

Procurement Process Study

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May 9, 2014

Pre-Submittal Conference



Introduction

Purpose:

Provide information pertaining to SAWS Solicitation
No. R-14-003-PC – SAWS PROCUREMENT PROCESS
STUDY

Agenda:

Briefing is divided into two sessions:

1. Technical/System Overview
2. Administrative with a Wrap Up

A Short Questions and Answers Period will be
Conducted after Each Section

Overview

SAWS Mission and Vision Guide our Service

Providing Life-Essential Services

Mission

Sustainable **A**ffordable **W**ater **S**ervices

Vision

To be Leaders in Delivering Responsible Water Services
for Life

Values

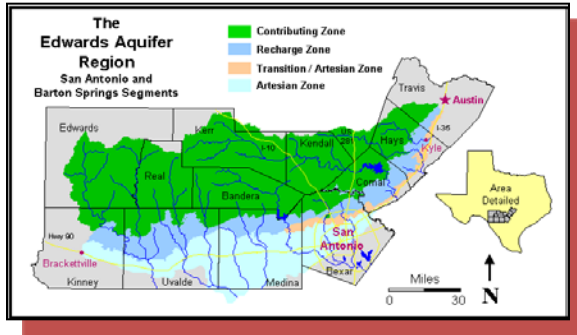
Excellence, Integrity, and Respect

Even the best organizations need to work to become better!

Commitment to Essential Services

Providing Value Around the Clock

Water Source



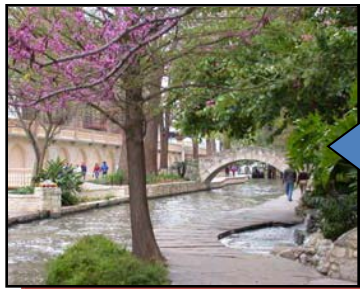
Well/Pump



Storage



River



Wastewater Treatment Plant



Sewage Collection System



Distribution



SAWS System Challenges - Summary

- Reduce Sewer Spills
- Continue investing in critical infrastructure needs for our Quality of Life and Economic Development
- Continue developing new Water Supplies such as Brackish Desalination
- Identify ways to **become more efficient**

SAWS Customer Connections

Growth

	<u>Water</u>	<u>% Increase</u>	<u>Wastewater</u>	<u>% Increase</u>
2007	344,468		379,962	
2008	348,834	1.27%	389,894	2.61%
2009	352,059	0.92%	395,161	1.35%
2010	356,546	1.27%	400,096	1.25%
2011	360,281	1.05%	405,119	1.26%
2012	365,099	1.34%	412,275	1.77%
2013*	467,742	28.11%	417,062	1.16%

