

City Evaluation of Professional Service Contractors

Final Report • August 5, 2015



OIG NEW ORLEANS OFFICE OF
INSPECTOR GENERAL

E. R. Quatrevaux, Inspector General

OFFICE OF INSPECTOR GENERAL
CITY OF NEW ORLEANS



ED QUATREVAUX
INSPECTOR GENERAL

August 5, 2015

Re: City Evaluation of Professional Service Contractors

I certify that the inspector general personnel assigned to this project are free of personal or other external impairments to independence.

A handwritten signature in blue ink, appearing to read "E.R. Quatrevaux", located below the certification text.

E.R. Quatrevaux
Inspector General

TABLE OF CONTENTS

EXECUTIVE SUMMARY IV

I. OBJECTIVES, SCOPE, AND METHODS 1

II. FINDINGS AND RECOMMENDATIONS 2

Finding 1. The City/CPO did not implement a formal system to distribute, collect, and monitor progress and evaluation forms by contract managers, as required by Executive Order MJL 10-05 3

Recommendation 1. The City/CPO should develop a systematic method of distribution, collection, and monitoring of progress and evaluation forms and should direct contract managers in City departments to file written, standardized progress and evaluation reports with the Procurement Office. 5

Finding 2. The City’s professional service contractors did not submit post-contract disclosures to the Procurement Office..... 7

Recommendation 2. The City should develop a standardized post-contract disclosure and revise its solicitation and contract forms to require contractors to submit the relevant information to the Procurement Office. 8

III. CONCLUSION 9

APPENDIX A. NEW ORLEANS VENDOR PERFORMANCE EVALUATION..... 10

APPENDIX B. SAN FRANCISCO VENDOR PERFORMANCE EVALUATION 12

OFFICIAL COMMENTS FROM THE CITY OF NEW ORLEANS 15

The Office of Inspector General for the City of New Orleans (OIG) continuously monitors the City's procurement activities and provides technical assistance and feedback to improve procurement processes. The purpose of this review was to determine whether the City and professional service contractors acted in accordance with monitoring and accountability requirements outlined in Executive Order MJL 10-05.

Effective third-party contracting requires: (1) ongoing monitoring of the contractor's progress while work is being performed, and (2) evaluation at the conclusion of the project to determine whether services of acceptable quality were provided on time and within budget. Developing standardized processes to record, retain, and disseminate this information to future selection committees allows the contracting entity to identify contractors who have either exceeded or failed to meet expectations on previous projects.

Executive Order MJL 10-05, issued in May 2010, requires contract managers to document their monitoring and evaluation activities by submitting written reports to the City's Procurement Office. Executive Order MJL 10-05 also requires professional service contractors to submit post-contract disclosures to the Procurement Office. The City's Chief Procurement Officer (CPO) is required to maintain this information in a central location and distribute the reports to selection committees when a contractor is being considered for a future procurement.

Despite these requirements, evaluators found:

- The City and Chief Procurement Officer (CPO) did not implement a formal system to distribute, collect, and monitor progress and evaluation forms from contract managers.
- The City's professional service contractors did not submit post-contract disclosures to the Procurement Officer.

The CPO created a post-contract evaluation form in August 2013 and provided it to some contract managers during in-person meetings. Evaluators conducted interviews for this review in May 2015 and found that the CPO had one

completed post-contract evaluation form, no interim progress reports, and no post-contract disclosures.¹ The informal manner in which the form was implemented and distributed was likely a significant factor in the failure to meet the standards outlined in Executive Order MJL 10-05.

Evaluators recommend that the City act in accordance with its policies by developing formal systems to distribute and collect interim progress reports and post-contract evaluations/disclosures so that this information can be provided to selection committees in the future. Effective implementation of these processes should provide the City with long-term benefits designed to withstand staff and electoral turnover.

Evaluators will continue to monitor the City's procurement activities to provide technical assistance and feedback to improve the City's processes.

¹ The CPO provided four documents in the form of letters and emails between City personnel and contractors related to performance issues but these did not meet the standards outlined in Executive Order MJL 10-05.

