Sample Contracts Processing Time	189	132 to 247
Activities:		
1. Assemble the RFP	18	1 to 46
2. Review the Scope of Services	28	1 to 127
3. Complete the RFP	8	0 to 27
4. RFP Open Period	30	20 to 50
5. Select Provider and Prepare Contract	23	3 to 33
6. Review of Final Contract	28	10 to 53
7. Complete Contract and Approve Provider	20	10 to 36
8. Secure Contract Requirements	26	3 to 54
9. Review and Signing of Contract	5	1 to 16
10. Final Signatures and Arrange for Start of Work	15	0 to 28

As with the IFB process, an examination of the averages and ranges for the above RFP activities also indicates opportunities for improvement. For example, completing the RFP (#3 above) took an average of 8 days, as many as 27 days in one case, but was completed **the same day** in another case. Similarly, selecting the provider and preparing the contract (#5 above) took an average of 23 days, as many as 33 days in one case, but took **as few as 3 days** in another case (see Appendix E).

### Opportunities for Improvement

The data shown in Tables 3 and 4 does not point to any one particular bottleneck in the contracting process. Instead it points to delays throughout the process. However, the data also shows that some contracts are **already** moving through the process more quickly and efficiently than others. In our opinion, identifying and encouraging these best practices may provide a key to reducing cycle times.

Reported cycle times do not **only** include time spent doing the work. Cycle times also include items like document handling and

delays due to staff workloads and rework. In our opinion, finding and targeting these delays will be another key factor in successfully reducing cycle time.

It should be noted that while the IFB “bid open period” averages 26 days in our sample, it is not the major time driver in the IFB process. This is also true of the “RFP open period” (an average of 30 days for these sample contracts) in the RFP process.

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## **Flowcharts Demonstrate the Complexity of the Current Process**

Process flowcharts can help pinpoint bottlenecks, identify overlooked or missing steps, and discover redundant or unnecessary steps in complex processes.<sup>4</sup> The infrastructure contracting process certainly meets the test for complexity.

Our flowchart of the IFB process (see Appendix B) includes 23 steps for contracts over \$25,000 and 38 steps for contracts over \$65,000. The RFP process includes at least 25 steps for contracts over \$25,000 and 39 steps for contracts over \$65,000 (see Appendix C).

Not only do the flowcharts display the many steps in the process, they also show the involvement of City staff from multiple departments. Specifically, the flowcharts show contract documents moving between the initiating department, Contractor, Purchasing Division, City Attorney’s Office, Administrative Services Department, City Manager’s Office, and the City Council.

In addition, some key players touch the contract documents numerous times. For example, the IFB flowcharts in Appendix B show 15 discrete steps for the project manager and 9 steps for the contract manager shown in the IFB flowcharts in Appendix B. In our opinion, the City’s contract processing times are proportional to the number of steps and number of signoffs required. To the extent that the Team can identify potential redundancies and unnecessary handling and reviews, it will be able to reduce cycle times.

The flowcharts show the current sequencing of tasks. Some tasks are performed simultaneously. However, most tasks are performed sequentially. For example, the RFP contract signing process (shown in Appendix C) is sequential and involves 8 to 11 steps. Using the flowcharts to identify opportunities for simultaneous processing may help the Team reduce cycle times.

The flowcharts do not show rework – the additional steps required when contract documents are returned for correction or when

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<sup>4</sup> Robert Kreitner, *Management* (Boston, MA: Houghton Mifflin Company, 1989)

attachments are missing. Team members have already identified that in these cases, proper preparation and knowledge of the contracting process could reduce cycle times.


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**Conclusion**

We hope the Team finds this information useful, and look forward to working with the Team to improve and streamline the infrastructure contracting processes.

# MEMORANDUM

TO Sharon Erickson  
City Auditor

FROM: Frank Benest   
City Manager

SUBJECT: STUDY OF INFRASTRUCTURE CONTRACT PROCESSING  
TIMES

DATE April 8, 2002

Thank you very much for agreeing to work with the Contract Process Streamlining Committee. The **Study of Infrastructure Contract Processing Times** confirms many of the issues that concerned us when we put the team together. The team plans to bring forward its recommendations in the next several months. They will include, among other things:

- Automated tracking system for internal processing of contracts
- Improvements to boilerplate language for construction and services contracts to avoid extensive customization
- Dollar authority guidelines for staff and Council approval
- Number of signatures required on contracts
- Pre-qualification of consultants and contractors
- Guidelines for processing times for different kinds of contracts, including accountability and expectations
- Expansion of current training program

I appreciate the support you've provided to our effort to this point, and will look forward to working with you as we move the recommendations of the Committee to streamline our contract process through the staff and Council review and approval process.