* Includes Former Bexar Met Customers



Four Core Services

Separate Funding Streams Required

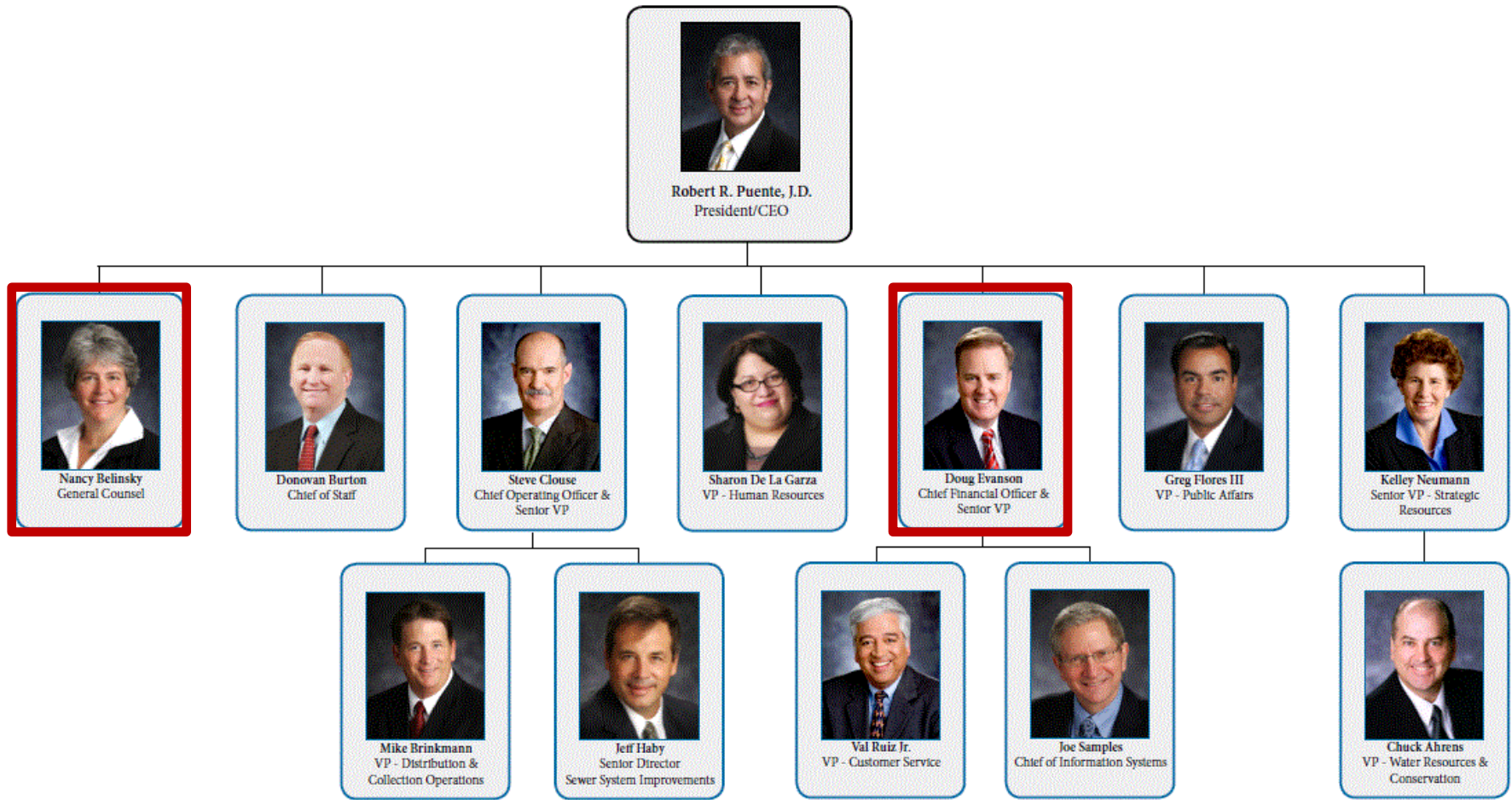
- **Water Supply**
 - Development & provision of water resources to ~1.7 million people
- **Water Delivery**
 - Distribution of water from pump stations to customer's premises (~480,000 connections & 6,100 miles of main)
- **Wastewater (Sewer)**
 - Collection and treatment of wastewater (~410,000 connections & 5,200 miles of main)
- **Chilled Water and Steam**
 - Provide heating and cooling services to certain customers



