

SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



FROM: Supervisor Jeff Stone

SUBMITTAL DATE: February 24, 2010

SUBJECT: Bid Review Under Transparent Environment (B.R.U.T.E.)

**RECOMMENDED MOTION:** That the Board of Supervisors:  
Approve the amendment to Purchasing Policy Manual regarding Request for Proposal (RFP).

**Background:** This policy of the Riverside County Board of Supervisors is to amend and modify the Request for Proposal process to ensure that the process is ethical, transparent, and fair. Every public agency must at all times do more than what's acceptable to ensure the public's trust that the taxpayers are protected from any schemes or loopholes that compromise the bidding process to ensure that a fair playing field is always maintained for all bidders and that ultimately the taxpayers get the appropriate goods and services for the lowest cost.

**Section 2.48 of the Purchasing Policy Manual** defines RFP as: "A competitive solicitation that is used whenever the County cannot specify with certainty the item or service needed and the vendor is asked to propose a solution to a particular situation." These proposals are NOT open publically and bidders may be called to clarify their responses and allow further negotiation of prices, terms, and conditions of their offer. These are generally awarded to the vendor that best meets **all** the requirements listed in the RFP evaluation criteria.

(continuation on next page)

Jeff Stone, 3<sup>rd</sup> District Supervisor

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Tavaglione and duly carried, IT WAS ORDERED that the above matter is approved pending a final draft to come back before the Board articulating changes made by Supervisor Stone.

Ayes: Tavaglione, Stone, Benoit and Ashley  
Nays: None  
Absent: Buster  
Date: March 2, 2010  
xc: Supvr. Stone, Purchasing

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

Prev. Agn. ref.

Dist.

AGENDA NO.

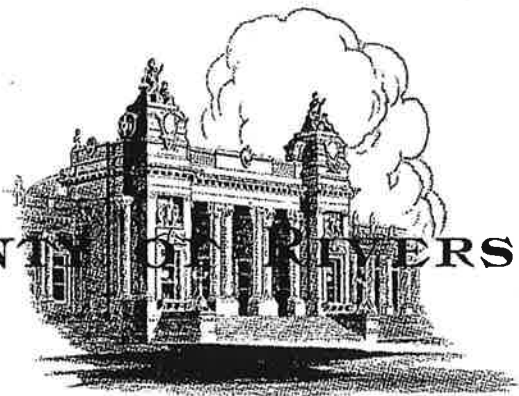
3.1

ATTACHMENTS FILED WITH  
THE CLERK OF THE BOARD

**AMENDED POLICY CHANGES PROPOSED:**

1. Any RFP's in excess of **\$25,000** that are requested by the County of Riverside and returned to the County shall be handled as such:
  - A. All RFP's shall be delivered to the Clerk of the Board Office.
  - B. The RFP will be stamped with the date and time received initialed by the beneficiary of the RFP and a County Clerk witness and a receipt given to the applicant.
  - C. The beneficiary and witness will ensure the bid is sealed in a tamper proof envelope and placed in a secure location accessible by the Clerk of the Board only.
  - D. All future agendas will have a reserved spot to allow for the public unsealing of bids and read into the record.
  - E. All RFP will then be photocopied and one copy kept by the clerk of the Board to be published on the county's website and the original to the evaluation committee.
  - F. All evaluators must be vetted to ensure that there is an objective review of all RFP's and the identity of those on the selection committee are identified publically.
  - G. Recommendations are then forwarded to the Board of Supervisors for consideration and may be rejected in full by a majority of the Board and for any reason.
  - H. Regular audits shall be done to ensure the County contractor is performing all the duties associated with their contracts.
  - I. Any subcontractors must be identified with the appropriate credentials to do the work required by the contract to avoid fiscal liability by the County.

