

# EXECUTIVE SUMMARY

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## OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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**Date Issued:** January 28, 2011

**IBA Report Number:** 11-05

**City Council Docket Date:** February 1, 2011

**Item Number:** 332

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### Preliminary Statement of Work Fleet Services

On February 1, 2011 the City Council will be requested to review and approve the Preliminary Statement of Work (SOW) for the City's Fleet Services, as a first step in procuring these services through a managed competition process (where City employees and outside providers will compete to perform this service.) Fleet Services will be the City's second managed competition process.

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. **Service levels cannot change between the Preliminary and Final SOW's.**

#### Issues and Recommendations for Council Consideration

- The City Council has the discretion to alter what is being measured in the Preliminary SOW as long as the service quality is not degraded. As stated in the Managed Competition Guide, Final SOWs should "focus on what is to be done rather than on how it is currently done." Specifying the desired end result through appropriate performance measures allows the proposer to describe how they would meet them.
- The Fleet Services PSOW includes a minimum of two ASE certified stations within the Performance Standards. Since requiring a minimum number of stations in the Preliminary SOW may be considered restrictive and limit the number of bids or affect bidders' operational proposals, removing this measure (or reducing the number to a minimum of one) is an option available to the Council as it would not degrade the current quality of service. Such a change may improve the RFP and, ultimately, the proposals received.
- To ensure performance standards are met, a Quality Control Plan is developed by each bidder and included in their proposal. The City provides a Quality Assurance Surveillance Plan (QASP) which the City will use to evaluate the service provider's performance.
- Based on our review of the Preliminary SOW for Fleet Services the IBA recommends City Council approval.