PROCUREMENT MANAGEMENT PLAN

FOR

City of Carlsbad

Public Works Department

APWA Self-Assessment Project

April 2, 2015

# Introduction

This procurement management plan sets the procurement framework for the Public Works Department’s American Public Works Association (APWA) Self-Assessment Project. It is a living document, to be updated throughout the life of the project to manage and track external procurements in order to successfully execute the overall project. This plan outlines the analysis conducted for each procurement, along with policies, procedures and tools to manage and effectively close out procurements. Should any additional procurement needs be identified, the document will be updated following the same standards and protocols outlined here. This procurement will adhere to procurement processes as outlined in the Project Management Institute’s *Project Management Body of Knowledge* and will adhere to the City of Carlsbad’s Purchasing Policies & Procedures Plan.

The four elements of procurement plan management include *(A Guide to the Project Management Body of Knowledge, Fifth Edition, PMI, 2013)*:

1. Plan Procurement

* Define the needs & specifications of goods/services
* Analyze the need for procurement
* Prepare the framework to conduct necessary procurement including scope and evaluation criteria

1. Conduct Procurement

* Execute procurement based on policies & procedures
* Evaluate potential suppliers
* Negotiate
* Prepare necessary documentation and establish monitoring and communication program

1. Manage/Control Procurement

* Review scope, schedule and budget against quality of work performed or goods provided
* Process payments
* Utilize monitoring and communication tools
* Ensure deliverables meet project standards as outlined in the project quality management plan
* Address and issues & risks related to procurement

1. Close Procurement

* Ensure all deliverables have been met in accordance with scope and acceptance criteria
* Finalize any related documentation to procurement
* Close out organizational financial specifications related to the procurement
* Assess any additional need for further procurement

# Plan Procurement Management

The city’s Project Manager will provide oversight and management for all procurement activities under this project. For the services identified that will require an amount above $30,000, the city will undertake a competitive best value analysis *(City of Carlsbad Administrative Order No. 12, 2008)*. An evaluation team to review procurement responses will consist of the Public Works Director, Public Works Senior Management Analyst, and at least three other city individuals including one member from the Parks & Recreation Department (the other city department currently going through accreditation).

The inputs to the plan procurement management process include the ***project risk register, project schedule, activity cost estimates, enterprise environmental factors and organizational process assets***, including the databases maintained by the department, policies & procedures manuals within the Public Works Department as well as the city's Purchasing Policies & Procedures Plan. The inputs for this project also include those assets provided by the accrediting institution, being the accreditation manual and the self-assessment software.

In evaluating the necessary procurements for the project, the project team first identified two potential procurement needs:

1. Purchasing project management software, licensing and software implementation services to manage this as well as other departmental needs
2. Procuring the services of a detail-oriented, data and business driven consultant to collate and organize the city's available data and qualitative information, analyze the existing data against the requirements of the APWA, provide a gap analysis and recommendations

In the end, the team felt that the analysis for procurement was strongest to hire a gap analysis consultant. To make this determination, the team used ***meetings*** to discuss the procurement options, including consulting the department director and project sponsor. With team members in the IT department, ***expert judgment*** demonstrated that the city possesses project management software that could likely be available to the Public Works Department, thus muddling the procurement planning. Furthermore, pursuing project management software would require collecting requirements and needs outside the scope of this project, which could result in resource loss or schedule delay.

Make or Buy Analysis

The procurement of a gap analysis consultant is a buy decision for this project because:

***Core Competencies:*** The Public Works Department has undergone significant organizational changes and experienced loss of personnel by retirement in recent years. Many staff members are new without significant organizational knowledge or technical data skills, thus making it difficult for existing staff to use the necessary professional judgment and analytics to complete a gap analysis.

***Suitability for Outsourcing:*** The city contracts for the services of outside consultants, especially in areas of complex analysis. As a public agency, professional services are also solicited to give evaluations the neutrality of a third-party perspective. The project team expects to cast a wide net by releasing an RFQ rather than an RFP, so that qualifications can be solicited across multiple disciplines including public works, public administration, finance, accounting and other data driven industries.

***Cost/Benefit Analysis:*** The team's analysis shows it would be more costly to have staff try to complete the assessment without the necessary analytical and quantitative skills. That skills gap could also lead to conducting the investigation incorrectly, risking the possibility of having to do work over, which would prolong the project. The department Senior Management Analysis is the project manager, and is also serving on teams for multiple city strategic projects. This procurement will help provide additional resources to keep the project within the desired year timeline. Without these consultant services, the project would likely be extended between 3-6 months.