**APPENDIX A**  
**ELAPSED TIMES FOR INFRASTRUCTURE CONTRACTS OVER \$25,000**  
**7/01/00 – 12/31/01**

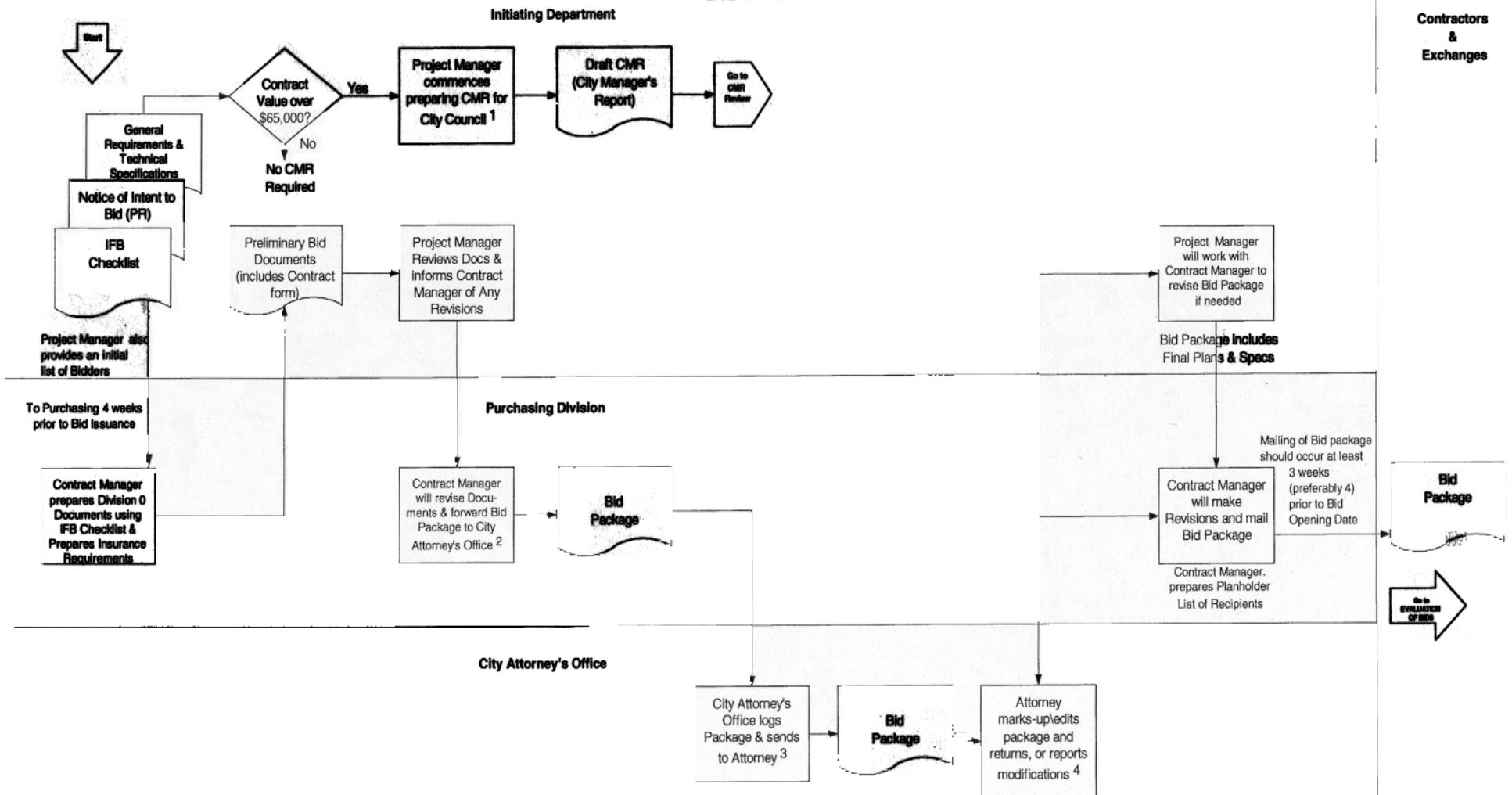
Purchase Order No.	Purchase Requisition Entry Date	Purchase Order Print Date	Vendor	Elapsed Time (in Days)
S1130010	09/08/2000	09/14/2000	Woods Construction Inc., K.J.	6
S1131377	11/09/2000	11/15/2000	Stoecker & Northway Architects, Inc.	6
S1128217	07/05/2000	07/26/2000	California Conservation Corp.	21
C2138494	07/31/2001	08/30/2001	Lewis & Tibbitts Inc.	30
S2139589	09/13/2001	11/05/2001	Royal Roofing Co., Inc.	53
S1135857	05/01/2001	06/30/2001	Andes Construction Inc.	60
C1126141	05/01/2000	07/01/2000	Underground Construction Co., Inc.	61
C1134147	02/28/2001	05/03/2001	Anderson Electric Co., W.F.	64
C2139898	09/25/2001	11/29/2001	Architectural Resources Group	65
S2138047	07/13/2001	09/18/2001	Arkin Tilt Architects	67
C1134397	03/09/2001	05/16/2001	Dubois Roofing	68
C1135134	04/06/2001	06/14/2001	Del Conte's Landscaping	69
S1134765	03/26/2001	06/04/2001	Nicholson Corp., D.W.	70
C1134691	03/22/2001	06/06/2001	Royal Roofing Co., Inc.	76
C2135807	04/30/2001	07/19/2001	Color Chart, Inc.	80
C2136041	05/04/2001	07/23/2001	Utility Constructors	80
C2139404	09/06/2001	11/28/2001	Advanced Control Systems, Inc.	83
S1120847	05/02/2000	07/24/2000	Aquatic Environments, Inc.	83
S1133850	02/14/2001	05/08/2001	Webco Sweeping	83
C2135227	04/10/2001	07/14/2001	HSR, Inc.	95
C2135832	04/30/2001	08/06/2001	Monterey Mechanical	98
C2132491	04/30/2001	07/18/2001	Pavex Construction	106
S1135255	04/10/2001	07/27/2001	West Coast Bridge, Inc.	108
C2134764	03/26/2001	07/14/2001	Redwood General & Mechanical	110
S1133337	01/29/2001	05/21/2001	MDA Engineering, Inc.	112
C1124876	03/23/2000	07/19/2000	Bay Area Geotechnical Group	118
C1133077	01/23/2001	05/24/2001	Redwood General & Mechanical	121
C2138882	08/14/2001	12/17/2001	Lone Star Landscape, Inc.	125
C2138884	08/14/2001	12/17/2001	Robert A. Bothman, Inc.	125
S1124880	03/20/2000	07/24/2000	Brookwater Irrigation Consultants	126
C1129351	08/15/2000	12/20/2000	Burns & McDonnell	127
C1126377	06/20/2000	10/26/2000	Hot Line Construction	128
C1133754	02/12/2001	06/27/2001	Monterey Mechanical	135
C1135443	04/18/2001	09/04/2001	Sposeto Enginerring, Inc.	139
C1133401	02/07/2001	06/27/2001	Woods Construction, Inc., K.J.	140
S1133260	01/25/2001	06/20/2001	MTH Engineers, Inc.	146
C1125757	04/17/2000	09/11/2000	J.J.R. Construction, Inc.	147
C1130594	10/02/2000	02/28/2001	J.J.R. Construction, Inc.	149
C1131545	11/20/2000	04/19/2001	Power Engineering Contractors, Inc.	150
S1132685	01/04/2001	06/06/2001	Amphion Enviornmental, Inc.	153
C1131942	11/30/2000	05/04/2001	JCC Corporation	155
C1131770	11/21/2000	04/26/2001	Silicon Valley Paving, Inc.	156
C1126287	05/03/2000	10/13/2000	West Valley Construction, Inc.	163
C2134524	03/20/2001	08/30/2001	MTH Engineers, Inc.	163
C1129182	08/08/2000	01/25/2001	Technology Engineers & Construction, Inc.	170
C1131415	11/13/2000	05/03/2001	MWH laboratories, a division of MWH Americas, Inc.	171
S2136686	06/11/2001	11/30/2001	WIL-CAL Lighting Management	172
C1128722	07/20/2000	01/12/2001	Woods Construction, Inc., K.J.	176
C1130503	09/27/2000	03/23/2001	Waterproofing Associates	177
C1107725	02/18/2000	08/15/2000	Power Engineering Contractors, Inc.	179
C2134182	03/01/2001	08/29/2001	Nolte and Associates	181
S2136038	05/16/2001	11/20/2001	Burns & McDonnell	188
C2136375	05/16/2001	11/27/2001	Midwest Industrial Supply, Inc.	195
C1129413	09/07/2000	03/23/2001	D'Arcy & Harty Construction, Inc.	197



**APPENDIX A**  
**ELAPSED TIMES FOR INFRASTRUCTURE CONTRACTS OVER \$25,000**  
**7/01/00 – 12/31/01**

Purchase Order No.	Purchase Requisition Entry Date	Purchase Order Print Date	Vendor	Elapsed Time (in Days)
C1131960	12/01/2000	06/18/2001	DES Architects/Engineers	199
C1129753	08/30/2000	03/26/2001	Bragato Construction Company, R.J.	208
C1127698	06/08/2000	01/11/2001	Monterey Mechanical	217
C2133940	01/16/2001	08/23/2001	Dahl Taylor & Associates	219
S1125534	04/19/2000	12/04/2000	Leach Mounce Architects	229
C1126045	09/26/2000	05/21/2001	Power Engineer, Inc.	237
C1129252	08/10/2000	04/18/2001	Kuehne Construction	251
C2134621	03/20/2001	12/11/2001	Ackerman-Practicon	266
C2131552	11/14/2000	08/29/2001	Blymyer Engineers, Inc.	288
S1121725	11/22/1999	11/28/2000	Del Conte's Landscaping	372
C1125650	04/13/2000	04/24/2001	Winzler & Kelly	376
C2125651	01/13/2000	08/27/2001	Shelton Roofing Co., Inc.	501
		Median Contract Processing Elapsed Time 137		137
		Average Contract Processing Elapsed Time 145		145

**APPENDIX B**  
**INVITATION FOR BID (IFB) CONTRACTING PROCESS for INFRASTRUCTURE CONTRACTS VALUED over \$25,000**  
**BID PACKAGE**



Preparation of the City Manager's Report (CMR) may commence prior to the submission of General Requirements and Technical Specifications to the Purchasing Division. Utilities Department - Electric Engineering prepares their CMR prior to their submission to the Purchasing Division. Public Works - Engineering prepares their CMRs before and during the contracting process. After selection, specific details such as the contractor's name and contract amount are included in the CMR. Then CMRs are circulated to other Departments for review. All Initiating Departments must finalize the CMR and have it signed prior to the City Council meeting scheduled for contract award.