# COUNTY OF RIVERSIDE



## PURCHASING AND FLEET SERVICES

ROBERT J. HOWDYSHHELL  
DIRECTOR

PURCHASING  
SUPPLY  
CENTRAL MAIL  
PRINTING  
FLEET

## MEMORANDUM

**TO:** Kecia Harper-Ihem, Clerk of the Board  
**FROM:** Robert Howdyshe, Director, Purchasing and Fleet Services Dept.  
**DATE:** February 25, 2010

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**SUBJECT:** B.R.U.T.E. – Agenda Item 3.1 on 3/2/2010

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Purchasing welcomes the opportunity to explain our current process, critically review our process, and make constructive changes, which improve the public perception of a fair and transparent process.

Our current process is attached as attachment A. I will provide comments on each of the recommended policy changes in the order they are itemized in the B.R.U.T.E. Form 11.

### Recommendations A, B, & C

- A. All RFP's shall be delivered to the Clerk of the Board Office.
- B. The RFP will be stamped with the date and time received, initialed by the beneficiary of the RFP, and a County Clerk witness and a receipt given to the applicant.
- C. The beneficiary and witness will ensure the bid is sealed in a tamper proof envelope and placed in a secure location accessible by the Clerk of the Board only.

### Response

These three steps are currently done by Purchasing with the one exception of having all receipts witnessed. We now time stamp all deliveries and provide a signed receipt to the person making the delivery, but we do not have a second person witness the receipt. This could be done in Purchasing with little impact.

### Recommendation D

- D. All future agendas will have a reserved spot to allow for the public unsealing of bids and read into the record.

### **Response**

This also can be done from Purchasing's standpoint, but it would cause a considerable impact. Central Purchasing handles over, on average, 389 RFP's annually. We have from one proposal to over 100 proposals on a single RFP. However, the average is 7 per solicitation. Therefore, we would be looking at, on average, 2,732 proposals to be opened during the Board meetings. For example, this year there are 24 Board meetings, so that would be, on average, 114 proposals per meeting. If the process was efficient and it only took about one minute per proposal to unseal and read the cost information, it would take almost two hours of the agenda. In addition, disclosing costs prior to negotiations with vendors could limit our ability to negotiate lower prices and concessions with the bidders because they would know where they stood in line with their competition. An alternative to this could be to request pricing in a sealed separate envelope to be opened after negotiations and in conjunction with a request for an additional sealed best & final price offer.

### **Recommendation E**

E. All RFP's will then be photocopied and one copy kept by the Clerk of the Board to be published on the county's website and the original to the evaluation committee.

### **Response**

The process to do this would not be difficult. We currently require many proposals to be submitted on CD's so the physical process to place them on a website would be easy. However, many of the proposals received contain confidential or trade secret information and should not be made public.

### **Recommendation F**

F. All evaluators must be vetted to ensure that there is an objective review of all RFP's and the identity of those on the selection committee are identified publically.

### **Response**

It has been routine for Purchasing to establish a quality spectrum of necessary expertise to fairly evaluate proposals. What we have not done is publicize the members. We strictly restrict contact by the vendors to any evaluator during the evaluating phase of the process. My concern is the ability to obtain the best people for the evaluation teams if they are made public. However, we can certainly do it.

### **Recommendation G**

G. Recommendations are then forwarded to the Board of Supervisors for consideration and may be rejected in full by a majority of the Board and for any reason.

### **Response**

Under the current policy, all awards to other than the low bidder, all sole source bids over \$25K, and all service contracts which exceed \$100K go to the Board. Therefore, by itself this is not a significant change except for the time delay associated with getting it agenzied.

### **Recommendation H**

H. Regular audits shall be done to ensure the County contractor is performing all the duties associated with their contracts.

### **Response**

This is an excellent suggestion and would require either contracting for an audit firm to perform these audits, staffing either the Auditor Controller's Office for this unique expertise to be performed on a periodic basis, or staffing professional contract administrators.

Many government contracting organizations have dedicated staff to perform contract administration. This is a unique expertise, which continually monitors performance and costs. This type of concrete data is then used when making decisions on exercising options or evaluations for future awards.