SAWS Governance

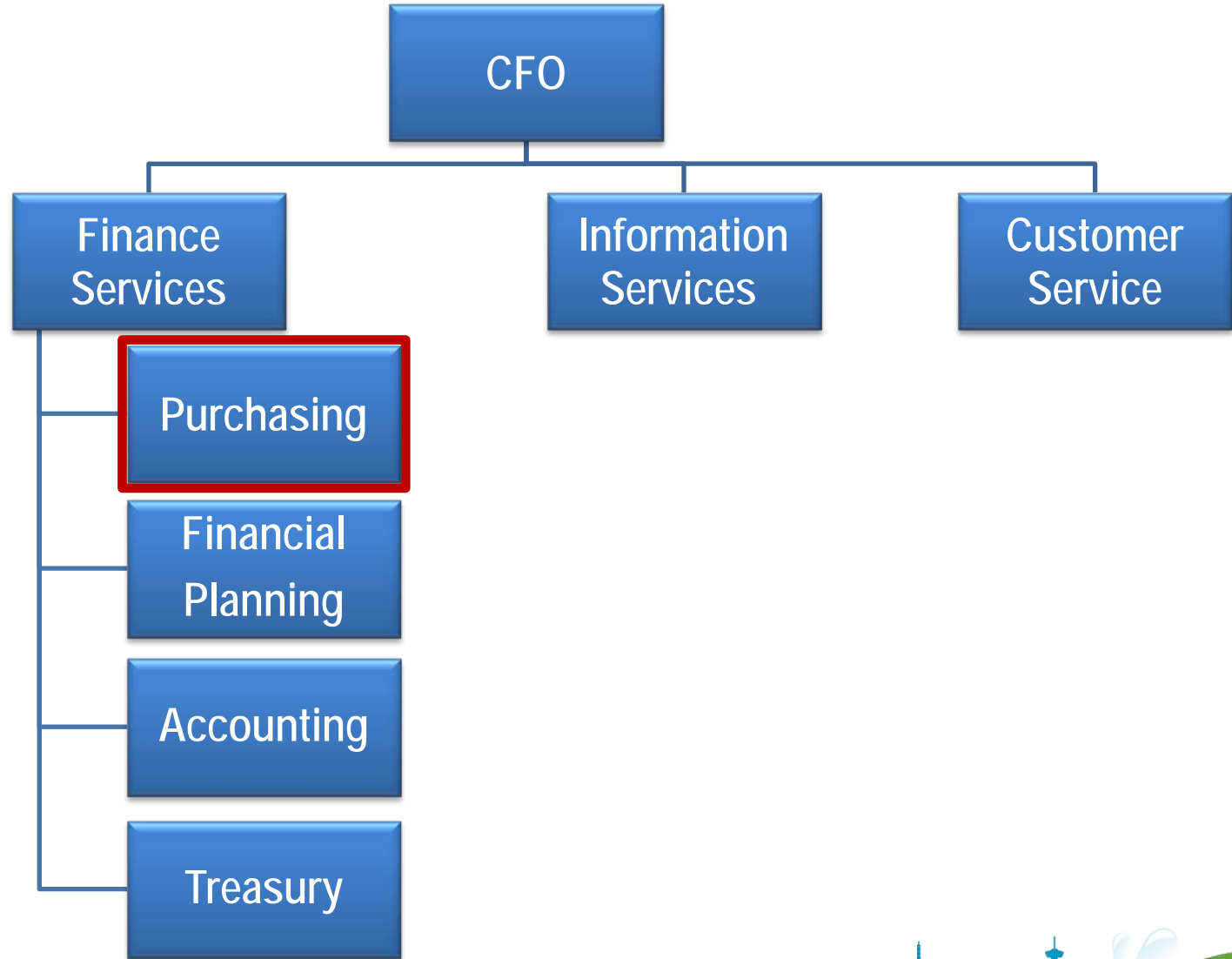
- SAWS is a Public Utility owned by the City of San Antonio – *Municipally Owned*
- The San Antonio City Council
 - Appoints the SAWS Board
 - Approves Rate Increases and Bond Issuances
- The SAWS Board
 - Approves all other actions
- The President/CEO
 - Manages the Daily Activities

SAWS Organizational Structure



Purchasing

Purchasing Organization Chart



Purchasing Department

- Consists of 7 Individuals
 - 1 Director
 - 1 Business Application Analyst
 - 4 Contracting and Purchasing Specialists (Buyers)
 - 1 Senior Administrative Assistant
- Responsible For Procurement of
 - Goods (Equipment, Supplies, Chemicals, IS Hardware, etc.)
 - Non-professional services (Janitorial, Lawn Maintenance, Hazardous Waste Disposal, etc.)
 - Supply Warehouse Materials
- Over 330 Annual Contracts
 - Goods or services that are constantly needed for SAWS operation

Purchasing Department

Contracting and Purchasing Specialists

- Assisting customer in creating scope of work
- Developing solicitation/ vendor list
- Facilitate Pre Bid Meetings/ Technical Evaluation Process
- Review recommendations and bid tabulations
- Creating documentation for addition to Board Agenda
- Creating spreadsheets for upload to Lawson
 - Building contracts in Lawson
- Handling one time buys, invoice discrepancies, etc.
- Managing all aspects of contract/ purchase orders through completion