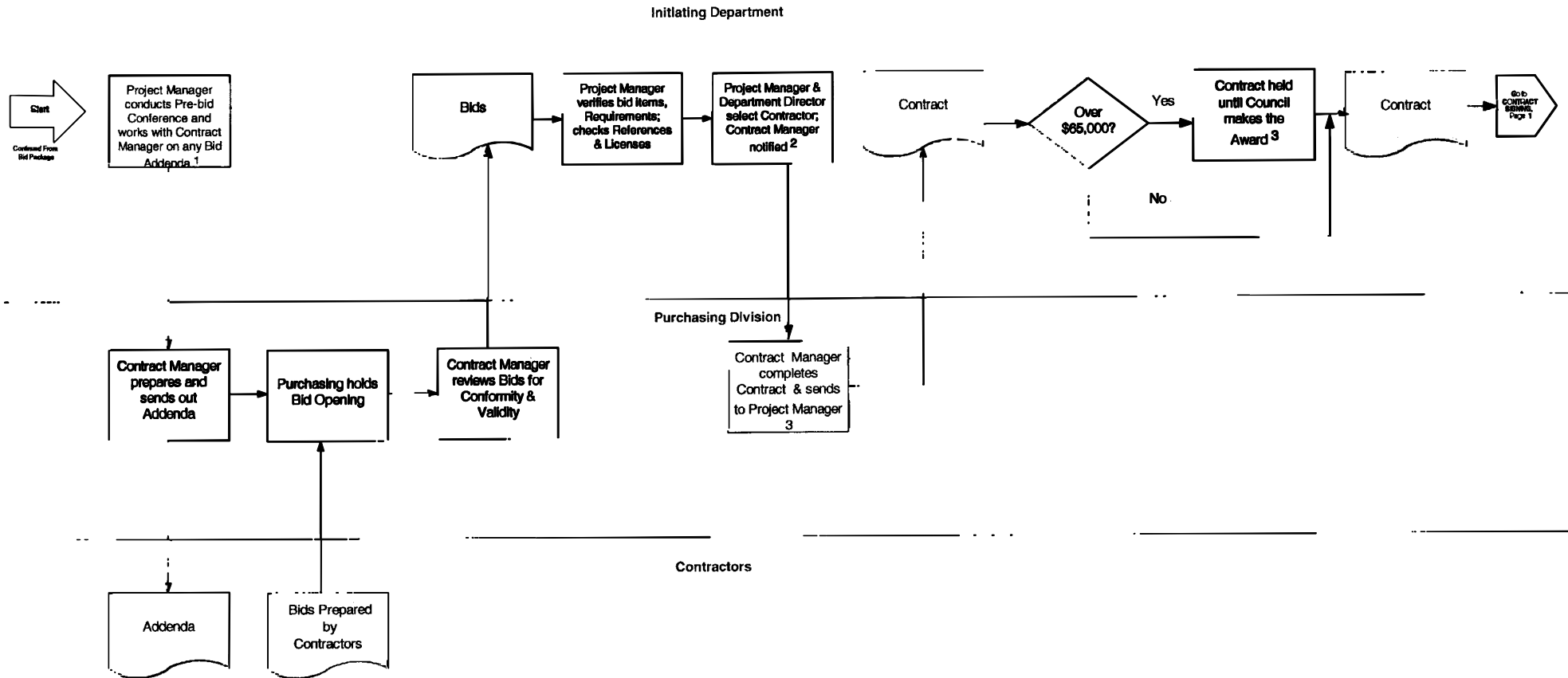
<sup>2</sup> Public Works Department bid packages are forwarded to a Project Coordinator, who logs and prepares a request for legal review. The bid package is then forwarded to the City Attorney's Office.

<sup>3</sup> Some bid packages are sent to an Attorney in Los Angeles for review and some are reviewed by in-house Attorneys.

<sup>4</sup> Finalization of the scope may involve multiple discussions involving the Project Manager, the Contract Manager, and the Attorney.

**APPENDIX B  
INVITATION FOR BID (IFB) CONTRACTING PROCESS for INFRASTRUCTURE CONTRACTS VALUED over \$25,000 (Continued)**

**EVALUATION OF BIDS**

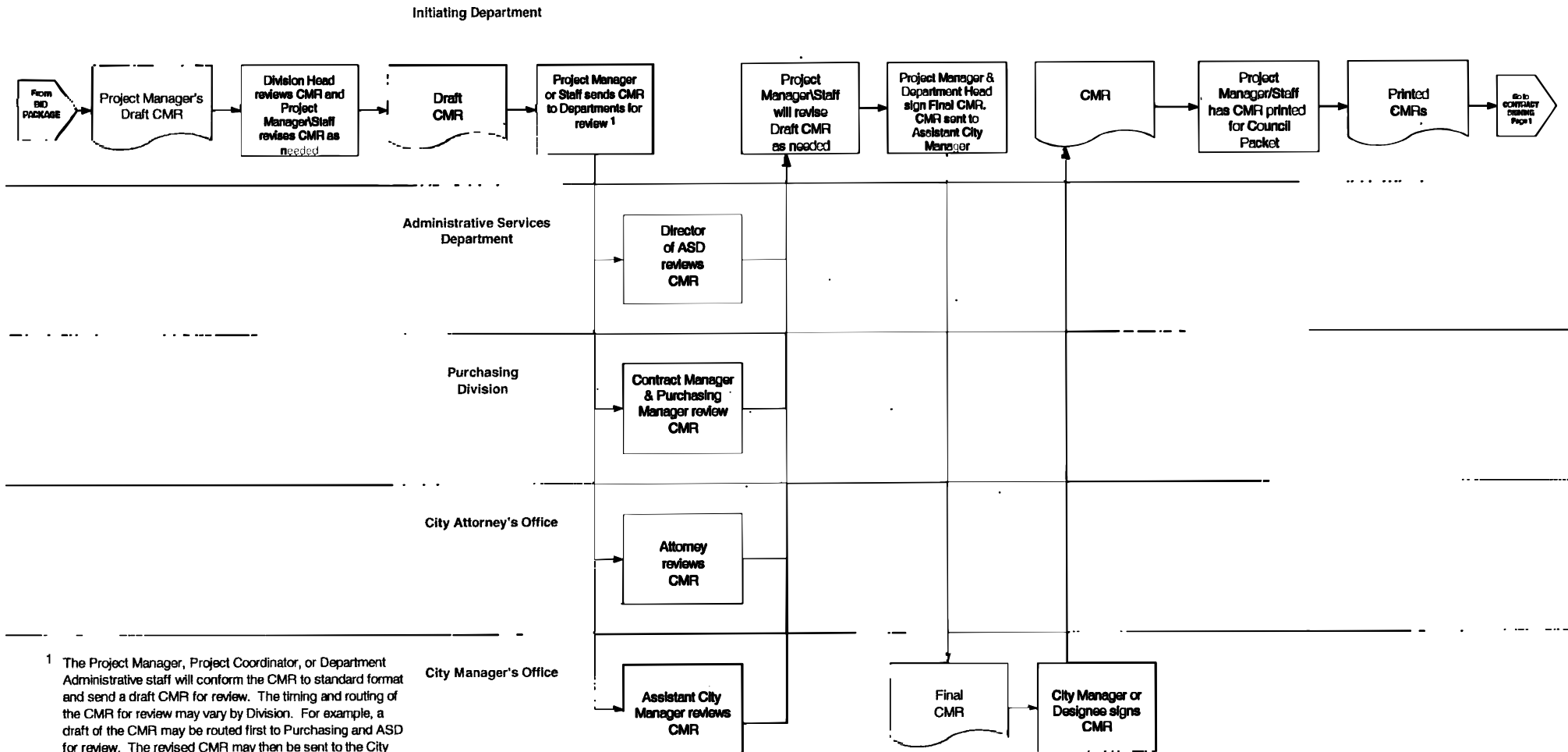


<sup>1</sup> Pre-bid meeting with potential bidders is optional.