### **Recommendation I**

- I. Any subcontractors must be identified with the appropriate credentials to do the work required by the contract to avoid fiscal liability by the County.

### **Response**

We currently check credentials and verify contractor licenses.

### **In Summary:**

With our current RFP process we can do the following to improve on the bid security, ability to be audited, and transparency.

1. Each bidder could be required to sign a bid log, and it will be witnessed by a County staff person.
2. All bids received could be under video surveillance and the cost portion of the bid could be in a separate sealed envelope.
3. Debrief Session – Prior to execution of award or approval by the Board of Supervisors, a 10-day notice of intent to award could be posted on the Purchasing website for bidders to have the opportunity to have a face to face briefing on the process and recommendation.

Purchasing has been conducting a test of an online bidding system. I've attached some details of their system as attachment B. However, in short, all solicitations would be advertised to our registered vendors, the proposals/bids would be submitted electronically to the third party vendor, and at closing the solicitations would be sent electronically to the County. This would provide a third party vendor to advertise, receive, and submit all bids/proposals. This would provide the security and the absolute availability of timing and content of all proposals/bids.

If Purchasing were directed to implement this E Procurement system, it could be fully implemented by July 1, 2010.

RJH:ll

2 Attachments: Attachment A – Current Purchasing Process  
Attachment B – E Procurement Bidding System

## ATTACHMENT A

### **SUMMARY OF SERVICES**

The Purchasing Department purchases approximately \$800 million in goods and services on behalf of more than 56 different County agencies, special districts and programs. Purchases range from basic office supplies and equipment to information technology services to construction and renovation projects. The Purchasing Department also provides surplus property management for all county agencies.

The Purchasing Department follows two basic processes, Request for Quotation (RFQ) and Request for Proposal (RFP) as outlined below

#### **The Request for Quotation bidding process**

##### **Request for Quotation (RFQ) definition”**

A competitive solicitation that is used whenever the County can specify with certainty the performance, functional or technical characteristics or the item or service needed. This bid is opened publicly and award is generally to the lowest cost bidder meeting the minimum specifications as specified in the bid document and has the ability to fulfill the obligation. An RFQ typically involves more than the price per item. Information like payment terms, quality level per item or contract length are possible to be requested during the bidding process.

RFQ's are best suited to products and services that are as standardized and as commoditized as possible, as this makes each suppliers' quotes comparable. In practice, many businesses use a RFQ where an RFP would be more appropriate.

An RFQ allows different contractors to provide a quotation, among which the best will be selected. It also makes the potential for competitive bidding a lot higher, since the suppliers could be quite certain that they are not the only ones bidding for the products.

1. Receive scope of service from requesting agency.
2. The requirements gathering stage of an RFQ is one of the most crucial steps in the whole process. The objective of this stage of the procurement is to identify all necessary requirements, and all desired features, while filtering out those items, which are extraneous to the true objective of the RFQ.
3. Post the RFQ on the Purchasing website, and mail the solicitation notification to bidder's that are registered in the County database.
4. Return of Bid/Closing Date - The bid responses shall be delivered to Purchasing and Fleet Services, 2980 Washington Street, Riverside, CA 92504 by 1:30 p.m. on the bid closing date.
  - a) All bid responses will receive a timestamp.
  - b) The bidder will receive a duplicate time stamp for their records.
5. Hold a pre-bid conference (if needed). A prebid meeting will allow for questions from vendors and answers from County departments.

6. RFQ-Bid Opening – **All RFQs are opened publicly** at 1:30 of the bid closing date.
7. Depending on the complexity of the procurement, vendor product demonstration may be a factor in the award.
8. Upon conclusion of product demonstration, the procurement professional will issue a spreadsheet of bidder's prices. The lowest responsive/responsible bidder will receive the award and results are posted on the Web site for review by the public

### **The Request for Proposal Bidding process**

#### **Request for Proposal (RFP) Definition:**

A Request for Proposal is an invitation for bidders, through a bidding process, to submit a proposal on a specific commodity or service. A bidding process is one of the best methods for leveraging an organization's negotiating ability and purchasing power with suppliers. The RFP process brings structure to the procurement decision, which allows the risks and benefits to be identified clearly upfront. The RFP purchase process is lengthier than other types of procurement methods, so it is used only where its many advantages outweigh any disadvantages and delays caused. The added benefit of an RFP is the input from a broad spectrum of functional experts ensures that the solution chosen will suit the organization's requirements.