I. OBJECTIVES, SCOPE, AND METHODS

The Office of Inspector General for the City of New Orleans (OIG) continuously monitors the City's procurement activities and provides technical assistance and feedback to improve the City's procurement processes. The purpose of this review was to determine whether the Procurement Office, contract managers in City departments, and City contractors acted in accordance with policy requirements related to interim progress reporting, post-contract evaluations, and post-contract disclosures.

For this review, evaluators:

- Reviewed professional service solicitations issued by the City;
- Interviewed City personnel;
- Reviewed City policies and general procurement practices; and
- Monitored documents provided to selection committees for professional service contracts.

The scope of this review covers the period since the 2010 issuance of Executive Order MJL 10-05, which established the City's competitive selection procedure for the procurement and award of professional service contracts. Contracts awarded to vendors through the traditional bid process were not included as part of this review because the policy requirements outlined in Executive Order MJL 10-05 only apply to the selection and award of professional service contracts.

The information contained in this report meets the standards outlined in Principles and Standards for Offices of Inspector General for Inspections, Evaluations, and Reviews.²

² "Quality Standards for Inspections, Evaluations, and Reviews by Offices of Inspector General," *Principles and Standards for Offices of Inspector General* (Association of Inspectors General, 2004).

II. FINDINGS AND RECOMMENDATIONS

The City's processes for selecting professional service contractors have undergone significant changes since 2010. The policy changes initiated by the May 2010 Executive Order MJL 10-05 require selection committees to review and evaluate proposals and make selections in meetings noticed and open to the public. In addition, the creation of a Procurement Office led by a Chief Procurement Officer (CPO) provided additional oversight of and standards for City solicitations and the evaluation of proposals from third-party contractors.

Executive Order MJL 10-05 requires selection committees to evaluate and rank proposals submitted by professional service contractors on the basis of pre-established criteria for judging the quality of a proposal before considering cost. The goal of the selection process is to identify the proposal that provides the best value to the City. Typically, the City's requests for proposals (RFPs) and requests for qualifications (RFQs) include the following qualitative criteria:³

- Specialized experience and technical competence;
- Performance history that includes competency, responsiveness, cost control, work quality, and the ability to meet schedules and deadlines;
- Maintenance of an office, residence, or domicile in Orleans Parish; and
- Willingness to meet the City's goals related to the Disadvantaged Business Enterprise (DBE) Program.

Once the selection committee ranks proposals on the basis of these qualitative criteria, cost is considered. If the selection committee does not select the lowest cost proposal, it must state its reasons in writing. Contract negotiations with the selected contractor begin at the conclusion of this process.

However, the selection of a contractor is only the first step. Effective third-party contracting requires: (1) ongoing monitoring of the contractor's progress while work is being performed, and (2) evaluation at the conclusion of the contract to determine whether services of acceptable quality were provided on time and within budget. Developing standardized processes to record and retain this

³ These qualitative criteria are weighted on a case-by-case basis.

information enables future selection committees to identify contractors who have either exceeded or failed to meet expectations.⁴

FINDING 1. THE CITY/CPO DID NOT IMPLEMENT A FORMAL SYSTEM TO DISTRIBUTE, COLLECT, AND MONITOR PROGRESS AND EVALUATION FORMS BY CONTRACT MANAGERS, AS REQUIRED BY EXECUTIVE ORDER MJL 10-05.

Executive Order MJL 10-05 requires City contract managers to document their monitoring and evaluation activities:⁵

The User Entity will monitor the progress of all contract work and file written standardized progress reports with the Procurement Office. The User Entity will also file a written, standardized evaluation upon completion of the contract. Such reports, all professional service contract awards, and other relevant documents will be maintained by the CPO in a central location and cross-referenced by contractor's name, officer, and principals. This information shall be provided to all Selection Committees should a contractor, officer, or principal be involved in a future procurement.