<sup>2</sup> The selected Contractor may request revisions to contract provisions. The Project Manager will discuss any requests with the City Attorney's Office and work with the Contract Manager to modify any areas of the contract, if needed.

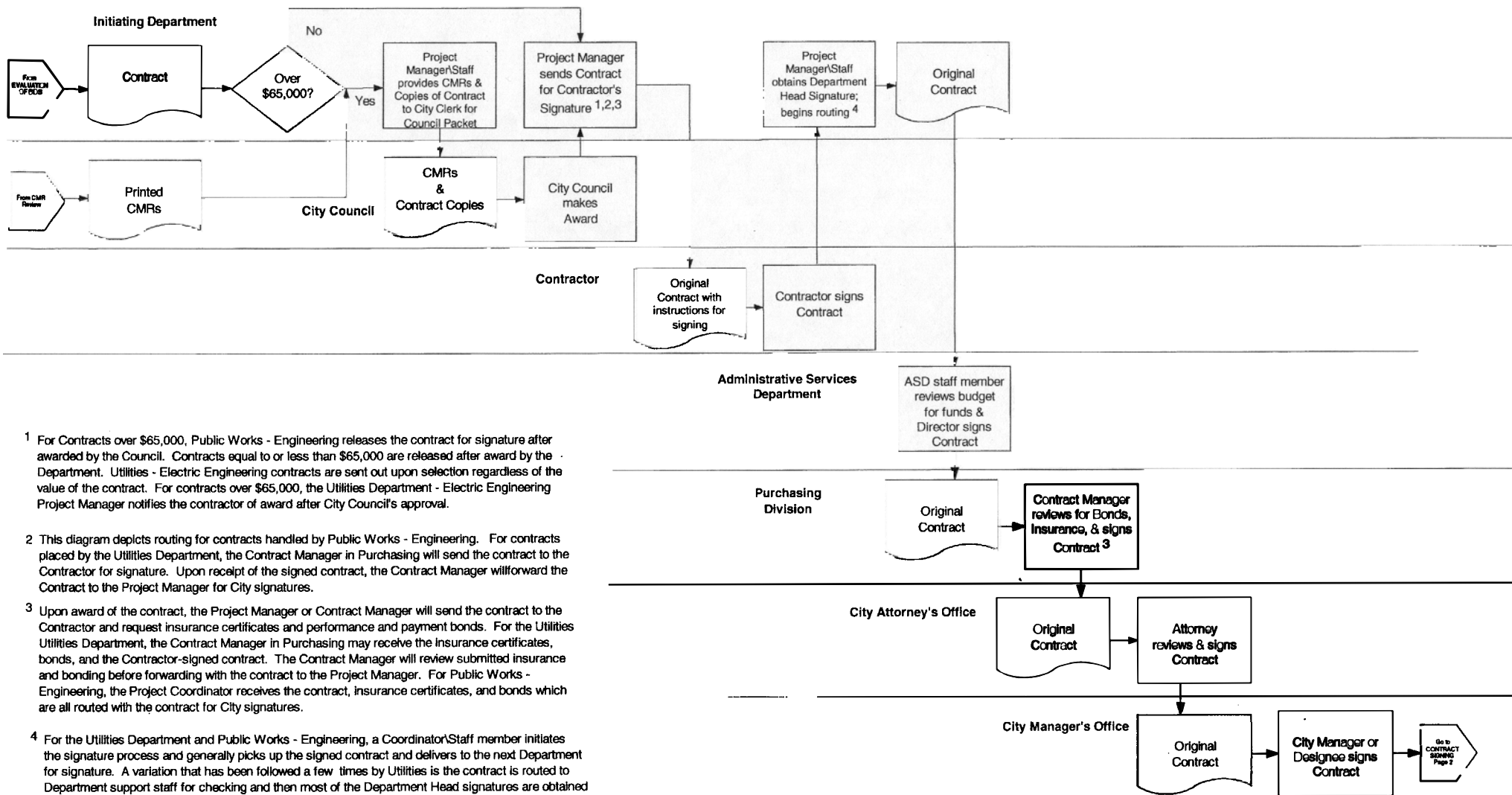
Utilities Department - Electric Engineering sends the contract to the Contractor upon selection by the Department. Public Works - Engineering sends the contract to the Contractor after award by Council.

**APPENDIX B  
INVITATION FOR BID (IFB) CONTRACTING PROCESS for INFRASTRUCTURE CONTRACTS VALUED over \$25,000 (Continued)  
CMR REVIEW**



<sup>1</sup> The Project Manager, Project Coordinator, or Department Administrative staff will conform the CMR to standard format and send a draft CMR for review. The timing and routing of the CMR for review may vary by Division. For example, a draft of the CMR may be routed first to Purchasing and ASD for review. The revised CMR may then be sent to the City Attorney's Office and then to the Assistant City Manager.

CONTRACT SIGNING - Page 1



1 For Contracts over \$65,000, Public Works - Engineering releases the contract for signature after awarded by the Council. Contracts equal to or less than \$65,000 are released after award by the Department. Utilities - Electric Engineering contracts are sent out upon selection regardless of the value of the contract. For contracts over \$65,000, the Utilities Department - Electric Engineering Project Manager notifies the contractor of award after City Council's approval.

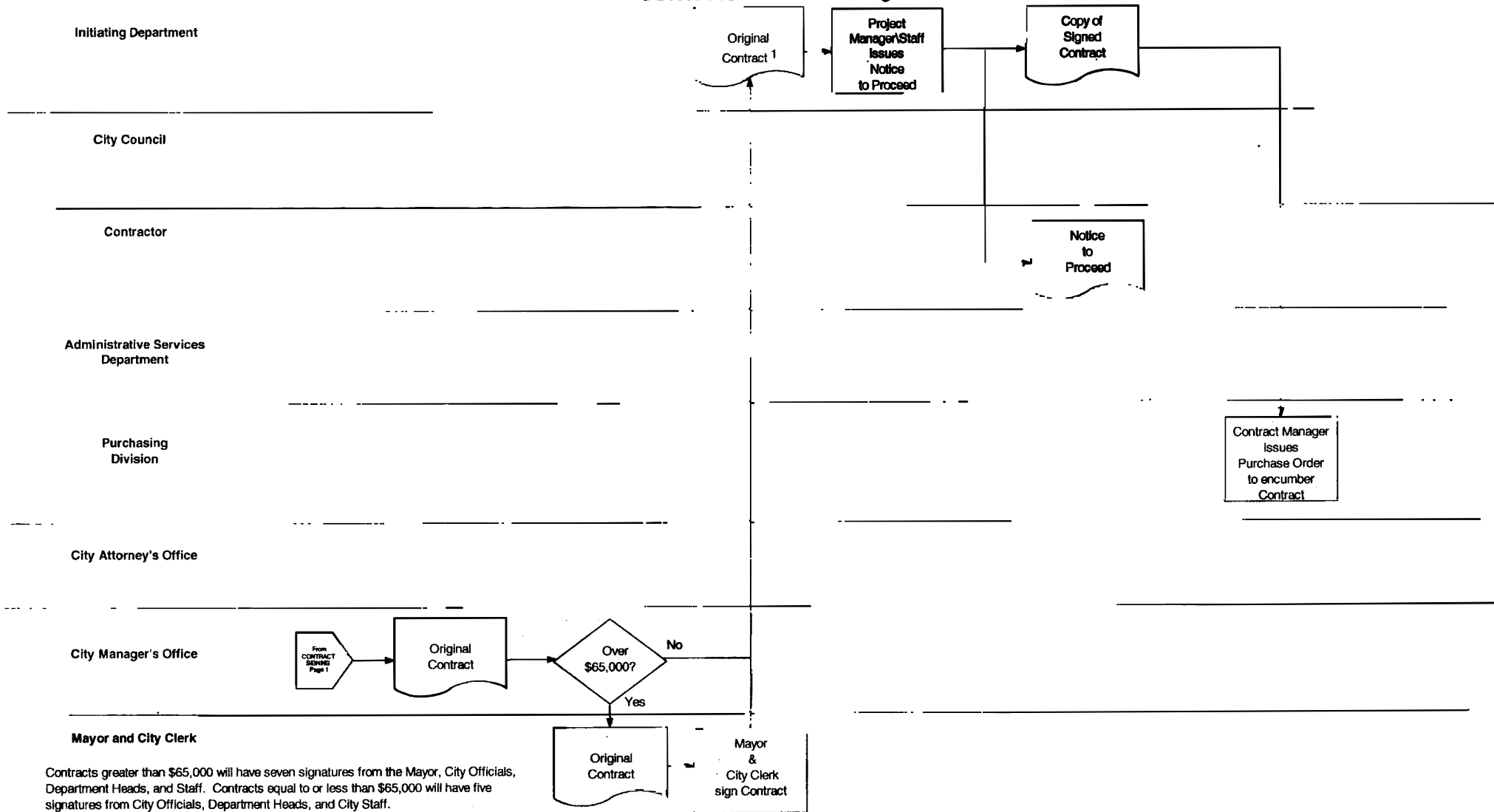
2 This diagram depicts routing for contracts handled by Public Works - Engineering. For contracts placed by the Utilities Department, the Contract Manager in Purchasing will send the contract to the Contractor for signature. Upon receipt of the signed contract, the Contract Manager will forward the Contract to the Project Manager for City signatures.