An RFP typically involves more than a request for the price. RFP's may include additional requested information such as basic corporate information and history, financial information (can the company deliver without risk of bankruptcy), technical capability (used on major procurements of services, where the item has not previously been made or where the requirement could be met by varying technical means), experience, product information and estimated completion period, and customer references that can be checked to determine a company's suitability.

The RFP may dictate to varying degrees the exact structure and format of the vendor's response. The creativity and innovation that vendors choose to build into their proposals may be used to judge vendor proposals against each other. RFPs typically reflect the strategy and short/long-term business objectives, providing detailed insight upon which suppliers will be able to offer a matching perspective or needs of the requesting agency.

#### **Steps in an RFP solicitation:**

1. Receive scope of service from requesting agency.
2. Assign the RFP to a Procurement Contract Specialist (PCS).
3. The requirements gathering stage of an RFP is one of the most crucial steps in the whole process. The objective of this stage of the procurement is to identify all necessary requirements, and all desired features, while filtering out those items, which are extraneous to the true objective of the RFP. This is also the stage where buy in on the part of the future users, owners, and stakeholder's of the objective is most critical.
4. In a parallel effort of the open solicitation process, the requesting agency identifies the evaluation members and their expertise. All evaluators must be qualified and knowledgeable to complete the evaluations. The evaluator is required to be

- independent, impartial with recognized professional expertise and stature. The PCS reviews and discusses the evaluation material and rules with the evaluation team.
5. The RFP is posted on the Purchasing website, and mail the solicitation notification to bidder's that is registered in the County database.
  6. Return of Bid/Closing Date - The bid responses shall be delivered to Purchasing and Fleet Services, 2980 Washington Street, Riverside, CA 92504 by 1:30 p.m. on the bid closing date.
    - a) All bid responses receive a timestamp.
    - b) The bidder will receive a duplicate time stamp for their records.
  7. Hold a pre-bid conference (if needed). A prebid meeting will allow for questions from vendors and answers from County departments.
  8. RFP-Bid Opening- All RFP's are opened by the Procurement Contract Specialist (PCS) in a non-public setting.
  9. Each evaluator receives a packet containing an evaluation score sheet, RFP, Addendum(s), Code of Ethics Statement, Assignment of Weighted Criteria, and the proposals from the vendors.
  10. Each evaluator independently assigns weighted criteria. This step enables departments to utilize a weighted point method as a quantitative tool to assign different levels of importance (weights) to various evaluation factors listed in the RFP.
  11. Each evaluator signs the Code of Ethics Statement and the PCS collects the form.
  12. The evaluator reviews the proposal packet from each vendor and documents the scores on the evaluation score sheets provided by Purchasing.
  13. The team reviews each proposal independently until the evaluation process is complete. In completion of the evaluation process, round table discussions of all bidders' aggregate scores are revealed to the evaluation team.
  14. Purchasing does not release the identity of the evaluation team, to ensure that outside influences to award are not an issue, thus protecting the procurement process. All evaluation material is placed in a sealed envelope. The sealed envelope in the front of the bid folder containing the evaluation materials is to be removed and not disclosed to any unauthorized persons. Unauthorized persons include everyone not part of the evaluation team, or not approved by the Purchasing Manager.
  15. Depending on the complexity of the procurement, oral interviews or vendor product demonstration is held. All evaluation team members are present.
  16. Upon conclusion of interviews or presentations, the PCS may issue to all finalists that are deemed in the competitive range, a request for best and final offer, via written request from the PCS. A common cutoff date and time, this allows a reasonable opportunity for submission of written best and final offers.
  17. Following the evaluation of best and final offers, the evaluation team in concurrence with Purchasing, must select for award the best value offering to the County.
  18. Debrief Session – Upon execution of award or approval by the Board of Supervisors, bid responses become public record. Bidders may take notes from the proposals presented and can ask questions that may assist them in responding to future bidding opportunities. The PCS may answer questions in general as long as the answers do not disclose any information discussed by the evaluation team or contained in the evaluation materials.