Potential areas of risk related to external procurements include, but are not limited to, the following:

* Lack of qualified applicants resulting in re-release of procurement documents
* Availability of city resources to be responsive and timely to consultant requests
* Findings of gaps too significant to complete the project within the desired schedule

The outputs of the plan procurement process include the procurement management plan as well as the ***Statement of Work, the Request for Qualifications (RFQ), selection criteria, best value evaluation sheets, and updates to the other project documents reflecting the procurement plan.***

# Conduct Procurements

The inputs to the conduct procurements process are the procurement management plan, the Statement of Work, the RFQ, selection criteria, and best value evaluation sheets. The project will be procuring the services of a gap analysis consultant to assist with the submittal of the self-assessment to the APWA.

To accomplish the external procurements, the project team will release the RFQ for between 60-90 days to allow time for potential consultants to prepare their responses. Because the qualifications necessary to complete this work cross industries, ***a bidder’s conference*** will be held in order to answer any questions respondents have to the RFQ. As part of their response, potential consultants will be asked to provide their qualifications, evidence of similar work performed, a proposed budget and schedule, and a detailed resource plan establishing the division of work they see between city staff and the consultant(s).

The city uses a best value process based on a number of weighted criteria. Proposals which are submitted after the deadline, omit solicited information or contain incomplete information may be disqualified. The selection criteria and their relative weights are as follows:

• Overall quality of proposal 20

• Cost 10

• Qualifications 30

• Schedule 40

The qualifications element includes the proximity of the consultant(s) to the City of Carlsbad. The scope of work requires constant communication and will require physical observation of services, facilities and programs conducted by the Public Works Department.

Once the proposal responses are received, they will be evaluated by an inter-departmental team, including one representative from the Parks & Recreation Department, another city department currently going through accreditation. Once a preferred consultant is selected, the city will then negotiate, ensuring that all necessary details and requirements are included in the final scope of work attached to the professional services agreement. The consultant will have to acquire a city business license and provide other necessary documentation to process the professional services agreement.

Should the city not receive more than three responses, the project team will consult with the city’s procurement officer to decide if the RFQ should be re-released or if the city can engage in sole source negotiations as allowed by the city’s municipal code.

The outputs of the conduct procurements process will be a ***professional services agreement with the selected vendor, completed best evaluation sheets, updates to the procurement management plan, template forms such as change requests, project status reports, and performance score sheets, the format to be agreed upon during negotiations.***

# Manage / Control Procurements

The control procurements process consists of maintaining and managing the procurements identified and executed in previous phases. In this dynamic and sensitive environment, our goal is to complete the procurements as specified in the contract and statement of work, within budget and on schedule so that procurements don’t negatively affect the overall project scope, schedule and budget. The inputs to the control procurements process include the outputs from the plan and conduct procurements phases, mainly the procurement management plan, executed agreement with statement of work, and the template forms to be utilized throughout the course of the procurement contract.

The tools and techniques that will be use during control procures are ***consultant score sheets, project status updates, payment processing through the city’s financial system, as well as the check sheets established as part of the project’s quality management plan.***

The public works project manager will have weekly project management meetings with the consultant where project status updates will be provided. The project team, prior to each weekly meeting, will provide a scorecard to the consultant scoring the following criteria (Grades A-F)

◦ Quality

◦ Schedule

◦ Cost

◦ Responsiveness

The scorecard values are:

◦ A: Consultant is providing exceptional work product and exceeds city expectations

◦ B: Consultant is providing service in accordance with scope of work

◦ C: Consultant is providing some but not sufficient service

◦ D: Consultant is not providing sufficient service

◦ F: Consultant is violating terms of the contract

Should issues of performance arise during the control procurement process, the city will utilize the escalation procedure set forth in the city’s standard professional services agreement to achieve resolution.

The outputs of the control procurements process are ***completed check sheets, invoices, any amendments to the contract based on changes in service needs, project documents including paid invoices, updated project plans and documents, as well as the work product*** conducted by the consultant.

# Close Procurements

The close procurements process relies on the following inputs: project procurement plan, professional services agreement and scope of work.

The project team has included in this procurement a final report and presentation summarizing the finding of the gap analysis and providing the city with recommendations on how to close the identified gaps in the city’s data and/or services and the requirements of the APWA self-assessment. Once the city has received and accepted the final report, the city will request a final invoice and process payment based on the outputs of the control procurement process, the professional services agreement and scope of work. The city will then assess if the consultant’s services are further needed to complete the project.

The outputs of the close procurements process include the final report and presentation, the raw data and work produced, the final procurement documentation and a closed out Purchase Order within the city’s financial system.

# Sponsor Acceptance

Approved by the Project Sponsor:

Date:

Pat Thomas

Public Works Director