



## Purchasing Division Inter-Departmental MEMO



**To:** Yakima City Council – For Council Information  
**From:** Sue Ownby, Purchasing Manager  
**Date:** September 26, 2012  
**Re:** Managed Competition Guide

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Attached for your consideration and review is proposed framework for a Managed Competition Guide that will provide a road map for the managed competition process.

Managed Competition is very similar to putting out a normal Request for Proposals for services, with the exception that City Services will also be expected to compete to determine who is the most economical and efficient provider of services to the citizens of Yakima.

This guide will articulate the protocol for a comprehensive process that will ensure a fair, unbiased and transparent process.

The five key phases that make up the main components of the managed competition guide include:

- Competition Planning
- Solicitation Development
- Employee Proposal Preparation and Development
- Source Selection
- Transition and Post-Competition Accountability

According to the Washington Policy Center Policy Guide for Washington State, benefits of managed competition include:

- **Lower cost.** Private companies are disciplined to seek efficiencies through the need to operate at a profit while providing superior service at a competitive price. By employing the techniques of competition, public managers find efficiencies within their operations and lower the cost of performing a service.

- **Higher service levels.** Monopolies, whether public or private, frequently lack the stimulus to innovate and improve service delivery. By opening services to competition, governments can upgrade services and achieve cost savings.
- **Better management.** Government can streamline its operations by using the same accounting procedures and productivity measures that the private sector uses, which are more accurate and comprehensive than traditional government methods.
- **Changed government culture.** When a government seeks dynamic competition over a monopoly status quo, its culture changes. Governments that are open to competition liberate themselves to perform a smaller set of core functions better, while leaving much of the routine work to contractors.

Across the country, state, county and city governments are opening services that were once performed exclusively by government agencies to managed competition.

Whether the service was retained by the entity or awarded to private contractors, the results have been millions in savings to the tax payer. Adoption of these Managed Competition Guidelines will enable staff to identify city service for competition, and ensure a fair and equitable competition.

We believe adoption of these managed competition guidelines will be a significant step in ensuring the public that the City of Yakima is committed to being the best possible steward of the public's money and is driven to achieve the best and most economical results for the public.

The first proposed candidate for this process is the Airport, based upon the Airport Board's interest in considering both public and private sector management of the Airport.