The CPO stated that she created a standardized form in August 2013 in response to the May 2010 executive order. The form was to be used for interim progress reports and post-contract evaluations and stated that departmental personnel are required to submit completed forms no later than two weeks after the completion/expiration of a City contract.⁶ However, evaluators found that City contract managers did not file interim progress reports and submit post-contract evaluations to the Procurement Office. The CPO acknowledged that she did not

⁴ For additional information about the City's efforts to incorporate performance standards and penalties or incentives into professional service solicitations, see Office of Inspector General, *Review of the City's Procurement Documents, 2013-2014* (New Orleans, LA: Office of Inspector General, 2015) accessed June 30, 2015,

<http://www.nolaoig.org/uploads/File/OIG%20Final%20Report-Review%20of%20City's%20Procurement%20Documents%20150114.pdf>

⁵ These requirements are also outlined in CAO Policy Memorandum 8(R), which was issued in September 2014: "The User Entity will monitor the progress of the contract work and file reports with the Purchasing Bureau [Procurement Office] in compliance with MJL 10-05, and such reports shall be provided to selection committees in future procurements as applicable."

⁶ The CPO stated that she developed the form using the City of Tallahassee's form as a template. A copy of the form can be found at Appendix A. Although the requirements in Executive Order MJL 10-05 only apply to professional service contractors, the form provided by the CPO was also designed for construction contracts.

have any completed interim progress reports and had only one completed post-contract evaluation form on file when evaluators interviewed her in May 2015.⁷

According to the CPO, the form was distributed to most City departments during in-person meetings and the form did not include any written instructions because she believed the document was self-explanatory.⁸ In addition, the CPO stated that the same form could be used for interim progress reports, post-contract evaluations, professional services, non-professional services, and construction. The informal manner in which the form was implemented and the absence of instructions about how the form should be used was likely a significant factor in contract managers' failure to complete and file the form with the CPO in compliance with the policy requirements outlined in Executive Order MJL 10-05.

The CPO had also not implemented a comprehensive procedure for documenting the dissemination and receipt of completed forms. The CPO stated that staffing shortages in the Procurement Office made it difficult to follow up on missing interim progress reports and post-contract evaluations. To address this deficiency, the CPO is working with City officials and Civil Service to create a contract administrator position in the Procurement Office. A preliminary job description shows that the contract administrator would be responsible for oversight functions, including post-contract evaluation.

The lack of documentation on file with the Procurement Office meant that information about how a contractor performed on previous projects in New Orleans would only be included in the contractor selection process in an informal, unplanned manner. Selection committee members likely used a combination of ad hoc information gathering methods and institutional knowledge to consider contractors' past performance even though Executive Order MJL 10-05 requires the distribution of standardized reports. In contrast, contractors' performance history in other cities/municipalities was a formal part

⁷ The CPO also provided four documents in the form of letters and emails between City personnel and contractors related to performance issues. The CPO stated that these documents and the completed evaluation form consisted of "more or less" all of the documents she had on file related to contractor performance. Since being interviewed by evaluators, the CPO provided evaluators with 15 additional post-contract evaluation forms submitted to the CPO in June 2015.

⁸ The form was not distributed to all relevant parties: the OIG had active professional service contracts from 2013 through 2015, but OIG personnel did not learn of the existence of the form until evaluators interviewed the CPO in May 2015.

of the City's selection process through the use of documented reference checks. Although these reference checks provided important information, they were not an acceptable substitute for how a contractor performed during previous projects in New Orleans.

The informality of the City's approach increased the likelihood that important information about contractors' performance was lost due to the passage of time and/or staff turnover. As a result, contractors who have previously underperformed may have been awarded additional contracts, increasing the risk of future disruptions to City operations.

RECOMMENDATION 1. THE CITY/CPO SHOULD DEVELOP A SYSTEMATIC METHOD OF DISTRIBUTION, COLLECTION, AND MONITORING OF PROGRESS AND EVALUATION FORMS AND SHOULD DIRECT CONTRACT MANAGERS IN CITY DEPARTMENTS TO FILE WRITTEN, STANDARDIZED PROGRESS AND EVALUATION REPORTS WITH THE PROCUREMENT OFFICE.

The City has a policy in place that requires contract managers to submit interim progress reports and post-contract evaluations to the CPO so that the information can be used by future selection committees. However, the City did not take the appropriate actions to ensure that contract managers complied with the policy in the five years since Executive Order MJL 10-05 was issued.

The City should remind all contract managers of their responsibility to complete the reports and develop mechanisms to hold these personnel accountable for noncompliance. In addition, the City should take steps to incorporate these reports into the City's formal procurement processes and templates so that they are filed appropriately, distributed to selection committees, and required to initiate contract extensions.