Purchasing Department

Business Application Analyst

- Manages all aspects of Lawson Procurement System
 - Uploads data into Lawson
 - Manages Lawson Business Intelligence Dashboard
 - Troubleshoot Lawson system errors or issues
 - Opens help tickets with Lawson to help identify and resolve system defects
 - Quality assurance system testing for Lawson patches
 - Report writing for all of finance, and other departments as needed
- Security Officer for Lawson
 - Maintains and Administers Security
 - Conducts quarterly Security Audits

Purchasing Department

Advertising Bids

- Local Newspaper
- SAWS Website
- Demandstar/ Onvia
- E-mail notification directly from Purchasing

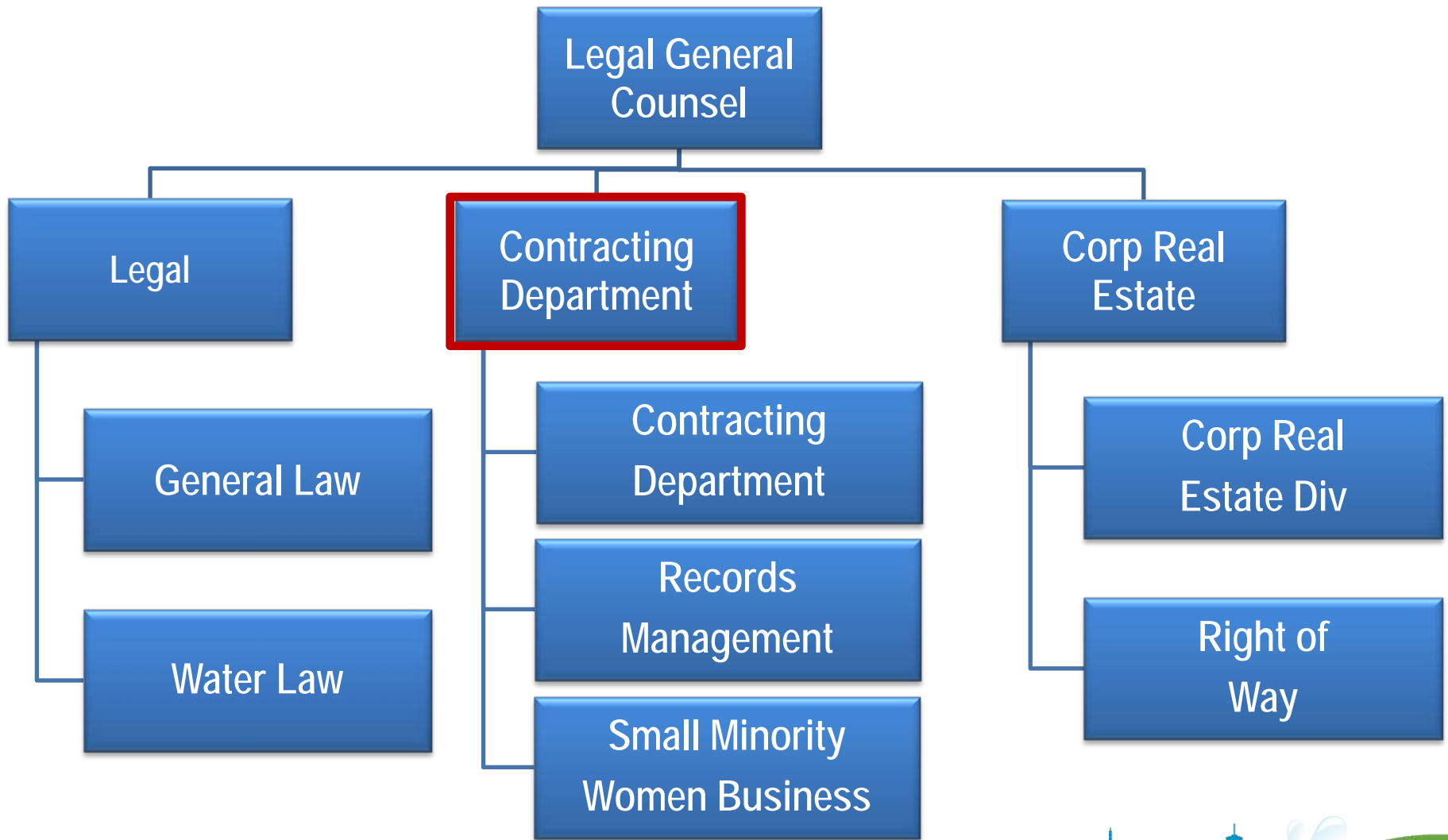
Types of Solicitations Used

- Invitation for Bids (IFB – Low Bid)
- Best Value Bids (BVB)
- Request for Proposal (RFP)

Monthly Consent Agenda for Board Approval

Contracting

Contracting Organization Chart



Contracting Department

- **Consists of 21 Individuals;**
- **Four Distinct Areas of Operations:**
 - Contracting Area
 - Construction Payment Administration Area
 - Open Records Area
 - Small, Minority, Woman-owned Business (SMWB) Area
- **Contracting Area involved in the following:**
 - Construction Projects;
 - Professional Services (engineering, accounting, legal, etc.)
 - Other Consulting Services (third party administrators, benefits consultants, efficiency consultants, etc.)
 - Non-standard solicitations (water supply projects, water rights feasibility studies, surplus real estate, etc.)
 - Information Technology System acquisitions & implementations

Contracting Department

- **Contracting Area involved in the following:**
 - Development and Issuance of contract solicitations
 - Coordinate solicitation advertising activity
 - Receipt of Bids, Statement of Qualifications and Proposals
