

10/9/18


item 6

**City of
Santa Clara**

**Convention Center Management
Procurement Strategy and
Procurement Process Integrity
Guidelines**

Item # 6


October 9, 2018



Agenda

- Background
- Procurement Strategy for Management and Operations of the Convention Center and Convention and Visitors Bureau Services
- Procurement Process Integrity and Conflict of Interest Guidelines

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POST MEETING MATERIAL

Background



Convention Center Agreement

- **Convention Center Management Agreement, 1984**
 - Never subject to a performance audit
- **Lack of City oversight and contract management**
 - Relaxed contract management was assigned to several departments as a collateral assignment
 - Minimal to No paper record-keeping for oversight
- **City did not uphold its fiduciary responsibility**
 - Allowed a high-risk environment to exist where City lost revenue.
 - Multi-year subsidies could have been used for other City budget investments.



September 18 Council Direction

- **Issuance of a 180-day termination notice to the Chamber of Commerce**
- **Develop a procurement strategy for contract award to manage the Convention Center and related sales and marketing services**

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Internal Expertise & Skill

- Santa Clara is fortunate to have in-house expertise.
- City staff has led some of the state/nation's largest cities on contracts and procurements within multi-billion budgets and capital projects, including work with arenas, tourism, and some of the nation's largest procurements and contracts.
- City staff team has developed integrity processes for procurements that have been used for over a decade and adopted by other municipalities.
- City core team is: City Manager's Office, Finance Department and City Attorney's Office

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Procurement Strategy



Procurement Objectives

- Seek highly qualified proposals for (1) combined Convention Center and CVB **OR** only (2) Convention Center management services from reputable companies
 - Address audit findings
 - Industry best practices
- Ensure Open and Fair competition
 - Procurement Process Integrity and Conflict of Interest Guidelines
- Enforce Worker Retention Ordinance



RFP Outcomes

- Contract term: initial five years with two five-year options for renewal at the City's sole discretion
- Strategic Marketing and Sales Model for the Convention Center and CVB activities
- Convention Center Capital Investment
- Eliminate or minimize any City subsidy (e.g., Cost Recovery model or City subsidized model) while optimizing economic performance
- Enhanced transparency and contractor accountability
- Use of key performance benchmarks

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RFP Best Practices

- Automate the process using the BidSync e-procurement tool
- Establish evaluation criteria and their respective weights or importance
- Two-phase evaluation process
- Incorporate Best and Final Offer process (optional)
- Incorporate a ten-day protest process
- Seven member evaluation team comprised of external stakeholders and City staff

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Evaluation Criteria

Description	Phase 1 Weights	Phase 2 Weights
Quality of Proposal	5%	
Experience of Firm	25%	
Experience of Team	25%	
Technical/Project Approach	25%	
Value added products/capabilities	20%	
Financial proposals including management fee, capital investments, and City subsidy (if any)		50%
Oral Presentation		50%
Total	100%	100%

Procurement Timeline (KEY DATES)

Event	Date
RFP Released on BidSync	October 17, 2018
Pre-Proposal Conference (tour of the Convention Center)	October 31, 2018
Proposals Due	December 3, 2018
Proposal Evaluation Complete (Phase 1)	December 20, 2018
Oral Presentations / Financial Proposal Review Complete (Phase 2)	January 16, 2019
Notice of Intended Award Issued / Commence 10-day Protest Process	February 4, 2019
Contract Negotiations	Mid- to late February
City Council Approval of Contract	March 5, 2019

Proposal Evaluation Team

- Seven member evaluation team (three external and four City staff)
 - Local hotels and Cedar Fair
 - Oakland or San Francisco Convention Center
 - Tourism Industry expert
- Final team composition will depend on availability due to significant time commitment and aggressive timeline
- JLL Consulting will provide industry advise

Procurement Process Integrity Guidelines

Introduction

- **Procurement process integrity and conflict of interest guidelines**
 - Not yet utilized in Santa Clara - a new concept
 - Conventional practice in competitive procurement process
 - Remove political influence and protect against conflicts of interest in the process and contract award

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Purpose

- Establishes a communication protocol for staff, respondents, elected and appointed officials, and paid/unpaid consultants
- Prescribes a Code of Conduct for respondents to the RFP
- Ensures confidentiality during the proposal evaluation process
- Requires for all participants in the evaluation process and award of contract to avoid conflicts of interests
- Establishes a process to address allegations of conflict of interests and misconduct

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Communication Protocol

RFP Timeline	Contact
Prior to issuance of RFP	All
After issuance of solicitation and prior to submission deadline for proposals	procurement contact designee
After submission deadline for proposals and prior to issuance of an Notice of Intended Award	procurement contact designee
After issuance of Notice of Intended Award; during the protest period	protest hearing officer
After completion of protest period	All

Code of Conduct & Confidentiality

- **Code of Conduct**
 - Respondents are responsible for ensuring compliance with the Guidelines
 - No collusion
 - Any evidence that indicates respondent has failed to adhere to any of the Guidelines may result in disqualification as well as possible debarment
- **Confidentiality during the Evaluation Period**
 - City staff, consultants, and outside evaluators sign a Confidentiality Agreement

Conflict Of Interest

- Elected officials, appointed officials, and City employees are expected to avoid any conflict of interest or appearance of conflict of interest.
- Prior to involvement in the process, disclosure of any conflicts or potential conflicts is required to assess further participation.
- Authors of specifications, paid and unpaid evaluators, paid and unpaid consultants shall comply with Conflict of Interest Guidelines.

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Allegations of Conflict of Interest or Misconduct

- **Any allegations regarding a City employee, consultant, or other participant in the process shall be**
 - reported to the Purchasing Manager
 - investigated by the Purchasing Manager and City Attorney

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Recommendations

1. Approve the Procurement Strategy for the Management and Operation of the Convention Center and Convention Visitors Bureau and;
2. Approve the Procurement Process Integrity and Conflict of Interest Guidelines for this procurement only