Beyond simply enforcing the existing policy, there are additional issues and improvements the City should consider as it moves forward:

- The evaluation form developed by the CPO includes eight qualitative criteria that are designed to evaluate professional services, construction, and delivery of supplies along with blank space for the contract manager to provide additional comments. Although these criteria may capture the

contract manager's overall impression of the contractor's work, the lack of detailed criteria presents a missed opportunity to collect valuable information that can be provided to future selection committees.

The evaluation form developed by the City of San Francisco includes 25 qualitative criteria and provides an opportunity to capture additional information.⁹ For example, the City's form simply asks whether work was performed on schedule. The San Francisco form asks whether the work was performed on schedule, whether the contractor requested extensions due to factors within its control, and whether the work was performed ahead of schedule. The City should consider improving its form using this example and forms implemented in other cities.

- The standardized form developed by the CPO provides an opportunity for the contractor to respond to the information in the report. This mechanism is important because it provides contractors an opportunity to challenge the information in the evaluation and explain how/why they underperformed. Contractor feedback should be incorporated into the evaluation form, and the vendor response should be appended to the information that is provided to future selection committees.
- Although Executive Order MJL 10-05 only applies to professional service contractors, the City should establish formal reporting requirements for non-professional services, such as construction. A documented record of repeated underperformance by a contractor could provide the City with additional leverage when enforcing performance-related penalties or canceling a contract.

Ultimately, the success of these efforts depends on whether the policy requirements are communicated clearly by senior officials as a citywide priority.

⁹ This form is attached in Appendix B.

FINDING 2. THE CITY'S PROFESSIONAL SERVICE CONTRACTORS DID NOT SUBMIT POST-CONTRACT DISCLOSURES TO THE PROCUREMENT OFFICE.

The City's post-contract reporting requirements go beyond the evaluations described above. Executive Order MJL 10-05 also requires contractors to submit information to the CPO at the conclusion of the engagement:

All City contractors must also file an after-the-fact disclosure of appropriate information for comparison by the CPO to the initial proposal. Such information, including a list of subcontractors used, shall be part of the information provided to future Selection Committees involving contractors, principals, or officers who have received past City contracts.

Despite this requirement, evaluators found that professional service contractors did not submit post-contract disclosures to the Procurement Office, and the information was not provided to selection committees. The CPO explained that some subcontractor information was reported to the Office of Supplier Diversity to track DBE participation, but she did not have any post-contract disclosures on file nor was there a standardized form.¹⁰

Executive Order MJL 10-05 requires contractors to submit these post-contract disclosures, but the policy does not specify exactly what information should be included in the reports beyond a list of subcontractors. Nevertheless, the City's solicitations and contracts did not include the provision so the City did not have legal authority to require contractor cooperation. The failure to incorporate this requirement into procurement and contracting processes limited the Procurement Office's ability to gather data and identify patterns related to contractor costs, change orders, and DBE participation, which should be key functions of the Procurement Office.

¹⁰ In a subsequent communication on June 18, the CPO stated that she was revising the post-contract evaluation form described in Finding 1 to include information about DBE participation. However, she informed evaluators that no progress had been made regarding post-contract disclosures completed by contractors.

RECOMMENDATION 2. THE CITY SHOULD DEVELOP A STANDARDIZED POST-CONTRACT DISCLOSURE AND REVISE ITS SOLICITATION AND CONTRACT FORMS TO REQUIRE CONTRACTORS TO SUBMIT THE RELEVANT INFORMATION TO THE PROCUREMENT OFFICE.

The City has a policy in place that requires contractors to submit post-contract disclosures so that the CPO can perform comparisons to the original proposal and provide the information to future selection committees. The City must first determine and define the “appropriate information” it seeks to compile through post-contract disclosures submitted by contractors before it can enforce the policy requirements. At minimum, the disclosures should include actual project costs, completion date, and proof of subcontractor participation. The information should be used to develop a standardized form and incorporated into solicitation/contract templates so that the City can require contractors to comply. Once these steps are taken, the CPO or her designee can perform the comparisons envisioned in Executive Order MJL 10-05.

III. CONCLUSION

Past performance is often a useful indicator for predicting future results. Formally incorporating information about a contractor's performance on previous City projects into future contractor selections enables the City to identify contractors who either failed to meet or exceeded expectations. In addition, the practice gives third-party contractors an incentive to deliver quality results. However, this is not possible unless the information is formally documented and incorporated into the City's procurement and contracting practices.

