

Bloomberg Terminal Agreement

Finance/Administration Committee

June 26, 2018

Prior Practice vs. Bloomberg Terminal



- History

- Prior Practice

- Relied on information from Broker/Dealers
 - Had limited ability to check pricing
 - Was an inefficient process

- Bloomberg Terminal

- Free Trial in November 2016
 - 1-Year Pilot beginning in late May 2017
 - Better pricing and more efficient process

Prior Practice vs. Bloomberg Terminal



	Prior Practice	Bloomberg Terminal
Inventory	Limited to brokers' incoming data Small network of brokers Time-consuming to filter through May be outdated	All market data Including from non-District brokers Instant comparison Live inventories
Pricing	Given by broker Limited verification option No benchmarking Price-checking raises the price	Tested against market activity Verified against other sources Benchmarking option Live pricing
Securities	Limited to primary market Secondary market not practical	Primary and secondary markets Additional security types
Trading	Inefficient/Lengthy Requires price locks May expire Security may be sold beforehand	Instantaneous No price delays Automatic confirmation Transaction directly in the terminal
Documentation	Rely on brokers' information Requires extra steps for audit trail	Automatic trade ticket Automatic and permanent audit trail

Prior Practice vs. Bloomberg Terminal



- Prior Practice
 - No third party costs, but
 - Poor pricing transparency for securities
 - Inefficient use of staff time
- Bloomberg Terminal
 - Subscription at current rates is \$25,680 per year
 - More than offset by savings on pricing of securities
 - More efficient use of staff time

Questions



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Adjustment of Competitive Bidding Threshold for All Contracts

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Overview



- Municipal Utility District (MUD) Act Adjustment History
- Proposed Approval Thresholds
- Comparison of Current/Proposed Approval Process
- Expected Benefits

MUD Act Adjustment History



- EBMUD sponsored the 1998 legislation that increased the MUD Act Threshold to \$50,000 and added the adjustment mechanism
- Adjustments (+/-) tied to the Commerce Dept Implicit Price Deflator (IPD) for State and Local government
- Prior adjustments
 - 2002: \$50,000 to \$55,000
 - 2005: \$55,000 to \$60,000
 - 2010: \$60,000 to \$70,000

Proposed Approval Levels



- Materials and Supplies:
 - Formal competition threshold increases from \$70,000 to \$80,000
 - General Manager and Board authority are unchanged
 - Delegated Staff authority increases to awards less than \$80,000
- Construction:
 - Formal competition threshold increases from \$70,000 to \$80,000
 - General Manager and Board authority are unchanged
 - Delegated Staff authority increases to awards less than \$80,000
- Services & Real Estate Transactions:
 - Formal competition increases from \$70,000 to \$80,000
 - GM Authority increases from \$70,000 to \$80,000 and Board authority increases from over \$70,000 to over \$80,000

Current & Proposed Approval Levels



Procurement Type	GM Approval Authority (current/ proposed)	Board Approval Authority (current/ proposed)	Formal Competition Process Start Point (web posting, print ad, full proposal submittal packet, etc. current/ proposed)
Materials & Supplies	\$70-\$100K \$80-\$100K	\$100K + (no change)	\$70K \$80K
Construction	\$70-\$100K \$80-\$100K	\$100K + (no change)	\$70K \$80K
Real Estate, General & Professional Services	\$30-\$70K \$30-\$80K	\$70K + \$80K +	\$70K \$80K

Expected Benefits



- Time and Money Savings for Both EBMUD and Vendors
 - Annual savings on newspaper ads in the \$12-15K range
 - Decreased District staff time for the execution of formal bid process and paperwork.
 - Decrease in paperwork and administrative burden for vendors who must complete formal bid documents.
- Improved bid opportunities for Small Business Enterprise (SBE) and Local vendors under informal bid rules
 - Projected additional 25-30 opportunities per year with estimated value \$1.5-\$2.0M
- Improved SBE results
 - 54% of POs under \$70K have gone to SBE vendors in last 5 years

Questions