 - Accumulate Scores from evaluators
 - Development of Contract Exhibits (scope, comp schedule, etc.)
 - Contract Administration (insurance, bonds, etc.)
 - Record Contracts into Financial Management System
 - Create Contract Amendments
 - Review and Process Construction Change Orders
 - Resolve contract issues between contactor and user area
 - Contract Close-outs

Contracting Department

- **Types of Solicitations Used**
 - Invitation for Bids (IFB – Low bids)
 - Request for Qualifications or Proposals (RFQ or RFP)
 - Request for Competitive Sealed Proposals (RFCSP)
 - Construction Alternative Delivery (CMAR & DB)
- **Contracting Solicitations Advertised**
 - Local Published Newspaper
 - SAWS Web-site
 - Newspapers or periodic publications outside the Local area
 - Direct e-mails from Vendor Registration System or direct research
- **Interested Parties Required to Log-in**
 - Records Interest Parties Listing
 - Serves as networking information for sub-contractors

Financial

Purchasing and Contracting Departments

Schedule: E – Operating Budgets

<u>Purchasing Department</u>	2013 Budget	2014 Budget
Salaries and Fringe Benefits	\$588,638	\$605,245
Contractual Services	28,299	23,060
Materials and Supplies	9,500	4,500
O&M Before Capitalized Cost	\$626,437	\$632,805

<u>Contracting Department</u>	2013 Budget	2014 Budget
Salaries and Fringe Benefits	\$1,636,152	\$1,692,605
Contractual Services	221,030	259,109
Materials and Supplies	16,910	16,710
O&M Before Capitalized Cost	\$1,874,092	\$1,968,424

Purchasing and Contracting Departments

Schedule: E – Head Count

<u>Headcount</u>	2013 Budget	2014 Budget
Contracting Dept.	2	2
Contract Administration	15	15
Records Management	3	3
Small Minority Women Business	2	2
Sub-Total Contracting Department	22	22
Purchasing Department	7	7
Total	29	29

