

Exhibit to Agenda Item #4

Board Finance & Audit Committee Meeting and Special SMUD Board of Directors' Meeting

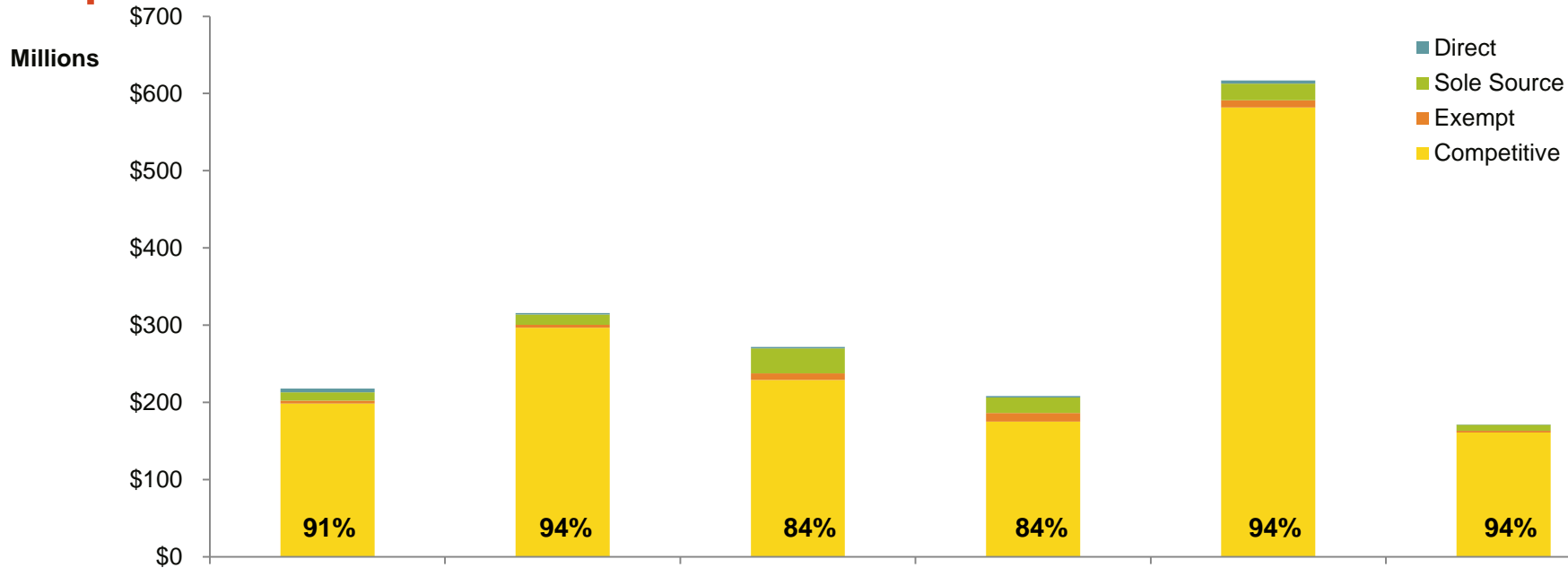
Tuesday, February 19, 2019, scheduled to begin at 5:30 p.m.