3 Upon award of the contract, the Project Manager or Contract Manager will send the contract to the Contractor and request insurance certificates and performance and payment bonds. For the Utilities Department, the Contract Manager in Purchasing may receive the insurance certificates, bonds, and the Contractor-signed contract. The Contract Manager will review submitted insurance and bonding before forwarding with the contract to the Project Manager. For Public Works - Engineering, the Project Coordinator receives the contract, insurance certificates, and bonds which are all routed with the contract for City signatures.

4 For the Utilities Department and Public Works - Engineering, a Coordinator/Staff member initiates the signature process and generally picks up the signed contract and delivers to the next Department for signature. A variation that has been followed a few times by Utilities is the contract is routed to Department support staff for checking and then most of the Department Head signatures are obtained at the Executive Staff Meeting.

INVITATION FOR BID (IFB) CONTRACTING PROCESS for INFRASTRUCTURE CONTRACTS VALUED over \$25,000 (Continued)

CONTRACT SIGNING - Page 2

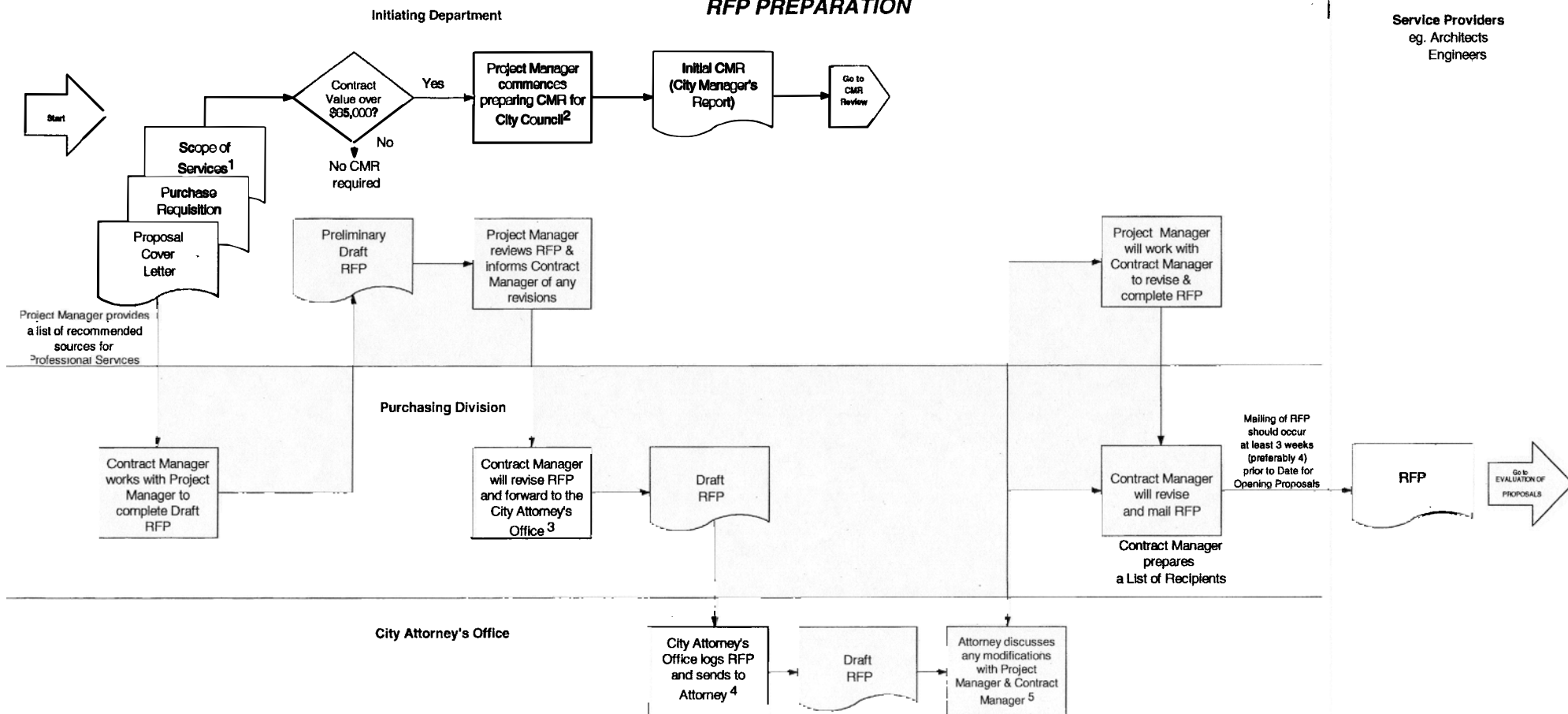


Contracts greater than \$65,000 will have seven signatures from the Mayor, City Officials, Department Heads, and Staff. Contracts equal to or less than \$65,000 will have five signatures from City Officials, Department Heads, and City Staff.



REQUEST FOR PROPOSAL (RFP) CONTRACTING PROCESS for INFRASTRUCTURE CONTRACTS VALUED over \$25,000

RFP PREPARATION



Service Providers  
eg. Architects  
Engineers

After budget adoption, Departments provide both the Finance and the Policy and Services Committees with a list of proposals valued over \$25,000. Each may select services for review. For proposals selected, Departments are required to have the scope of services reviewed by the Committees before the RFP is sent to potential providers. If Departments require other professional services during the year, the Department places the item for consent on the agenda for a City Council meeting. The Department may request an exemption from Committee review or a referral to a Committee. The Utilities Department is exempt from Finance and Policy & Services Committee reviews.

<sup>2</sup> Preparation of the CMR may commence prior to the submission of scope of services to the Purchasing Division. Utilities Department - Electric Engineering prepares their CMR prior to their submission to the Purchasing Division. Public Works - Engineering prepares their CMRs before and during the contracting process. After selection, specific details such as the service providers name and contract amount are included in the CMR. Then CMRs are circulated to other Departments for review. All Initiating Departments must finalize the CMR and have it signed prior to the City Council meeting scheduled for contract approval.