Executive Order MJL 10-05 was a step forward in changing how professional service contractors are awarded contracts. However, the City's failure to document information related to contractors' progress and overall performance into a formal, standardized process was a missed opportunity to provide long-term benefits designed to withstand staff and electoral turnover.

We recommend that the City enforce its policies and require City personnel and contractors to file interim progress reports and submit post-contract evaluations/disclosures so that this information can be provided to selection committees in the future. Collecting these data in a readily accessible and searchable data base would make it possible to monitor and analyze performance and hold both city employees and contractors accountable for fulfilling all requirements. Making these processes formal and structured will enable the City to build institutional knowledge and use the data generated to improve in-house procurement practices. Relying on undocumented and informal processes is not an effective long-term strategy.

APPENDIX A. NEW ORLEANS VENDOR PERFORMANCE EVALUATION

City of New Orleans	VENDOR PERFORMANCE EVALUATION SUPPLIES and/or SERVICES (Includes CONSTRUCTION/PROFESSIONAL SERVICES)	Page 1 of ____			
<p>1. Use this form to report vendor performance (positive or negative) for deliveries of supplies/rendering of services, regardless of the purchasing method used (Purchasing Card, Purchase Order, City Contract, etc).</p> <p>2. The person designated for accepting supplies/services is responsible for filling out this form (type or print). Only page 1 is required, <u>if</u> page 2 is not used. However, if any area on page 1 is marked "unsatisfactory", page 2 <u>must</u> also be filled out and submitted with page 1 (see page 2, Explanations/Comments, when marking "unsatisfactory"). Page 2 is NOT restricted to "unsatisfactory" comments. If you have something good you want on record, use page 2. Attach documents, if applicable.</p> <p>3. City Contracts: Regardless of the purchasing method used, as a minimum this form MUST be completed and submitted <u>not later than 2 weeks after completion/expiration of a City contract</u>. Past performance is considered on future contracts.</p> <p>4. Send <u>SIGNED</u> form to: Office of Procurement 1300 Perdido St Suite 4W07, New Orleans, La. 70112 Attn: Chief Procurement Officer</p>					
VENDOR INFORMATION	COMPLETE ALL APPLICABLE INFORMATION				
Company/ Vendor Name:	Contract Number No:				
Mailing Address:	Description/ Title:				
City, St, Zip Code:	Contract Term (Dates) From: _____ To: _____				
Representative Evaluated:	Purchase Order Number:				
Telephone Number:	Task Order Number:				
Fax Number:	Other Reference:				
DEFINITIONS					
OUTSTANDING – Vendor considerably exceeded minimum contractual requirements or performance expectations of the products/services; The vendor demonstrated the highest level of quality workmanship/professionalism in execution of contract.					
EXCELLENT (Exc) - Vendor exceeded minimum contractual requirements or performance expectations of the products/services.					
SATISFACTORY (Sat) - Vendor met minimum contractual requirements or performance expectations of the products/services.					
UNSATISFACTORY (UnSat) - Vendor did NOT meet the minimum contractual requirements or performance expectations of the products and/or services; Performed below minimum requirements (see page 2, Explanations/Comments)					
EVALUATIONS (Place "X" in appropriate box for each major area.)					
Criteria (includes change orders/amendments)	Out- standing	Exc	Sat	Un- Sat	Not Apply
1. Supplies delivered/Work performed on schedule.					
2. Condition of delivered supplies (includes handling/packaging).					
3. Quality of deliveries/work performance.					
4. Adherence to specifications/statement of work.					
5. Resolved problems/customer complaints timely.					
6. Working relationship/interfacing with City staff/public sector (citizens).					
7. Service Call (On-Call) response time.					
8. Other (specify):					
9. Overall evaluation of compliance with contract requirements.					
EVALUATED BY					
Signature:			Date of Evaluation:		
Print Name:			Department/Division:		
Title:			Telephone No:		

Form Date: 08/02/2013

APPENDIX B. SAN FRANCISCO VENDOR PERFORMANCE EVALUATION

EVALUATION OF CONTRACTOR'S PERFORMANCE

This form MUST be filled out after completion of contract performance by the City's assigned Project Manager. Guidance concerning completion of this form should be obtained from the Purchasing Dept.