Customer Service Center, Rubicon Room

Compliance BL-8

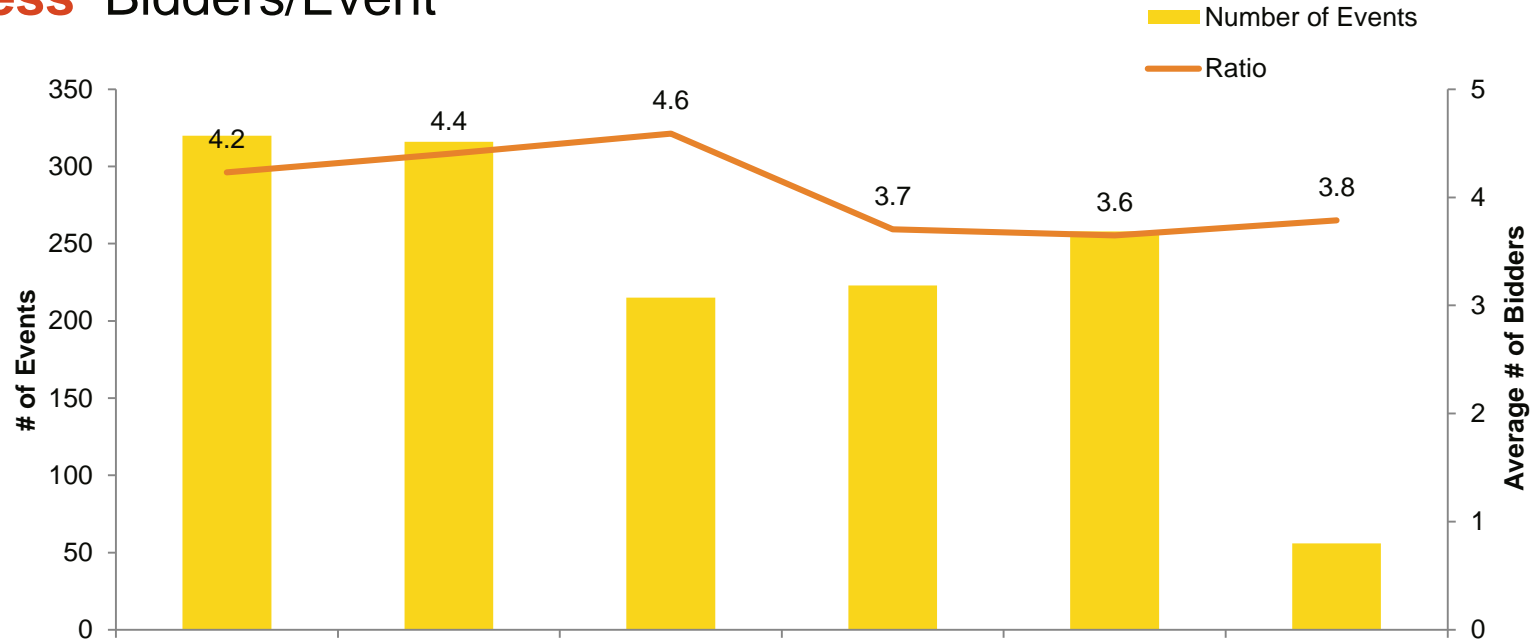


Competition Contract Awards



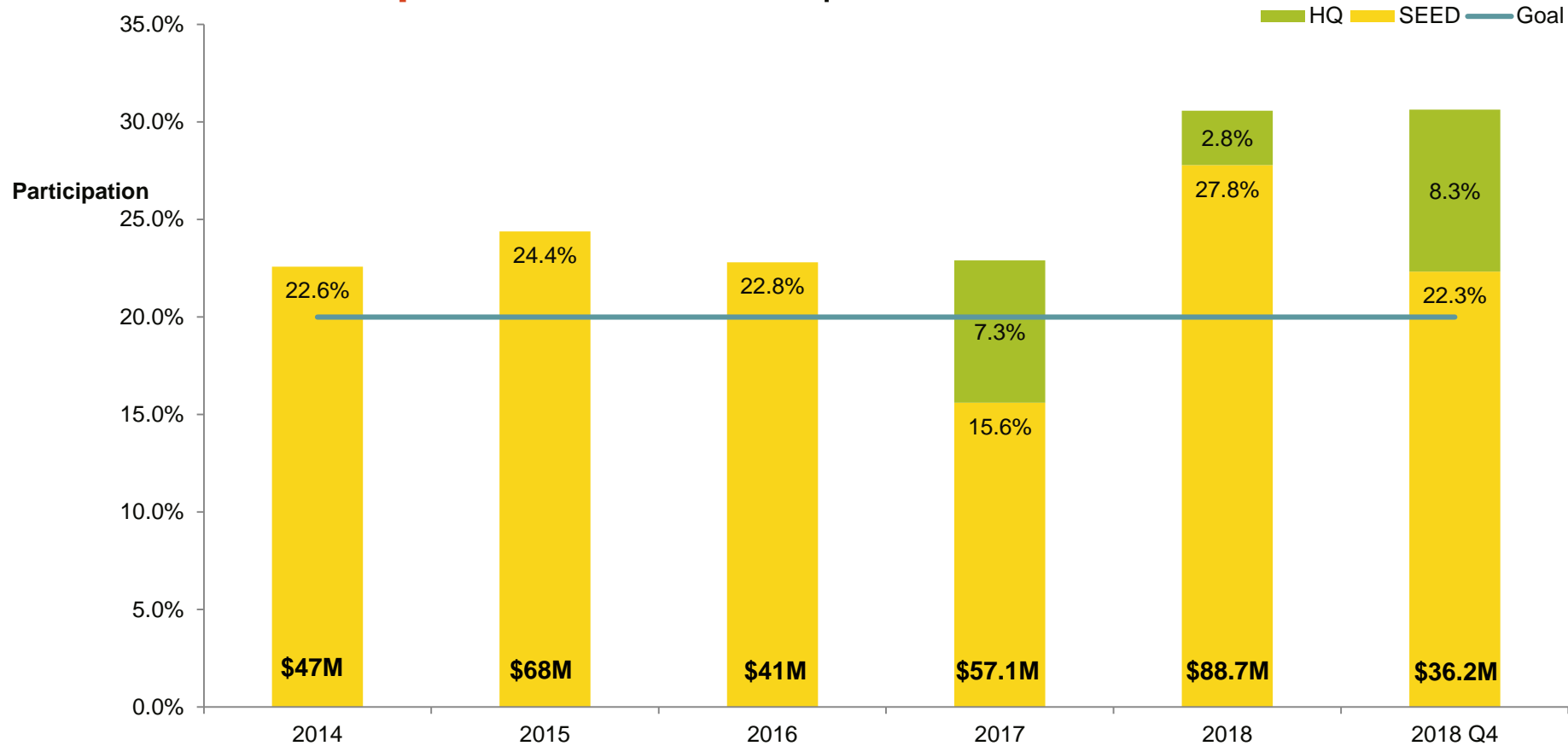
	2014	2015	2016	2017	2018	2018 Q4
Total Awarded	\$217.9M	\$315.7M	\$271.9M	\$208.1M	\$617M	\$171.5M
Competitively Awarded	\$198.4M	\$296.9M	\$228.9M	\$175.3M	\$582M	\$160.9M
Exempt	\$3.8M	\$3.7M	\$8.6M	\$10.9M	\$9.3M	\$2.4M
Sole Source	\$10.9M	\$13.4M	\$32.7M	\$20.1M	\$21.7M	\$7.8M
Direct Procurement	\$4.8M	\$1.7M	\$1.7M	\$1.8M	\$4M	\$359k

Inclusiveness Bidders/Event



	2014	2015	2016	2017	2018	2018 Q4
Number of Bidders	1354	1391	987	826	941	212
Number of Events	320	316	215	226	258	56
Events with >3 Bidders	208	213	137	136	140	30
% of Events with >3 (count)	65%	67%	64%	61%	54%	54%