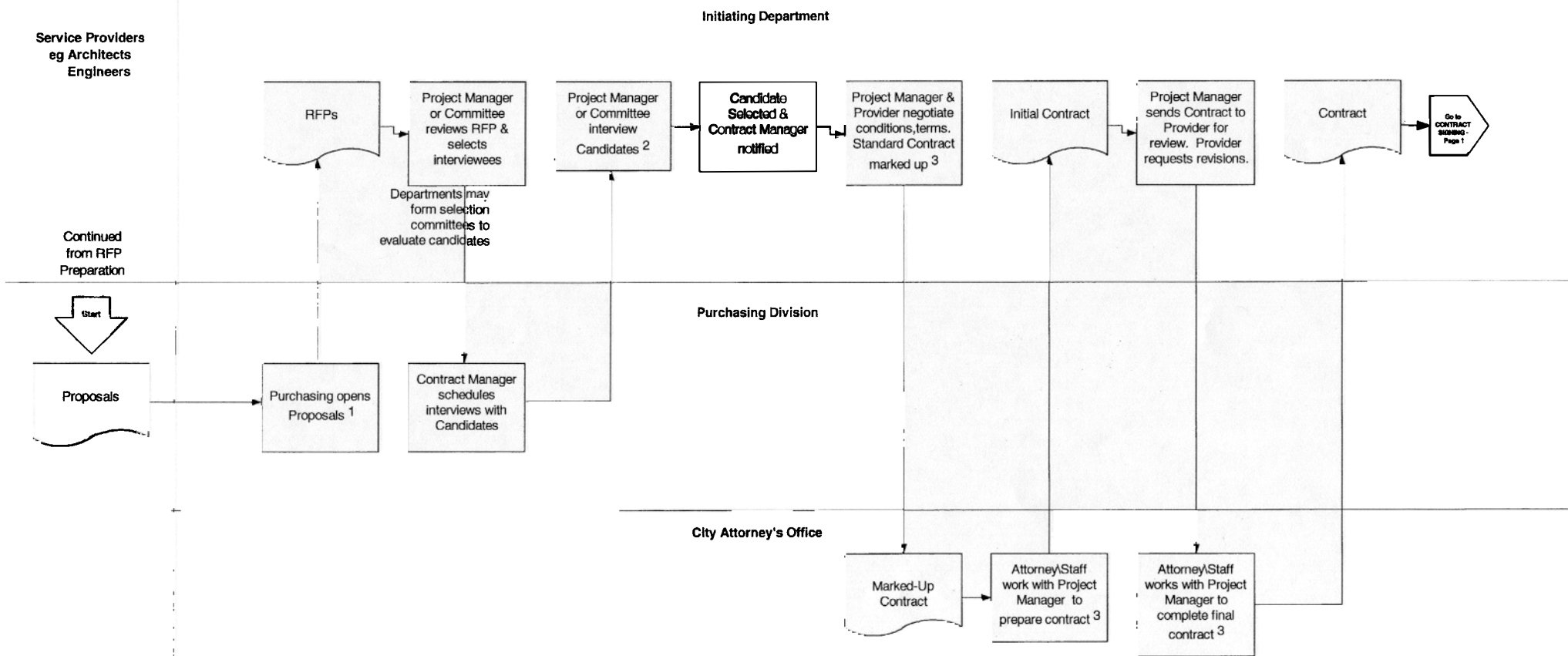
<sup>3</sup> RFPs for the Public Works Department are forwarded to a Coordinator who logs and prepares a request for legal review. The RFP is then forwarded the RFP to the City Attorney's Office.

<sup>4</sup> Some RFPs are sent to an attorney in Los Angeles for review and some are reviewed by in-house attorneys.

<sup>5</sup> Finalization of the scope of services may involve multiple discussions involving the Project Manager, the Contract Manager, and the Attorney.



EVALUATION OF PROPOSALS



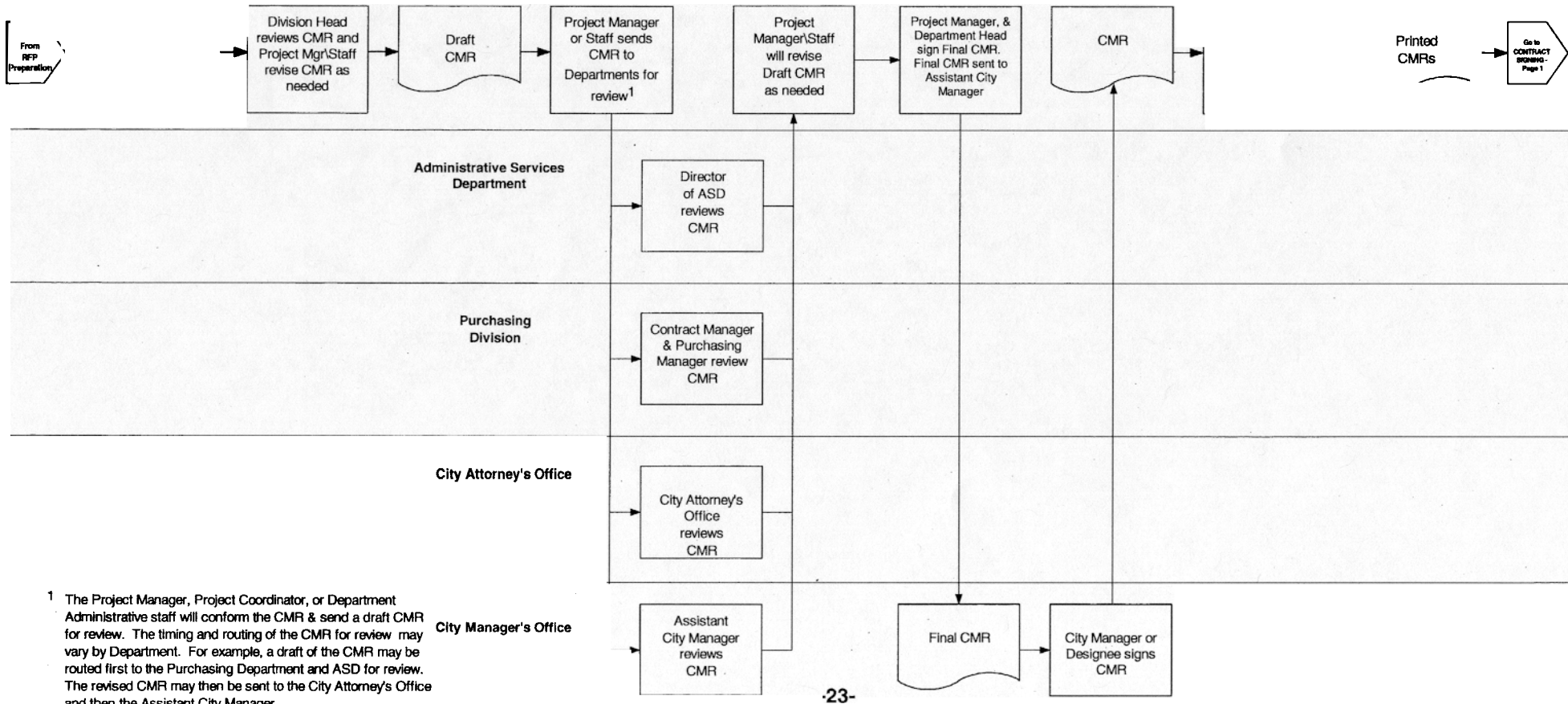
<sup>1</sup> A Pre-Proposal Meeting with Potential Candidates is optional. Contract Manager will work with Project Manager to prepare any addenda. Purchasing will mail revisions of the RFP to service providers.