Contract/Purchase Order No.: _____ Contract type: _____

Type of Evaluation: Interim _____ Final for the period: _____

Award Date: _____ Date contract/order completed: _____

Total value (include change orders/contract modifications) \$ _____

Project Name/Description:

Contractor Name

Contractor Address

Contractor Name	Contractor Address
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

PART I - EVALUATION OF CONTRACTOR'S PERFORMANCE

The contractor should be evaluated using the following ratings (attach separate sheet for comments if necessary):

E = Excellent: Contractor exceeded the requirements. Explain how.

S = Satisfactory: Contractor met the requirements. If the contractor had difficulty meeting the requirements, explain why.

U = Unsatisfactory: Contractor did not meet all of the requirements. Explain all noncompliances or unsatisfactory performance, and whether and how the contractor was at fault, where applicable.

N/A = Not Applicable. Does not apply to the contract.

Evaluation Question	E	S	U	N/A	Comments
1. Cost/Price Control					
Did the contractor complete the contract within the contract amounts?					
Did the contractor experience cost growth?					
2. Schedule Control					
Did the contractor meet the original completion date?					
Did the contractor request an extension due to (avoidable) reasons within its control?					
Did the contractor finish ahead of schedule?					
3. Contract Administration					
Did the contractor respond to City correspondence in a timely manner?					
Were unnecessary cost/price change proposals submitted?					
Were City-requested changes and prices submitted and negotiated promptly?					
Were contract modifications promptly executed?					
Were the subcontracts properly administered?					
Did the contractor comply with its subcontracting plan?					
Were progress reports submitted on time?					
Were invoices submitted correctly?					
Were contract discrepancies/problems reported promptly?					
Were major subcontracts administered properly?					
4. Responsiveness to City/Owner					
Were complaints from the City resolved in a reasonable and cooperative manner?					
Were telephone calls responded to promptly?					
Were controversial issues resolved amicably?					
Was the contractor reasonable and responsive to the City's needs?					
5. Contract Compliance with Technical Requirements					
Were all of the contract's technical requirements and specifications met?					
Were the objectives of the scope of work met?					
Were problems resolved?					
Will the final product be able to be used for the purpose intended? If not, why not?					
6. Key Personnel of the Contractor					
Did personnel have the necessary knowledge and technical expertise?					
Were changes in key personnel made? How often were they made?					

PART II - CONTRACTOR'S PERFORMANCE RECOMMENDATION AND REVIEW

7. Recommendation: Would you recommend award to this contractor for future contracts for like or similar requirements? Yes ___ No ___. If no, please fully explain below.

Name of Evaluator: _____ *Phone Number:* _____

Title of Evaluator: _____

Signature: _____ *Date:* _____

Contractor's Review:

I have reviewed the performance evaluation of the _____ project under contract # _____. I do concur ___ I do NOT concur ___ with it. The attached comments consisting of _____ pages are returned herewith for review by an individual at a level above the project manager responsible for this contract.

Contractor's Reviewer's Name: _____ *Phone Number:* _____

Title of Reviewer: _____

Signature: _____ *Date:* _____

OFFICIAL COMMENTS FROM THE CITY OF NEW ORLEANS

City Ordinance section 2-1120(8)(b) provides that a person or entity who is the subject of a report shall have 30 days to submit a written explanation or rebuttal of the findings before the report is finalized, and that such timely submitted written explanation or rebuttal shall be attached to the finalized report.

An Internal Review Copy of this report was distributed on July 2, 2015 to the entities who were the subject of the evaluation in order that they would have an opportunity to comment on the report prior to the public release of this Final Report. Comments were received from the City of New Orleans; these comments are attached to this report.

CHIEF ADMINISTRATIVE OFFICE
CITY OF NEW ORLEANS

MITCHELL J. LANDRIEU
MAYOR

ANDREW D. KOPPLIN
CHIEF ADMINISTRATIVE OFFICER

July 31, 2015

Ed Quatrevaux, Inspector General
Office of the Inspector General
City of New Orleans
525 St. Charles Avenue
New Orleans, LA 70130

Re: **City Evaluation of Professional Service Contractors**

Dear Inspector General Quatrevaux:

Thank you for giving us the opportunity to review and comment on your report examining the policies and procurement practices for professional service contracts issued by the City of New Orleans. As always, we appreciate your commitment to continuous improvement of the way city services are delivered in New Orleans, and take seriously your recommendations.