Economic Development SEED Participation



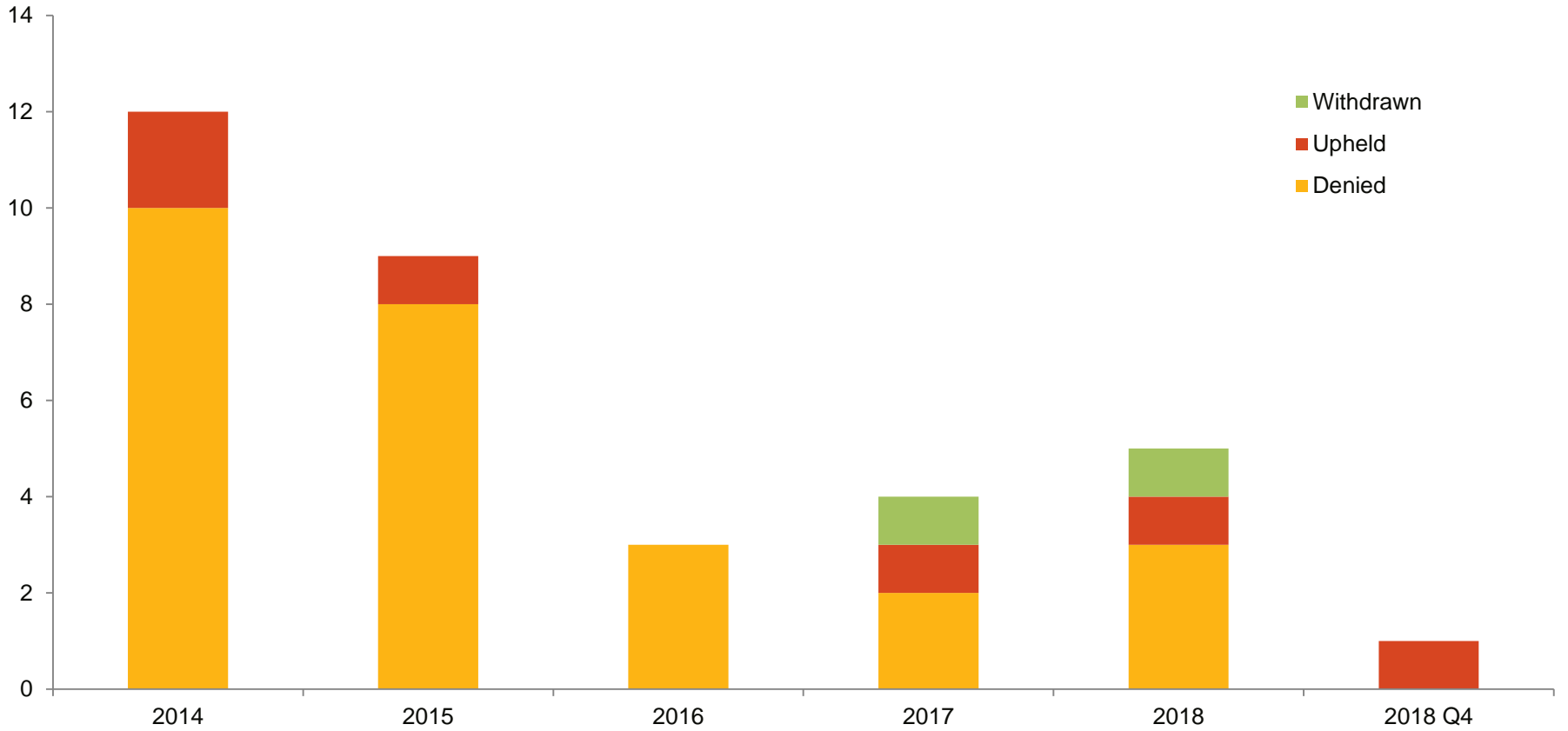
Economic Development SEED Compliance

Completed Contracts

Contract		Description	Planned Amount	Actual Amount	Performance
#1.	Prime	Doug Veerkamp	\$1,800,000	\$1,803,129	<i>Good!</i>
	SEED Sub	Allen Faris Trucking	\$360,000	\$876,458	
	Scope	UARP Paving Services	20.00%	48.61%	+28.61%
#2.	Prime	Doug Veerkamp	\$1,217,673	\$1,099,807	<i>Good!</i>
	SEED Sub	Allen Faris Trucking	\$137,110	\$101,168	
		RA Nemetz	\$66,972	\$63,500	
		Infrastructure Improvement	\$40,061	\$36,300	
	Scope	Azalea Campground Improvement	20.01%	18.27%	-1.74%
#3.	Prime	Doug Veerkamp	\$1,345,452	\$1,345,452	<i>Good!</i>
	SEED Sub	Allen Faris Trucking	\$67,273	\$57,782	
		RA Nemetz	\$107,636	\$107,763	
		Infrastructure Improvement	\$40,364	\$41,835	
		Mason Painting	\$67,273	\$68,690	
	Scope	Gerle Campground Improvement	21.00%	20.52%	-0.48%

To date, we have closed 11 contracts, total SEED commitment achieved is 86%

Protests



Procurement Update

Powering forward. Together.