<sup>2</sup> Evaluation Matrices filled out to document the evaluation

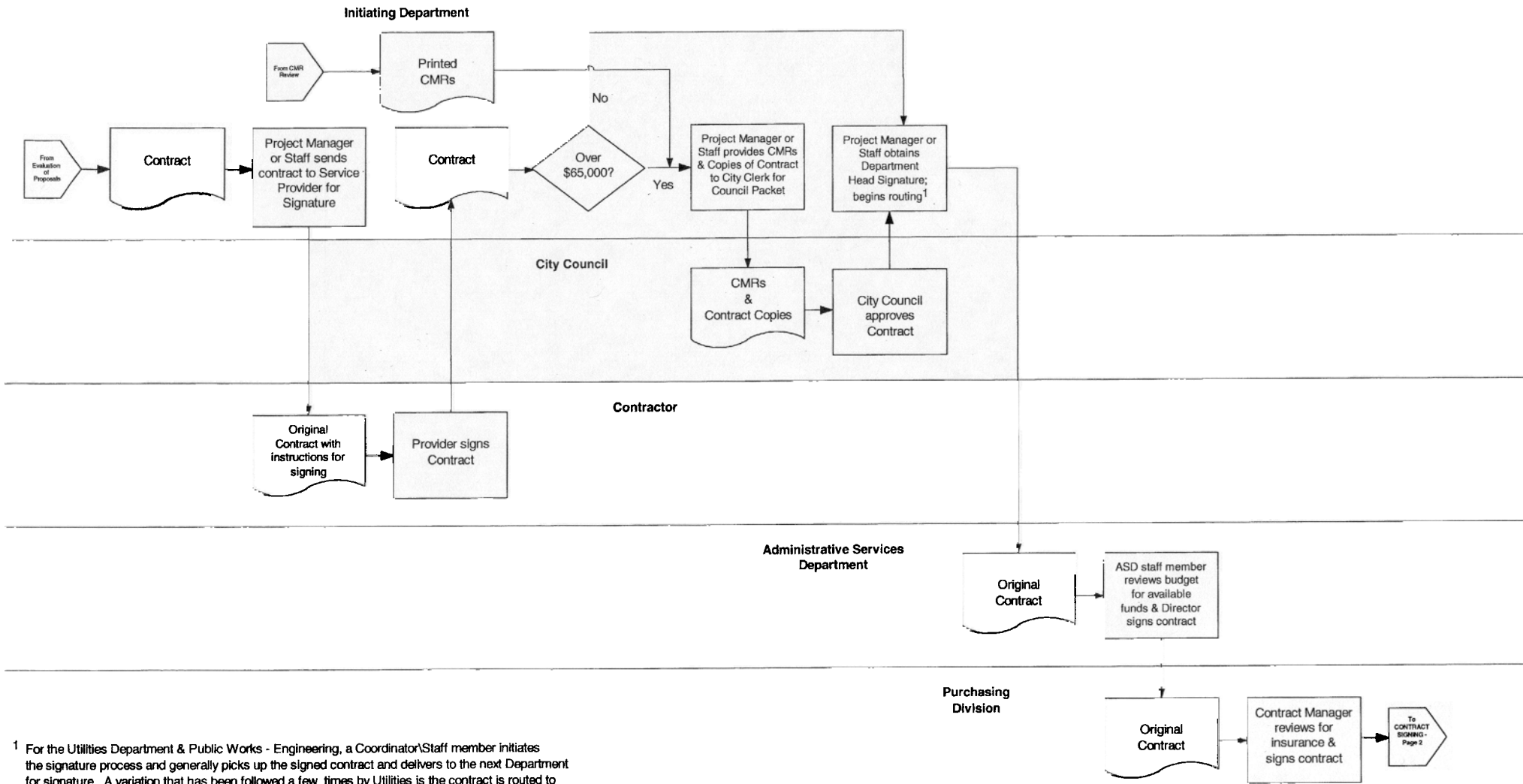
<sup>3</sup> Contract negotiations to finalize terms and conditions for providing services may involve multiple discussions with the Provider and may include the Project Manager, the City Attorney's Office, and the Contract Manager.

**APPENDIX C**  
**REQUEST FOR PROPOSAL (RFP) CONTRACTING PROCESS for INFRASTRUCTURE CONTRACTS VALUED over \$25,000 (Continued)**  
**CMR REVIEW**

**Initiating Departments**

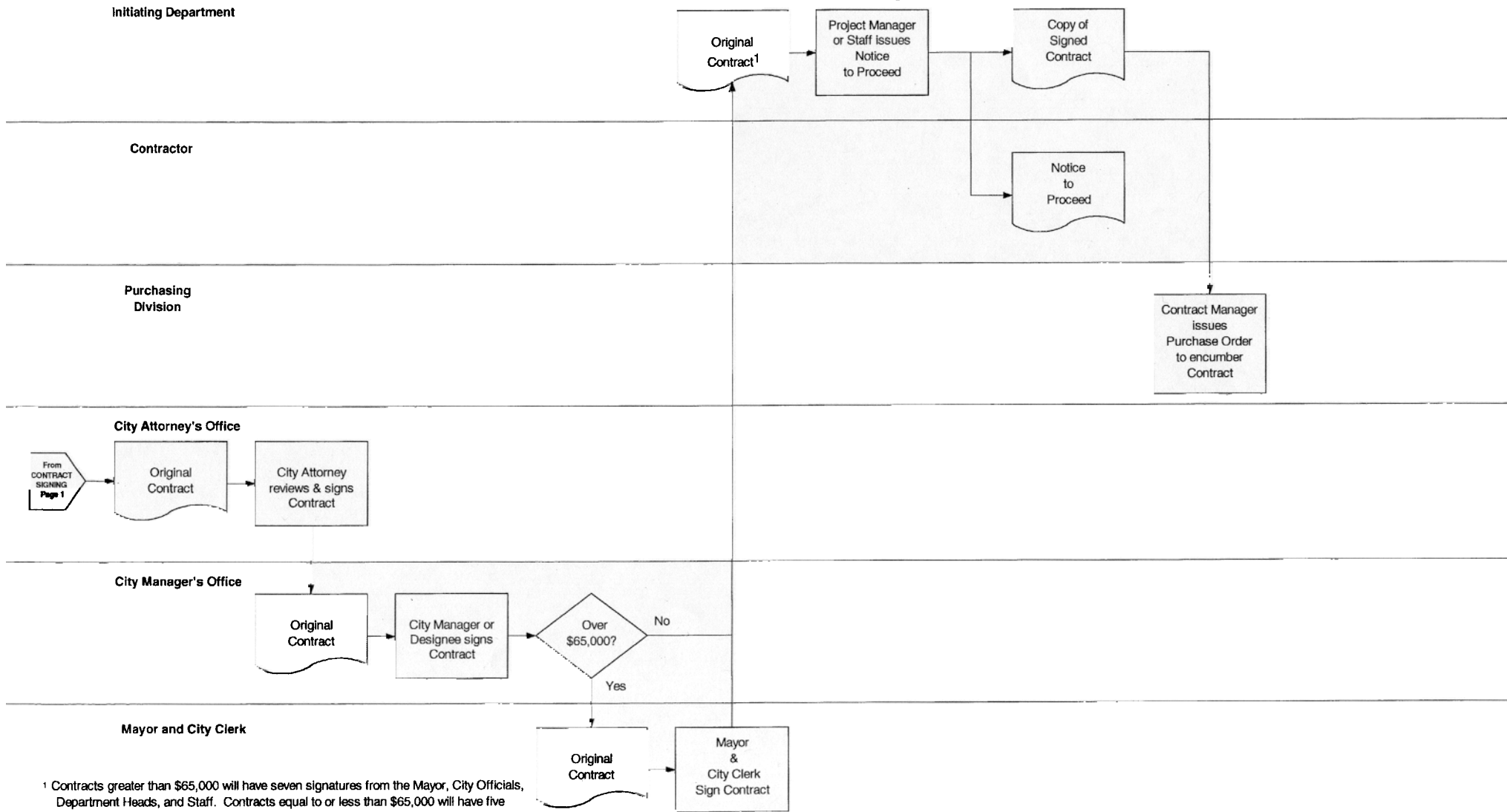


<sup>1</sup> The Project Manager, Project Coordinator, or Department Administrative staff will conform the CMR & send a draft CMR for review. The timing and routing of the CMR for review may vary by Department. For example, a draft of the CMR may be routed first to the Purchasing Department and ASD for review. The revised CMR may then be sent to the City Attorney's Office and then the Assistant City Manager.