The Purchasing Department has been testing a full service eProcurement system which would handle our vendor registration, online Request for Quotations (RFQs), Invitation for Bids (IFBs), Request for Proposals (RFPs), and reverse auctions. Public Purchase is a third party eProcurement system. All competitive bids would be submitted directly to their online system. Bids cannot be retrieved until after the bid closing date by authorized county personnel. This system will address many of the concerns that have been raised regarding receiving and processing competitive bids:

- Bid security
- timeliness and
- confidentiality

The Public Purchase eProcurement System was designed exclusively for use by Government Agencies and their Vendors. It is compliant with all Federal and State regulations which set forth the required procedures for Government Agency purchasing.

The Public Purchase eProcurement System incorporates the latest technology to assure the most comprehensive and easiest to use purchasing tool available. Additionally, they provide the best customer service possible to Government Agency users and their Vendors.

Below is a partial list of functions for this System:

- **Automatic notification and transmittal of Bid Requests (Paper & Electronic) to Vendors:** e-Procurement systems can automate complicated processes for bid creation, response and award. You can implement e-Procurement tools without changing your current organization or purchasing processes. Online tools can also be accessed and used anytime, anywhere. Online bids can contact all your vendors without the need to copy, collate and mail bid documents. Online notifications can also contact your current vendors and attract thousands of vendors from across the country, decreasing the time and resources necessary for advertising. e-Procurement systems help you attract significantly more potential vendors to your bids. Wider bid notification leads to more bid competition and cost savings for your purchasing overall.
- **Electronic Sealed Bids to Vendors:** You can use Public Purchase to register, pre-approve and manage all your vendors. Each agency can maintain its own vendor list on Public Purchase. This allows you to update, and keep, all information on your vendors.
- **Electronic Vendor Responses:** Public Purchase uses the highest-grade encryption available to ensure that bid responses are kept absolutely confidential until the bidding period ends and purchasing administrators officially open the bid. Public Purchase also provides you with customizable awarding options; allowing you to control access to and content of bid results.
- **Contract Management:** End users and/or Contract Administrators and vendors can be notified of contract, insurance and other liability document expirations. This module could also track overall performance, expenditures and other customized reports. Other standard features includes: Contract milestones tracking, vendor portal, automated contract renewal process, document attachment/uploading process, agency task manager, transparent process to all users and 7 year reporting built-in. This module includes unlimited storage space and backup for \$100 per user, per month.

**Riverside County Board of Supervisors  
Request to Speak**

Submit request to Clerk of Board (right of podium),  
Speakers are entitled to three (3) minutes, subject  
Board Rules listed on the reverse side of this form.

**SPEAKER'S NAME:** Kelly Keenan

**Address:** DA's Office  
(only if follow-up mail response requested)

**City:** \_\_\_\_\_ **Zip:** \_\_\_\_\_

**Phone #:** x55689

**Date:** 3-2-10 **Agenda #** 3.1

**PLEASE STATE YOUR POSITION BELOW:**

**Position on "Regular" (non-appealed) Agenda Item:**

☒ **Support**      ☐ **Oppose**      ☐ **Neutral**

**Note:** If you are here for an agenda item that is filed  
for "Appeal", please state separately your position on  
the appeal below:

☐ **Support**      ☐ **Oppose**      ☐ **Neutral**

**I give my 3 minutes to:** \_\_\_\_\_

3-2-10      3.1