


CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: April 25, 2024

To: The Mayor
The City Council

From: Matthew W. Szabo, City Administrative Officer



Subject: **INNOVATION FUND RECOMMENDATION – BID CREATION AND MANAGEMENT TOOL**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Establish and appropriate a new appropriation account entitled Office of the City Administrative Officer – Bid Creation and Management Tool in the amount of \$300,000 within the Innovation Fund No. 105/10 from the available cash balance of the Innovation Fund.
2. Transfer \$300,000 from the Innovation Fund No. 105/10, Office of the City Administrative Officer – Bid Creation and Management Tool to Fund No. 100/10 as follows:

<u>Fund/Dept.</u>	<u>Acct No.</u>	<u>Account Name</u>	<u>Amount</u>
100/10	003040	Contractual Services	\$ 300,000

3. Instruct the Office of the City Administrative Officer to:
 - a. Separately track all encumbrances and expenditures of Innovation Fund monies so that unspent funds can be returned to the Innovation Fund at the end of the fiscal year;
 - b. Report to the Innovation and Performance Commission with an accounting of the funds, the lessons learned, and any obstacles faced;
 - c. Report to the Innovation and Performance Commission if, after the receipt of funds, the scope of the funded item differs from the scope approved for funding by the Mayor and the City Council; and,
 - d. As appropriate, include acknowledgment of the Innovation and Performance Commission on public materials, such as press releases or websites that reference the Bid Creation and Management Tool project.
4. Authorize the City Administrative Officer to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions.

SUMMARY

The City Administrative Officer herewith transmits the recommendation of the Innovation and Performance Commission (IPC) to approve funding in the amount of \$300,000 from the Innovation Fund (IF) for the Office of the City Administrative Officer (CAO) – Bid Creation and Management Tool pilot project. As with all IPC recommendations, this report presents the idea that the CAO submitted and the IPC approved, along with the necessary recommendations to implement the idea as presented. If the scope of the Innovation Fund item changes after the CAO receives funding, the CAO must return to the IPC to present the revised scope to the IPC to determine whether alternative recommendations are required.

The CAO is requesting funding for a bid creation and management tool that would streamline the process for developing procurement solicitations. Currently, the City does not utilize a standard practice for City-staff who procure services, resulting in the use of outdated solicitations as a guide and without a direct contact to address any questions that may arise when drafting solicitations. This pilot aims to connect City staff who draft solicitations with resources and guidance, including templates, a bid wizard to guide city staff on the development of the relevant bidding documents, relevant contract compliance documentation, and the appropriate next steps. In addition, the tool will also have the capability to track user activity, route draft solicitations between department staff for review, and directly post the solicitation to the Regional Alliance Marketplace for Procurement (RAMP) upon completion.

The Bid Creation and Management Tool would provide real time guidance and resources within the same application through which staff will be required to complete and post solicitations. Approved language from prior solicitations, templates, guidance for next steps and relevant contract compliance documentation are functionalities that will be available in this tool. It is anticipated that this step-by-step assistance through this tool will decrease the frustrations related to developing and releasing a solicitation for businesses and City staff.

This project is innovative particularly when compared to traditional manual methods of generating solicitations. The benefits of the Bid Creation and Management Tool include:

- a. Efficiency and Time Savings: Module will streamline the process of drafting solicitations and reduce the time and effort required to create complex documents, allowing City departments to issue solicitations more quickly.
- b. Standardization: Module will include templates and standardized formats for solicitation documents. This ensures consistency and reduces errors and omissions.
- c. Collaboration: Module will enable multiple stakeholders within an organization to collaborate on the document simultaneously. This enhances teamwork and communication among teams involved in the procurement process.
- d. Compliance and Transparency: Module will include legal and regulatory compliance reminders into the solicitation creation process. This increases the City departments' compliance to the City's contract compliance requirements.

- e. Data Analytics: Module enables the City to analyze past solicitations and procurement data. This data-driven approach can inform better decision-making.
- f. Workflow Automation: Module automates various workflow tasks, such as approvals and notifications. This reduces the likelihood of bottlenecks and ensures that the solicitation process moves forward smoothly.
- g. Document Storage and Retrieval: Module will provide a centralized storage for solicitation documents, making it easy to retrieve and reference past solicitations. This can be especially valuable for audits, reporting, and historical reference.
- h. Integration Capabilities: This module will be integrated to other procurement modules, enhancing the overall procurement ecosystem's efficiency and effectiveness.

The CAO plans to launch an educational campaign directed towards the business community through the monthly Los Angeles Procurement Opportunity Portal/Regional Alliance Marketplace for Procurement (LAPOP/RAMP) training sessions and through social media channels to inform and train businesses on the LAPOP/RAMP platform enhancements.

The success of this pilot will be measured by to increases in the number and diversity of vendors who could work with the City, increases in competition in order to get the best value from bidders/proposers, the reduction of the amount of time necessary for City staff to draft procurement solicitation documents (RFP and RFQ), and saving staff time and resources by prompting the completion of necessary pre-award contracting requirements (ex. NOITC, 1022, and insurance), freeing up staff time to address any questions and issues in real-time.

The IPC recommends \$300,000 for the CAO – Bid Creation Management Tool pilot project. The budget break down for this pilot is as follows:

FISCAL IMPACT STATEMENT

Approval of these recommendations will allocate \$300,000 of the remaining \$2,608,016 Innovation Fund 2023-24 available balance. The \$300,000 will be transferred to the CAO to begin implementation of the pilot project that the Innovation and Performance Commission approved. In some cases, departments will incur ongoing costs.

FINANCIAL POLICIES STATEMENT

The recommendations of this report are in compliance with the City's Financial Policies as Innovation Fund monies are being utilized for an eligible project which will improve the quality, efficiency and effectiveness of City service through innovation, productivity, and performance measurement.