Procurement Update Procurement Strategy Checklist

Procurement Strategy Checklist

Procurement Bid / Award Strategy Checklist					
Item	Pre-Bid Strategy Development	Yes	No	Outcome / Comments	Artifacts
1A) Existing Service					
1	Review of current contract and on-going business need				
2					
3	Review of category spend for the past 3 to 5 years and coming demand / forecast				
3a	Review prior bid schedule if existing service				
3b	Determine Bid Type (IFB, RFP, etc.)				
4	Identify areas for improvement				
4a	Pricing structure				
4b	Bid Sheet				
4c	Minimum qualifications (too constrained?)				
4d	Improved terms and conditions (Service level guarantees?)				
4e	Consider other saving levers (e.g. standardization, bundling, outsourcing, etc.)				
1B) New Service					
1	Review business justification for new goods and/or services and update initial scope document based on business need				
2	Identify a potential list of suppliers through market research (at least 5)				
3	Reach out to companies to understand pricing constructs, channel network (distributor, direct, etc.), interest in SMUD and participation in bid				
4	Facilitate the registration of suppliers in EBSS so they're ready to participate. Send email for confirmation of "intent to bid"				
5	Determine Bid Type (IFB, RFP, etc.)				
6	Align with Business on optimal terms				
6a	Pricing structure				
6b	Bid Sheet				
6c	Minimum qualifications (too constrained?)				
6d	Improved terms and conditions (Service Level Guarantees?)				
6e	Consider other saving levers (e.g. standardization, bundling, outsourcing, etc.)				
2) Business Unit Meeting					
1	Review Category Spend and contract overview; needs validation				
2	Determine One Time Purchase or Blanket? Is there a long term forecast?				
3	Identify other units in SMUD that buy similar products and services?				
4	Determine, if an existing supplier, what is the BU perspective on current performance?				
5	Define top 3 things supplier must do to be successful?				
6	Estimate potential impacts to changing suppliers?				
7	Evaluate which elements of the specifications / requirements could be changed to reduce costs? (e.g. standardization, bundling, etc.)				
8	Define best case and worst case outcome of the bid				
3) Market Analysis					
1	Define potential list of suppliers and identify at least 5 new participants				
2	Classify participants (local, regional, national, SEED, etc.)				
3	Engage in Supplier Development; reach out to suppliers to inform of coming RFP and SMUD interest in having them participate; "post future" in EBSS				
4	Determine SEED Availability and Engage SEED partners to market				
5	Facilitate the registration of suppliers in EBSS so they're ready to participate. Send email for confirmation of "intent to bid"				
4) Scoring Methodology (for RFP)					
1	Determine bid size and work to define the technical evaluation questions, weighting of those questions, and the approach for scoring				
2	Consider Safety and/or Environmental questions in the technical evaluations				
3	Validate the scoring percentages assigned to commercial and technical are appropriate for the type of procurement				
5) Award Strategy					
1	Prepare pricing analysis including current costs if an existing service				
2	Determine if a Single Award or Multi-Vendor award provides improved savings or flexibility in meeting business needs				
3	Confirm alignment with business unit on go forward award strategy				
4	Consider providing directional feedback to losing bidders to mitigate potential protests once Notice of Intent to Award (NOI/A) is posted				
6) Prepare EBSS					
1	EBSS Savings Summary, Award outcome				
2	Board Level EBSS Presentation Slides				
3	Board Level Presentation Day Plan				



Enhanced Outcomes

Understanding the Business Need:

- Current supplier performance
- Category spend and future forecast
- History on cost drivers and deal terms which can inform improvement opportunities for bid sheet and scope development

Alignment with the Business:

- Timing and budget
- Supplier pool
- Evaluation criteria
- Bid strategy; single or multiple contracts

Market Analysis:

- Market research tools (Gartner, Procurement IQ, PowerAdvocate)
- Understand market pricing structures
- Supplier Development; reach out to suppliers, "post future" on EBSS, SEED

Contract Award Strategy:

