

Memorandum



CITY OF DALLAS

DATE October 27, 2017

TO The Honorable Mayor and Members of the City Council

SUBJECT Contract Management Implementation

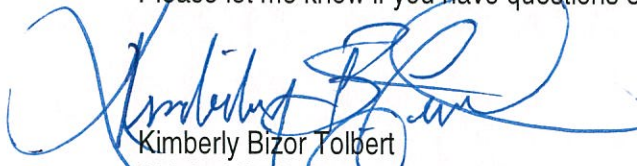
In response to questions asked regarding contract management at a City Council meeting earlier this year, the following summary is provided. We are currently addressing multiple aspects of contract management to further develop comprehensive, effective, and integrated processes that allow various systems that contain contract-related data to “talk” to each other for the exchange and transfer of data. These efforts build on existing processes, with the goal to strengthen, educate, and standardize across the City. Many of these efforts are related and will continue to require significant coordination and planning to ensure well-integrated and efficient processes.

1. **Contract Management Manual** – Implemented - A complete contract management manual was developed and issued in November, 2016. The manual covers the contracting process for goods and services beginning with the procurement process through contract close out. (Construction related contracts, including architecture and engineering, are not included.) The manual includes monitoring plan templates and various checklists to be used as applicable to individual contracts.
2. **Citywide on-line contract catalog** – On-going - The contract catalog is a searchable repository of active City contracts. The catalog will include related information such as the vendor or other party to the contract; authorization date(s) and amounts; contract description; term; and type of contract. The catalog issues a unique, citywide identification number to be used for each City-authorized contract to improve tracking across systems. The catalog will be made available on the City's data transparency website in phases beginning in May, 2018.
3. **On-line contract monitoring system** – In- progress - A Salesforce module is currently being developed that will automate the Contract Management Manual's processes. The module is an extension of the contract catalog described above. Department staff will document monitoring plans and record vendor progress, performance and interactions; and close-out activities. The system will allow users to set up activities such as tasks and events related to each contract and document the results associated with each. Managers will have the ability to review contract related activities for their department such as timing of next procurement, vendor performance, and staff's timeliness to complete assignments. The contract monitoring system will not include construction-related projects. Construction, architecture and engineering projects will be managed in the capital program management system currently being implemented with an estimated completion date of December 2017.
4. **Improvements to spending controls in the City's financial system** – Implemented - Enhancements to the spending controls have been implemented in conjunction with the usage of

the contract catalog's citywide contract identification numbers to more easily identify contract encumbrances/payments in the City's financial system and tie them to the associated contract.

Implementation will be a phased process with certain items listed above already implemented. A more detailed status report of the associated activities is attached for your review. Contract management is the responsibility of each department; however, we will have centralized management of and reporting from the Salesforce module by the Office of Purchasing. We will continue to report to you periodically on the status as well as make schedule adjustments as needed.

Please let me know if you have questions or need more information at this time.



Kimberly Bizor Tolbert
Chief of Staff to the City Manager

Attachment

c: T. C Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Biliera Johnson, City Secretary (Interim)
Daniel F. Solis, Administrative Judge
Majed A. Al-Ghafry, Assistant City Manager
Jo M. (Jody) Puckett, Assistant City Manager (Interim)

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

Action	Department	Target Date	Status
Develop Contract Management Manual for Goods/Service Contract (excluding construction/architecture/engineering)	Purchasing	November, 2016	Completed. Final version issued in November, 2016. The manual is a comprehensive guide to contract management from the procurement process all the way to closing out a completed contract. It includes detailed instructions as well as templates staff can use to throughout the contract management life cycle. The manual will be updated with information regarding using the on-line contract monitoring system and process changes that are discussed below.
Train staff on use of contract management manual	Purchasing	On-going	Approximately 400 staff have attended all day training through August, 2017
Provide employees with additional training classes focused specifically on developing contract monitoring plans	Office of Ethics & Compliance, Purchasing	November, 2017	Currently developing a class that focuses on preparing an effective contract monitoring plan. Course materials will be aligned with format to be used in the on-line contract monitoring system.
Create searchable contract catalog The contract catalog will be a searchable repository of contract-related information			
Create process to assign unique city-wide contract number that will allow for data exchange between systems which collect or process contract data	Office of Ethics & Compliance; CIS	June, 2017	Completed Expanded purpose of existing contract numbering system to utilize for all City contracts (open and new awards) to create the catalog. Data will be in correct format when need to begin data transfers to other IT systems.
Identify open contracts that do not already have contract numbers; assign numbers; and load applicable data into the financial system.	Office of Ethics & Compliance; department staff	On-going	Focused efforts on departments with large numbers of open expense contracts – Water Utilities, Public Works, Communication & Information Services, Fire, Police, Housing, Equipment & Building Services.

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			<p>For those contracts not included in the mass process, contracts will be assigned contract id number during renewal/extension or change order process. All new contracts and are assigned contract id number as part of the Council Resolution or Administrative Action.</p> <p>We will continue clean up data and assign numbers to open contracts with smaller departments as time permits.</p>
<p>Implement changes to City Council resolutions/ ordinances and Administrative Actions to include the citywide contract identification number</p>	<p>Office of Ethics & Compliance; CIS; Agenda Office; departments</p>	<p>June, 2017</p>	<p>Completed</p> <p>Employee training classes held, 400+ employees attending, during May, June, and August 2017 to roll out new processes. Additional classes are held on an as-needed basis.</p> <p>Result: Each City Council agenda item (resolutions and ordinances) and Administrative Action awarding or amending a contract includes the associated contract id number.</p>
<p>Post Contract Catalog on City's data transparency website.</p>	<p>CIS, Office of Ethics & Compliance</p>	<p>Phases beginning May 2018</p>	<p>Dependent on completion contract monitoring system.</p>
<p>Financial system process and approval changes to strengthen spending controls.</p> <p>Financial system changes to allow for integration and data transfer with the contract catalog and on-line contract monitoring system</p>	<p>Office of Ethics & Compliance; CIS</p>	<p>June, 2017 and October, 2017</p>	<p>Completed.</p> <p>New document processes as well as additional controls were "turned on" June 27, 2017 and October 4, 2017.</p> <p>New processes ensure greater consistency across departments and further control the risk of spending beyond authorization.</p>

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Create on-line contract monitoring system for departments to document monitoring plans; vendor performance and interactions; record vendor progress; and contract close-out activities. Monitoring system will link to associated documents such as the contract, RFP/RFB, and vendor's proposal/bid, reports, etc.			
<p>Gather system requirements from service contract user departments,</p> <p>Design Sales Force module according to requirements</p> <p>Develop changes to the test system to reflect system requirements</p> <p>Test system</p> <p>Train users</p> <p>Phase roll out to user departments in three groups</p>	CIS, Office of Ethics & Compliance, Purchasing, departments	<p>April, 2018</p> <p>Group 1 – May 2018 Group 2 – August 2018 Group 3 – September 2018</p>	Currently gathering system requirements and process maps from Water Utilities, Convention Center, Equipment & Building Services, and Code Compliance to get a wide-variety of contracts.

Action	Department	Target Date	Status
Develop interfaces to other systems – Financial System, insurance certificate/ bond tracking.	CIS, Office of Ethics & Compliance	May, 2018	Researching and developing requirements.