As you recall, Mayor Landrieu took immediate action upon taking office with the issuance of Executive Order MJL 10-05 to reform the way the City solicits, reviews and awards these important professional services contracts. This transformational reform has been reviewed over the past few years by your office and by many stakeholder groups such as BGR and the Urban League, and all observers have concluded that these long overdue reforms have added transparency, professionalism, and public oversight to this important work, leading citizens to have increased confidence in how the City conducts its business. Based on the success of these reforms, Mayor Landrieu proposed and the voters of New Orleans approved an amendment to the City Charter last November which institutionalizes the most important of these reforms.

Your report addresses two items that were included in the Mayor's executive order that were designed to ensure that city decision makers would be best able to incorporate information about the past performance of contractors when evaluating new proposals for professional services.

Recommendation #1 of your report calls for improving our procedures for documenting the performance of professional services contractors so that information about performance history is more readily available to selection committees for use in their work. We agree that improved procedures for the submission and distribution of interim progress reports and post-contract evaluations will provide a significant benefit to the selection process for future professional services solicited by the City under RFP or RFQ. I have personally directed all departments, boards and commissions to immediately submit all outstanding reports and evaluations to me and expect to have all of them filed with the Chief Procurement Officer and up-to-date by August 31st. The City is also in the process helping the Chief Procurement Officer develop improved processes for collecting these reports. Revised instructions and requirements to adequately

1300 PERDIDO STREET SUITE 9E06 NEW ORLEANS, LOUISIANA 70112
PHONE 504-658-8900



CHIEF ADMINISTRATIVE OFFICE
CITY OF NEW ORLEANS

MITCHELL J. LANDRIEU
MAYOR

ANDREW D. KOPPLIN
CHIEF ADMINISTRATIVE OFFICER

respond, submit, and comply with these revised procedures will be distributed to all relevant department heads by the end of August as well. As part of this work, we are exploring the feasibility of leveraging the current procurement and purchasing IT platform to provide a repository for post-contract evaluation forms. During this time period we will also evaluate whether to incorporate into our reporting form items from the San Francisco document that was suggested in your report.

Recommendation #2 of your report affirms the importance of the City's goal that professional services contractors be monitored to ensure they are not allowed to do a "bait and switch" by pledging one scope of work for Disadvantaged Business Enterprises (DBE) in their original proposal only to later change DBE firms and/or reduce the amount of work DBE firms are performing when awarded a contract. We agree that this is important and believe that with regard to the DBE program, the goals of MJL 10-05 are broadly being met. As you may recall, this has been a critical issue to Mayor Landrieu and many local organizations who sought procurement reform and a more robust DBE effort back when MJL 10-05 was first issued.

We have beefed up our Office of Supplier Diversity (OSD) from one staff member to six, and passed new legislation that strengthens our DBE program and particularly our monitoring and accountability measures. The OSD currently goes beyond the scope of MJL 10-05 and collects monthly DBE utilization reports that track payments to DBE subcontractors from all prime contractors, not just professional service providers. Further, consistent with MJL 10-05, the OSD requires notification from the prime contractor of any change in DBE subcontractor. Contract documentation utilized by the City for RFPs and RFQs specifically includes language that compels contractors to comply with DBE reporting requirements. Further, in the OSD report that is provided for each RFP/RFQ selection committee, past performance of a vendor as it relates to the utilization of DBE subcontractors is a central part of the analysis. Lastly, regarding non-DBE subcontractor reporting, we are re-evaluating the costs and benefits of tracking and monitoring this same information.

Thank you again for undertaking this review and for your continued support of these transformational reforms of procurement in the City of New Orleans.

Sincerely,



Andrew D. Kopplin
First Deputy Mayor and Chief Administrative Officer
City of New Orleans

1300 PERDIDO STREET SUITE 9E06 NEW ORLEANS, LOUISIANA 70112
PHONE 504-658-8900