- Pricing analysis
- Negotiations strategy
- Debrief unsuccessful proposers

Procurement Update Solicitation Types

Solicitation Types	Short Description	Purpose
Request for Proposal (RFP)	Evaluates supplier proposals based on many factors	Accounts for factors other than just price to inform decision; mandatory pass/fail, technical capabilities, experience, team, environmental factors, safety, and commercial terms
Invitation for Bid (IFB)	Award based on lowest price that meets mandatory requirements or engineered specifications	For commoditized products only
Request for Information (RFI)	Information request, does not result in contract award	Seeks to better understand the market and players to inform solicitation strategy
Request for Qualification (RFQ)	Procurement strategy focused on proposers qualifications, results in "short list" to be used in subsequent solicitation	Eliminates suppliers not able to meet requirements; for example having prior completed projects or references related to the intended scope of work.
Request for Task Proposal (RFTP)	Has supplier quote specific project costs for tasks within a funded contract	Obtains detailed cost estimates for tasks issued within a contract that is funded, often includes multiple suppliers to ensure competitive pricing and "best value" to SMUD.

Procurement Update Solicitation Types

Award Types	Short Description	Purpose	Examples
Single Award Project	One award with a single supplier for a one-time project (clear start and end date determined)	Ensures all deliverables and dependencies are with a single supplier	<ul style="list-style-type: none"> • New facility construction • System integration • Design services • Large substation transformer
Single Award Program	One award with a single supplier for an on-going business need	Provides "best value" by leveraging our total spend and program support with one supplier	<ul style="list-style-type: none"> • Office supplies • Shred services • Travel
Multi Award Program	More than one supplier for an on-going business need	Allows for continuity in supply balancing competition and service or supply risk of disruption	<ul style="list-style-type: none"> • Vegetation management • Substation transformers • Cable replacement • Heavy duty fleet equipment
Multi Award - Task Contracts	More than one supplier for an on-going, non standard, business need	Provides options and flexibility based on supplier performance and pricing, maintains competition within funded contracts	<ul style="list-style-type: none"> • Civil construction • Engineering • Consulting services

Supporting Information

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SOLE SOURCE

Only Known Source

INDEX	Vendor Name	Description	Amount
1	SACRAMENTO TREE FOUNDATION INC	Shade Tree Program	\$4,100,000.00
2	PERSPECTA LABS INC.	Perspecta Labs Support Renewal	\$998,856.00
3	VISION CRITICAL COMMUNICATIONS (US)	Vision Critical Services contract	\$750,000.00
4	S&P GLOBAL PLATTS	PIRA Subscription - 3 years	\$210,945.00
5	FLEETCARMA	Suitability Assessment - FleetCarma Data	\$129,300.00
6	CEIVA LOGIC, INC.	Peek Energy Monitor	\$122,835.00
7	PUREHM US INC	DEPTH OF COVER SURVEY	\$100,000.00
8	KIODEX, LLC	KIS Kiodex LLC Renewal	\$90,600.00
9	LOCKHEED MARTIN CORPOPORATION	SS LOCKHEED MARTIN- SEELoad	\$75,000.00
10	ACCENTURE, LLP.	Agile Workshops	\$74,500.00
11	TRI-PACIFIC SUPPLY INC	ABB TOTALFLOW EQUIPMENT/GAS CHROMATOGRAP	\$28,987.49

\$6,681,023.49

Software / Maintenance

INDEX	Vendor Name	Description	Amount
12	POWER ADVOCATE, INC.	Power Advocate Renewal SaaS	\$ 840,000.00
13	ESRI	Annual renewal of ESRI - GIS Maintenance	\$ 269,375.00
14	DNV GL NOBLE DENTON USA LLC	Core Load Flow Licenses (Qty 10)	\$ 37,000.00

\$ 1,146,375.00**Sole Source Procurement \$7,827,398.49**

DIRECT PROCUREMENT

Miscellaneous			
INDEX	Vendor Name	Description	Amount
16	FREEWIRE TECHNOLOGIES, INC.	Freewire Mobi	\$258,600.00
17	CPRIME INC.	CPrime Agile Methodologies Training	\$50,000.00
18	TEJERA & ASSOCIATES, LLC	Consultnt fr Selection of 3(38)Fiduciary	\$40,000.00

Direct Procurement **\$348,600.00**

