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## OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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**Date Issued:** December 2, 2010

**IBA Report Number:** 10-90

**City Council Docket Date:** December 7, 2010

**Item Number:** 335

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# Preliminary Statement of Work for Publishing Services

## OVERVIEW

On December 7, 2010, the City Council will be requested to review and approve the Preliminary Statement of Work (SOW) for General Services Department, Publishing Services Division.

The Managed Competition Guide was approved by the City Council on October 12, 2010. The following provides a basic overview of the initial steps of the current process:

- Once a function has been considered for managed competition, a pre-competition assessment is performed to determine its appropriateness and eligibility for the managed competition program. Criteria utilized to make this determination include evaluating whether the function is inherently governmental, legal limitations, risk analysis, availability of alternatives, and efficiency/economic gain.
- If a function has been deemed appropriate and eligible for competition, the Mayor will prepare a preliminary written Statement of Work. The Preliminary SOW is provided to the City Council for review and approval.

As mandated by the City Charter, City Council is responsible for ensuring that service quality in the City is maintained when it has been determined by the Mayor that a function will undergo a managed competition. Council approval of the Preliminary SOW is an important step in the process as it provides Council the opportunity to review service level requirements prior to issuance of the Request for Proposal (RFP). The Preliminary SOW describes the scope of the services being procured as well as existing workload requirements and selected performance standards. Once approved, the Preliminary SOW will form the foundation of the Statement of Work that will be developed and included in the RFP. Service levels cannot change between the Preliminary SOW as approved by Council and Final SOW.

The Preliminary SOW identifies existing City service levels based on current funding levels, as reflected in the adopted budget. This preliminary step is to ensure that existing service levels are well documented and approved by the legislative body and that service levels provided through competitive procurement will not result in reductions.

Not all service level information and performance standards are included in the Preliminary SOW so as to protect the competitive process. More detailed information will be included in the Final Statement of Work (SOW), which will be developed in the next phase in preparation for issuing a Request for Proposal.

As outlined in the Managed Competition Guide, the Final SOW will include the following information:

- General and Specific requirements- These requirements will describe the services the City is seeking from a service provider. This information includes the overall scope of work, general operating conditions, quality control requirements and employee certifications and training requirements.
- Any City-furnished Property, materials and services that will be provided to the selected service provider and whether the cost for replacement of City-furnished Property, when necessary, will be borne by the City or included in the service provider's proposed costs. Also included in the SOW is whether bidders should include or exclude the cost of any ongoing maintenance of City-furnished Property.
- Technical exhibits including but not limited to workload data, performance levels, facility data, and government furnished property inventory.
- Supporting documentation, which may include drawings, maps, component system descriptions, property inventories, reporting formats, material usage, guiding documentation, and other reference materials.

The IBA reviewed SOW components from several other cities and counties that have implemented Managed Competition Programs to ensure all the appropriate information will be incorporated in the City's Final SOW. We also reviewed the Government Finance Officers Association (GFOA) best practices. The following items were consistently identified in our review but are missing from the Preliminary SOW; Council may want to request their inclusion in future Preliminary SOW's and confirm their inclusion in the Final SOW for Publishing Services:

- Expectations for how the provider will track requests, complaints, other feedback and how and when this information will be transmitted to the City.
- Expectations for how and when the provider will communicate to the city about service mishaps or delays and related remedies.

As Publishing Services is a relatively small and easily defined function, the Preliminary SOW is brief and straight forward. We would expect that with more complex functions

(e.g. Fleet Services and Trash Collection) the related Preliminary SOWs will be more substantial.

Based upon our review of the Preliminary Statement of Work for Publishing Services, and confirmation of the additional information being included in the Final Statement of Work, the IBA recommends City Council approval.

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