MEMO

DATE: February 1, 2007

TO: Administrative Committee
Regional Council

FROM: Wayne Moore, CFO, (213) 236-1804, moore@scag.ca.gov

SUBJECT: Number of Proposals Received in Response to SCAG Solicitations

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BACKGROUND:

At the January 4, 2007 Regional Counsel (RC) meeting, questions were raised regarding the low number of proposals that were being received in response to Request for Proposals (RFP). Similar questions were raised in March 2006. To respond to the questions raised last year, SCAG's contracts staff surveyed firms for each RFP with a budget over $25,000 that was released from July 2005 through March 8, 2006. We received a variety of responses, which we categorized to determine the main reason for the low proposal submittals.

In the survey conducted last year, more than one-half (56 percent) of the reasons for not submitting a proposal were because the firms lacked staff/resources or required expertise. Twelve percent felt there was insufficient time to respond to the RFP. Other reasons included the perceived lack of budget, inability to meet project schedule and inability to team up with a prime contractor.

Within the last two years, we have taken numerous steps to encourage competition in bidding for SCAG projects. As a result of our past efforts, the number of proposals received in response to solicitations during FY 2006-2007 has increased by 34 percent when compared to the FY 05-06 survey period:

Proposals Received in Response to RFPs

			Number of Proposals Received		
Period	FY	Number of Projects	0-3	4-6	6+
July 1, 2005 – March 8, 2006	05-06	20	90%	10%	0
July 1, 2006 – December 31, 2006	06-07	34	56%	35%	9%

Our outreach efforts also have resulted in a substantial increase of the number of vendors/consultants that have entered their profile in SCAG's bid management database: During the period July 2005 through June 2006, there were a total of 1,455 vendors/consultants in SCAG's in the database. As of January 10, 2007, there is a total of 1,891 vendors/consultant in the database, which is an increase of 23 percent. We intend on continuing our outreach efforts by attending future conferences and vendor fairs. In April 2007, we will be manning a booth at the American Planning Association's 2007 National Planning Conference to recruit new qualified firms.

We will continue to monitor our performance. Also, effective immediately, we will modify the RC reports for contracts to include not only the number of firms notified of a release of a RFP, but also the number of firms that actually downloaded a RFP. We are anticipating revising our OWP budget submittal process to eliminate individual project budget information to increase competition amongst potential bidders. In the first quarter of FY 07-08, we will request an update to the vendor profiles to ensure that we have the most up-to-date information on the areas of expertise for our consultants. Lastly, we will investigate new contract practices with the intent to expand the number of opportunities to reach a greater number of consultants.

We rely heavily on outside consultants and vendors to help accomplish the overall mission and objectives of the Association, and are committed to continuously bringing new talent in our pool of potential consultants and vendors.

FISCAL IMPACT:
None

Reviewed by:

Chief Financial Officer