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BGR MEDIA RELEASE

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BGR Begins Series on City's Fiscal Outlook with Professional Services Contracting Model

Today BGR releases *Contracting with Confidence: Professional Services Contract Reform in New Orleans*. In the report, BGR presents a new model to improve contract administration and restore faith in the contracting process. The model would transfer the administration of professional services contracts from the Chief Administrative Officer to a full-fledged professional procurement office and harness the oversight powers of the Office of Inspector General. The report is available on BGR's web site, www.bgr.org.

Contracting with Confidence is the first installment in a series of reports that will examine the city's financial situation and the systemic problems affecting it. The series will include reports on New Orleans' financial condition, infrastructure needs, contracts, the property tax base, the nonprofit exemption and Board of Review decisions on assessment appeals.

In recent years, federal law enforcement officials and the media have exposed numerous problems with the city's process for awarding professional services contracts. Between bloated contracts for political allies, an alleged kickback scheme, poor monitoring of contractor performance, and an expanding definition of "professional service" to avoid low-bid requirements, the need for reform is clear.

Contracting with Confidence attempts to address these problems by professionalizing the contracting process, shining light on it and limiting the influence of politics on the selection process. The report calls for the city to:

- Transfer administration of professional services contracts to a professional, non-political procurement office.
- Use committees of government employees with relevant expertise to score and rank proposals.
- Limit the mayor to signing a contract with the committee's highest-ranked proposal, or terminating the procurement.
- Conduct all meetings involving evaluation and selection of contractors as open meetings, and facilitate start-to-finish oversight by the Inspector General.
- Use standardized Requests for Proposals and Requests for Qualifications designed to identify the best contractor for the job.
- Aggressively advertise contracts to elicit maximum competition.
- Monitor contractor performance to confirm the contractor fulfills its obligations.

The model would apply to both the Executive Branch and, with adjustments, to the City Council.

"To win the confidence of its citizens, the City of New Orleans must implement a sound and scrupulous process for awarding professional services contracts," said BGR Chairman Hans B. Jonassen. "Contracting reform is also one of several steps the city must take to get its financial house in order."

BGR is a private, nonprofit, independent research organization. Since its founding in 1932, it has been dedicated to informed public policy-making and the effective use of public resources in the Greater New Orleans area. For more information call (504)525-4152 or visit BGR's web site, www.bgr.org.