Financial Reports Available Online

http://www.saws.org/who_we_are/Financial_Reports/

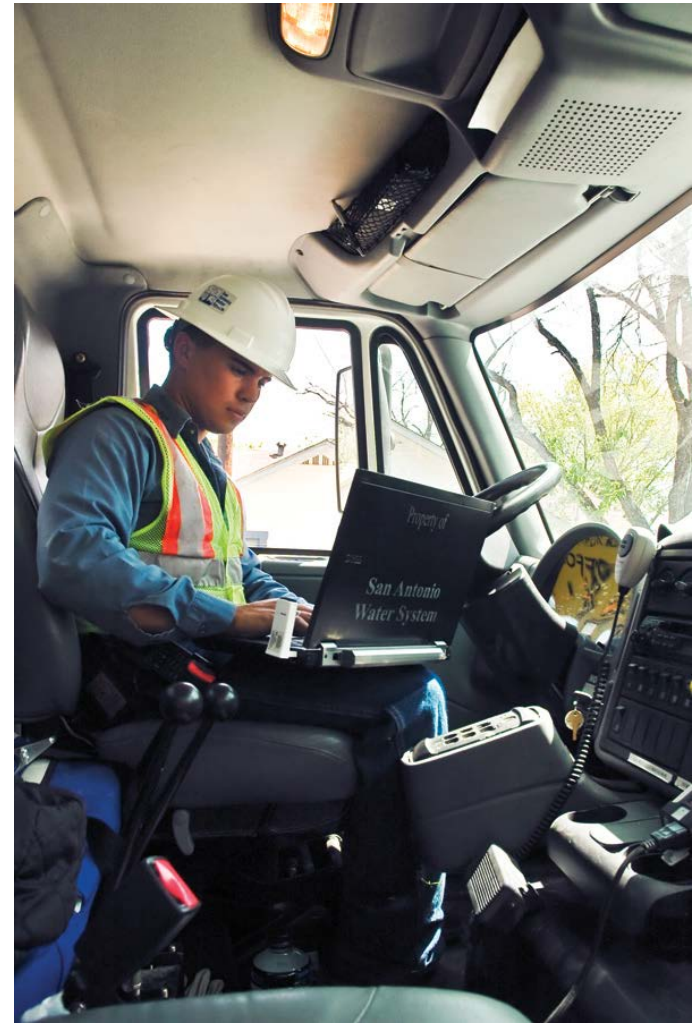
- SAWS Annual Reports
- Comprehensive Annual Financial Report
- Annual Budget
- Quarterly Reports
- Monthly Financial Reports
- Official Statements

Questions

This Action

Request for Proposals Aspects

- Key Dates of Solicitation
- Key Items of Solicitation
- Scope of Services
- Scoring Criteria
- Compensation Proposal
- SMWB Scoring
- Submittal Package
- Closing Reminders



Key Dates of Solicitation

- May 15, 2014 - Written Questions – 10 AM CT
- May 19, 2014 - Q & A Posted – 4 PM CT
- May 30, 2014 - **Proposals Due by 11 AM CT**
- June 5, 2014 - Proposals Evaluated
- June 17, 2014 - Interviews, if necessary
- June 19, 2014 - Selected Firm Notified
- July or August 2014 - SAWS Board Consideration
- Final Report Due – 90 days



Objectives

- Identify opportunities to improve the procurement process to maximize opportunities for competition and increase the number of procurement responses
- Identify opportunities to improve the procurement response evaluation and selection process
- Improve the level of transparency in the evaluation and award process
- Identify opportunities for efficiencies and service enhancements

Scope of Work

- A comprehensive assessment of the procurement process to include product or service identification, specification development, outreach to potential vendors, procurement development, selection of solicitation type and vendor response evaluation & selection.
 - The review should address the Purchasing and Contracting Departments' roles/functions; organizational structure, process and technology work flows and performance measures
 - The review should also include the evaluation of technology currently used, staffing levels, and the availability of additional software that promotes innovation and improved efficiency

Scope of Work – Continued

The detailed scope of work should be sufficient to include in the final contract and a time table not longer than 90 days for providing a final report to include recommendations for the following areas:

1. Evaluate current procurement processes and work flows utilized by SAWS and provide recommendations for improvements. Recommendations must take into account the requirements within the various Texas Statutes and SAWS SMWB policy that impact the SAWS's procurement options
2. Evaluate procurement roles/functions within SAWS that relate to the Purchasing & Contracting Departments and provide recommendations for improvements and/or efficiencies