<sup>1</sup> For the Utilities Department & Public Works - Engineering, a Coordinator/Staff member initiates the signature process and generally picks up the signed contract and delivers to the next Department for signature. A variation that has been followed a few times by Utilities is the contract is routed to Department support staff for checking and then most of the department head signatures are obtained at the Executive Staff Meeting.

**APPENDIX C**  
**REQUEST FOR PROPOSAL (RFP) CONTRACTING PROCESS for INFRASTRUCTURE CONTRACTS VALUED over \$25,000 (Continued)**  
**CONTRACT SIGNING - Page 2**



<sup>1</sup> Contracts greater than \$65,000 will have seven signatures from the Mayor, City Officials, Department Heads, and Staff. Contracts equal to or less than \$65,000 will have five signatures from City Officials, Department Heads, and City Staff.



**APPENDIX D  
STUDY OF INFRASTRUCTURE CONTRACT PROCESSING TIMES  
TIME ANALYSIS**

**INVITATION FOR BID (IFB) CONTRACTS VALUED over \$25,000 - ACTIVITY TIME INTERVALS<sup>A</sup>**

Contract	Type of Work	Council Approval	Assemble IFB including Contract	Review of Bid Package	Complete IFB	Bid Open Period	Select & Approve Contractor	Secure Contract Requirements	Review & Signing of Contract	Final Signatures and Arrange for Start of Work	Contract Processing Elapsed Times
			1	2	3	4	5	6	7	8	
A	Construction	no	6	8	13	22	2	26	2	5	84
B	Construction	yes	25	9	27	29	21	28	6	2	147
C	Maintenance	yes	n/a	n/a	n/a	20	15	26	11	n/a	n/a
D	Maintenance	yes	19	7	2	26	50	34	2	20	160
E	Maintenance	yes	46	7	0	22	30	27	1	22	155
F	Maintenance	no	12	9	19	29	7	n/a	n/a	n/a	112
G	Construction	yes	6	9	3	29	56	n/a	n/a	n/a	166
H	Construction	yes	34	12	8	35	51	48	0	107	295
	Construction	yes	55	17	25	29	n/a	n/a	n/a	n/a	n/a
J	Maintenance	no	n/a	n/a	n/a	18	23	38	37	13	164
K	Tech Services	yes	8	7	10	22	62	3	0	n/a	n/a
L	Construction	yes	8	7	2	39	34	2	27	14	133
M	Construction	yes	n/a	n/a	n/a	26	n/a	n/a	n/a	n/a	69
N	Construction	yes		5	2	19	48	63	n/a	n/a	n/a
O	Maintenance	yes	32	9	1	25	34	77	1	n/a	n/a
P	Construction	yes	21	7	13	27	48	17	5	50	188
Average for Interval			21	9	10	26	34	32	8	29	
Minimum (Shortest Interval)				5	0	18	2	2	0	2	
Maximum (Longest Interval)			55	17	27	39	62	77	37	107	
Shortest Contract Processing Elapsed Time					69	Median of Contract Processing Elapsed Times					155
Longest Contract Processing Elapsed Time					295	Average of Contract Processing Elapsed Times					152

<sup>A</sup> Each activity time interval is measured as the number of days between the two dates reported below:

- 1 Date the Purchasing Division receives Specifications to date the City Attorney's Office receives the Bid Package .
- 2 Date the City Attorney's Office receives the Bid Package to the Date the City Attorney's Office reports comments to Purchasing Division.
- 3 Date the City Attorney's Office reports comments to Purchasing Division to the date the Request for Bid is issued.
- 4 Date the Request for Bid is issued to the bid opening date.
- 5 Bid opening date to the date Council approves the contract or the contract is sent to Contractor for signature (for contracts not over \$65,000).
- 6 Date of Council approval or the contract is sent to the Contractor for signature (for contracts not over \$65,000) to the date the City Attorney's Office receives the final contract for review.
- 7 Date the City Attorney's Office receives the final contract for review to the date the City Attorney's Office releases the final contract.
- 8 Date the City Attorney's Office releases the final contract to the issuance date of the Notice to Proceed.

n/a Information not available



**APPENDIX E  
STUDY OF INFRASTRUCTURE CONTRACT PROCESSING TIMES  
TIME ANALYSIS**

**REQUEST FOR PROPOSAL (RFP) CONTRACTS VALUED over \$25,000 - ACTIVITY TIME INTERVALS (in Days) ^**

Contract	Type of Work	Council Approval	Assemble RFP	Review Scope	Complete RFP	RFP Open Period	Select Provider & Prepare Contract	Review of Final Contract	Complete Contract & Approve Provider	Secure Contract Requirements	Review & Signing of Contract	Final Signatures & Arrange for Start of Work	Contract Processing Elapsed Times
			1	2	3	4	5	6	7	8	9	10	
A	Design Services	yes	21	36	7	32	n/a	n/a	n/a	n/a	n/a	n/a	165
B	Study	no		13	7	20	n/a	n/a	n/a	54	1	2	247
C	Eqpt & Install	n/a	13	127	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
D	Design Services	no	30	41	5	21	3	42	10	31	4	10	197
E	Design & Install	no	46	n/a	n/a	43	33	20	n/a	n/a	n/a	n/a	n/a
F	Design Services	yes	9	15	4	50	n/a	n/a	n/a	7	1	23	192
G	Design Services	yes	43	9	5	48	29	13	13	43	16	0	219
H	Design Services	no	13	n/a	n/a	20	20	53	n/a	n/a	5	28	188
	Design Services	yes	8	7	6	28	n/a	n/a	n/a	n/a	n/a	n/a	204
J	Tech Services	yes	5	3	0	21	29	10	36	3	3	22	132
K	Design & Install	yes	5	1	27	20	n/a	n/a	n/a	n/a	8	n/a	n/a
L	Study	no	n/a	n/a	n/a	22	n/a	n/a	n/a	15	5	20	159
	Average for Interval		18	28	8	30	23	28	20	26	5		
	Minimum (Shortest Interval)		1	1	0	20	3	10	10	3	1		
	Maximum (Longest Interval)		46	127	27	50	33	53	36	54	16		
			Shortest Contract Processing Elapsed Time			132	Median of Contract Processing Elapsed Times					192	
			Longest Contract Processing Elapsed Time			247	Average of Contract Processing Elapsed Times					189	

^ Each activity time interval is measured as the number of days between two dates as reported below:

- 1 Date the Purchasing Division receives the Scope of Services to date the City Attorney's Office receives the Request for Proposal.
- 2 Date the City Attorney's Office receives the Request for Proposal to the date the City Attorney's Office reports comments to the Purchasing Division.
- 3 Date the City Attorney's Office reports comments to the Purchasing Division to the date the Request for Proposal is issued.
- 4 Date the Request for Proposal is issued to the last date for submitting Proposals.
- 5 Proposal Submission Closing Date to the date the City Attorney's Office receives the initial contract for review.
- 6 Date the City Attorney's Office receives the initial contract for review to the date the City Attorney's Office reports comments to the Purchasing Division.
- 7 Date the City Attorney's Office reports comments to the Purchasing Division to the date the Council approves the contract or the contract is sent to the provider for signature (for contracts not over \$65,000).
- 8 Date the Council approves the contract or the contract is sent to the provider for signature (for contracts not over \$65,000) to the date the City Attorney's Office receives the final contract for review.
- 9 Date the City Attorney's Office receives the final contract for review to the date the City Attorney's Office releases the final contract.
- 10 Date the City Attorney's Office releases the final contract to the issuance date of the Notice to Proceed.

n/a Information not available