



WEST BASIN MUNICIPAL WATER DISTRICT
17140 S. Avalon Blvd., Suite 210
Carson, CA 90746

AGENDA NO. 14

DECEMBER 8, 2008 – Finance Committee
Gray (Chair), Smith
DECEMBER 22, 2008 – Board Meeting
Prepared by: Dave Shull
Submitted by: Margaret Moggia
Approved by: Rich Nagel

ACTION CALENDAR

INTERNET BASED E-PROCUREMENT SYSTEM

SUMMARY:

Over the past year, the Board has taken key strategic steps to outreach to local businesses. Earlier this year the Board approved an amendment to West Basin's procurement policy to establish a Local Business Enterprise program. The program is intended to encourage local businesses to participate in competitive bidding opportunities with West Basin. In July 2008, the Board was advised of future plans to support this program that included licensing a supplier registration / bid management system, hereinafter referred to as the E-Procurement system.

The E-Procurement system will be accessible through the West Basin website and will allow suppliers to register online and identify, by classification, the products and/or services they provide. As staff prepares "Requests for Bid"/Proposal, they will identify, by industry classification, the products and/or services they are soliciting. The E-Procurement system will automatically match the solicitation by industry classification to the suppliers with like classifications. The E-Procurement system will then send notification to all suppliers where a match is made. The supplier may then download the solicitation and respond accordingly.

A "Request for Proposal" (RFP) for an E-Procurement system was issued on September 12, 2008. The RFP was sent to 32 firms, was posted to the West Basin website, and was advertised in the Daily Breeze and Inglewood Today. Six (6) firms submitted proposals in response to the RFP. Staff conducted an initial evaluation of the proposals and invited four (4) of the proposing firms to participate in a panel interview and product demonstration. The panel consisted of five (5) panelists from West Basin staff, representing a cross section of disciplines, and one outside panelist from the Contracts Department of the Inland Empire Utilities Agency.

Interviews and product demonstrations were conducted in late October 2008. During the product demonstrations two (2) of the finalists experienced technical difficulties. This situation may have impacted the opportunity for those affected to present a full and complete demonstration of their product. To mitigate the situation and to allow all finalists a fair and equal opportunity to compete for the work, West Basin extended an invitation to all finalists to re-present their product demonstrations. Three (3) of the four (4) finalists elected to participate in the second product demonstration. The second round of product demonstrations was conducted on December 1, 2008. The following table summarizes the results of the overall evaluation process. A detailed evaluation summary is included as Exhibit "A".

Evaluation Scoring Summary

| | Points | IonWave | BidNet | PlanetBids | TMM |
|--------------------------------------|----------|-----------------|------------|--------------------|-----------------|
| | | Springfield, MO | Albany, NY | Woodland Hills, CA | Los Angeles, CA |
| Proposal Review | 50 | 43 | 45 | 44 | 40 |
| Interview & Demonstration | 50 | 43 | 47 | 44 | 33 |
| Local Business Enterprise Credit | 3 | 0 | 0 | 0 | 0 |
| Total Score | 100 (+3) | 86 | 92 | 88 | 73 |
| Price - Stand-Alone System | | \$97,500 | \$48,750 | \$160,000 | \$130,000 |
| Price - Join Existing Agency Network | | N/A | \$37,500 | \$160,000 | N/A |

Staff recommends award of an agreement to BidNet, representing the best value to West Basin.

BidNet has offered two (2) options in their proposal. The first option is to establish a “stand alone” system where West Basin is the only participating client. The second option is to join an existing network of Southern California agency clients. The network that West Basin would join currently consists of six (6) local agencies, four (4) of which are local water agencies.

Staff recommends joining the existing network for two (2) reasons. First, and foremost, there is a significant advantage to the vendor community. By registering with West Basin, a vendor will be matched (by the system) to bidding opportunities created by West Basin as well as any and all bidding opportunities presented by any of the other participating agencies. In essence, by registering with one potential customer, they gain visibility and bidding opportunities with several others. Second, by joining the existing network, West Basin will enjoy the benefit of reduced cost, as the cost of managing and maintaining the system will be allocated among the participating agencies.

STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 5, Customer/Community Services – Provide for the needs of our customer agencies and the communities we serve in a way that reflects their needs.

COMMITMENT STATEMENT:

Customer Service – West Basin is committed to providing value by understanding and meeting the needs of our customers and communities we serve.

FISCAL IMPACTS:

Funds are included in the Fiscal Year 2008-09 Finance and Support Services Budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on December 8, 2008 and was recommended for approval at the December 22, 2008 Board meeting.

RECOMMENDED MOTION:

That the Board authorizes the General Manager to enter into a five-year agreement with BidNet to furnish an E-Procurement system, with West Basin joining an existing network, for an amount not-to-exceed \$37,500.

LIST OF EXHIBITS:

Exhibit "A" – Scoring Evaluation