Scope of Work – Continued

3. Evaluate the organizational structure for the Purchasing & Contracting Departments, including identification of job classes/roles, description of functions, staffing levels, and necessary skills
4. Identify current and emerging best practices within the procurement industry, evaluate the value each would bring to SAWS, and describe the associated costs, timetables, and calculated savings to adopt the recommended best practices. The outcome of the evaluation should include at a minimum:
 - A) Opportunities to increase competition and maximize bid responsiveness
 - B) Opportunities to increase procurement responses with only one to two bidders/respondents
 - C) Opportunities to improve the procurement solicitation process
 - D) Opportunities to increase level of transparency in the evaluation and award process
 - E) Opportunities to improve the Procurement response review and evaluation process
 - F) Other best practices

Scope of Work – Continued

5. Review the current technology utilized by the Purchasing and Contracting Departments and recommend technology improvements based upon current industry standards
6. Review the current procurement workflow processes and recommend specific improvements to the various Procurement work flow processes
7. Provide recommendations to enhance customer service and include suggested customer satisfaction measurements;
8. Provide recommendations for departmental performance measures

Scope of Work – Continued

9. Review, evaluate and make recommendations regarding training programs for Purchasing and Contracting Department staff as well as other SAWS staff involved in procurement and contracting activities
10. Identify opportunities to optimize the Procurement process as an organization

Scope of Work - Reports

- The final report on the overall Procurement process is **due within 90 days** of contract execution - with interim reporting dates
- The report should address all aspects in the scope of services, plus any additional information that is necessary to identify Procurement efficiencies and/or cost savings measures
- Cost savings measures must be quantified, must detail any needed additional investments by SAWS and a tentative timeline for development & implementation of such a measure

Scoring Criteria

Proposal Section	Max Points
Proposed Project Approach	40 Points
Qualifications and Experience	25 Points
Compensation Proposal	20 Points
SMWB – Good Faith Effort Plan	15 Points
Total	100 Points

- Provide a proposed methodology, detailed scope of work and schedule that could be inserted into the final contract
- Maximize points by addressing all required items

Scoring Criteria - Continued

Compensation Proposals

- Provide a fixed fee by scope of service phase
- The fee should be inclusive of **all** expenses – including travel
- Any firm proposing a fee that includes sharing of any savings achieved by SAWS **will not** be considered

Scoring Criteria - Continued

SMWB – Good Faith Effort Plan

- **SMWB participation scoring:**
 - Aspirational Participation Goal (25%)
 - Scored on Sliding Scale based on SMWB participation – 15 points max
- **Good Faith Effort Plan:**
 - Complete the applicable sections to maximize scores
 - Form is available on website
 - SMWB Certification accepted from the South Central Texas Regional Certification Agency (SCTRCA), Texas Historically Underutilized Business (HUB) program, and/or federal SMWB designation/certification
 - Small Business Enterprise (SBE), Minority Business Enterprise (MBE), and Woman-owned Business Enterprise (WBE) certifications accepted
- **SMWB Questions or Assistance:**

Marisol V. Robles

marisol.robles@saws.org

210-233-3420

Proposal Components to Submit

- Due May 30, 2013 - 11:00 am CT
 - Contracting Department – Customer Service Bldg. Room 171
 - Allow minimum 15 minutes for check-in
- Proposal Package Contents (30 pages max – excluding required forms)
 - Submittal Response Checklist
 - 1 Original Submittal, 10 Hard Copies, 1 CD in PDF format
 - Completed W-9 Form
 - Proposed Project Approach
 - Qualification & Experience with Organizational Chart
 - Compensation Proposal
 - SMWB Good Faith Effort Plan
 - Respondent Questionnaire
 - All Other Applicable Attachments

Closing Reminder

- Technical questions:
 - Must be received by 10:00 am CT, on May 15, 2014
 - Must be in writing - by e-mail and submit to:

Deborah Segovia

Contract Administration

San Antonio Water System

2800 U.S. Hwy 281 North, Suite 171

San Antonio, TX 78212

E-mail: deborah.segovia@saws.org

Questions

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