



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: February 28, 2007

Approved

Date 3/8/07

COUNCIL DISTRICT: District 4

SUBJECT: REPORT ON RFQ FOR CONSTRUCTION/COST MANAGEMENT SOFTWARE

RECOMMENDATION

Adoption of a resolution authorizing the Director of Finance to:

1. Execute an agreement with Skire, Inc. (Menlo Park, CA) in the amount of \$307,500 for Unifier construction and cost management software including fifty user licenses, training, installation and configuration services, one year of maintenance and support, and applicable sales tax.
2. Execute change orders for maintenance and support for four additional one-year periods subject to the appropriation of funds.

OUTCOME

The purchase of this product will enable airport staff to collaborate with project teams on major projects to ensure the successful delivery of airport construction projects on time and within budget. It will replace several custom databases that do not support the collaboration needed in large projects and which require ongoing extensive maintenance and support.

Unifier is a bundled software product with integrated functions that will allow the Terminal Area Improvement Program (TAIP) Team to:

- Manage Programs and Projects
 - Improve collaboration among team members
 - Securely share information with contractors

- Collaborate in creating transmittals, submittals, etc.
- Link to schedule and cost information in standard scheduling software
- Track accountability
- Identify and resolve issues in a timely manner
- Manage Costs
 - Track Budgets and Funding
 - Identify and track changes
 - Manage Invoices and payments
 - Prepare Forecasts
 - Early detection of cost overruns
 - Improve integration with the city's financial system

EXECUTIVE SUMMARY

This memorandum reports on the procurement and evaluation process and recommends award of contract for the purchase and installation of software for construction and cost management for airport projects. After a thorough and complete evaluation, staff recommends award to Skire Inc. (Menlo Park, CA), which submitted the most advantageous proposal to the City.

BACKGROUND

The current in-house developed applications, (Doc Log, Daily Inspection Reports, Action Items, and Program Cost) were developed approximately six years ago by external consultants. Since the development of these applications, the construction software industry has matured and these custom solutions have not kept pace with the development of commercial solutions or the needs of the Airport's TAIP projects. The anticipated cost and development time to bring the custom applications close to current industry standards would be far in excess of the cost and time to provide a commercially available solution.

As the Airport Improvement Program progresses and the TAIP Team continue to manage more and more resources, the Team must be able to share information, with security and integrity, internally as well as with contractors.

ANALYSIS

The RFQ process was initiated on June 6, 2006. Approximately 100 companies were notified of the requirement via the DemandStar bid notification system. In addition, the requirement was advertised on the City's internet Bid-line. Eighteen companies requested the RFQ document and six responses were received by the June 30, 2006 deadline from the following companies:

- Ares Corporation
- Aurigo Software Technologies
- Meridian Systems Inc.
- Parsons Corporation
- Skire Inc.
- Taradigm

After an initial review, Finance determined that all proposals were responsive to the solicitation requirements.

The evaluation team consisted of members from Airport IT, Airport Finance, and Public Works. Several of the evaluators will be end-users of the software representing the perspective of end-users for various areas of expertise. The initial evaluation consisted of a review of each company's written response and hands-on use of the demonstration software that was provided with the quotations. Responses were evaluated per the following criteria:

Criteria	Weight
Product Functionality	40%
Product Support	30%
Cost	20%
Local Business Preference	5%
Small Business Preference	5%

At the conclusion of the initial evaluation, Ares, Parsons, Skire, and Taradigm were determined to have scored in the competitive range (i.e. these responses can reasonably achieve award of contract) and invited to participate in on-site product demonstrations. During the onsite demonstrations, companies were required to exemplify how their product handled a variety of pre-determined functions and scenarios. In addition, evaluators were able to assess the user friendliness of each product for performing key functions.

After the initial product demonstration, the evaluation team scored the products offered by Skire and Taradigm as the top two products. At the conclusion of the product demonstration, Ares Corporation requested and received a debriefing from City Procurement and Airport IT staff.

A second product demonstration was requested by the evaluation committee because several areas were identified that required further clarification and review. Both finalist companies were invited to participate in a second round of product presentations as well as confirm statements regarding software licensing and pricing.

At the conclusion of the final round of product demonstrations, the evaluation team scored the two finalists as follows:

Company	Functionality	Support	Cost	Total
Skire	39	30	6	75
Taradigm	27	26	20	73

Overall, the evaluation team concluded that the Skire implementation would be more intuitive and require fewer professional services. Several of the key product features that distinguished the Skire product are identified as follows:

- Superior budgeting: The Skire product has superior budgeting that is integrated into the product and is not driven by scheduling.
- Robust charge splitting functionality: Every large project at the Airport will use this functionality in the course of the project, including Program Management, North Concourse, TAIP, and the Renzel Airfield Project. The Skire product demonstrated a single screen for this function that was clear, straight forward, and preferred by the evaluation team.
- Intuitive Program Management functionality: The Skire product screens were intuitive, easy to use, and gave clear overviews at both the Program and Contract level.
- Overall ease of use enabling complex functions: For example, budget transfers can be accomplished with a single mouse click.

Overall, Taradigm did not demonstrate that its method of tracking cost and budget would be a successful model for the Airport.

Software and installation costs for each product were comparable. However, the quotation required each proposer to submit a fixed price quote for customization/configuration of the product. Skire quoted \$97,500 for these services and agreed not to exceed this amount. Taradigm quoted \$2,800 for this service but would not agree to a ceiling price, exposing the City to potentially significant cost overruns.

Reference Checks

A reference check was conducted with The University of Texas System. The reference consisted of fifteen detailed questions designed to understand the customers overall satisfaction with the product, as well as Skire's service and support of the product. The reference was very positive.

Evaluation Summary

Although all six products addressed most of the requirements listed in the RFQ, Skire offered a complete product for managing construction projects from the program level, including

integrated tracking of costs and budgets, user configurable screens, and the ability to automate complex transactions based on business process modeling.

All companies whose proposals were evaluated were given the opportunity to protest the City's recommendation. The ten day protest period allowing any proposer to dispute the award recommendation commenced on February 13, 2007 when all participants were notified. The City's Chief Purchasing Officer did not receive any protests.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item does not meet any of the criteria above; however, this solicitation was advertised on the City's internet Bid-Line and the DemandStar solicitation notification system. This project was approved by the Information Technology Planning Board on May 12, 2006.

COORDINATION

This memorandum has been coordinated with the Aviation Department, the City Manager's Budget Office, and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This action is consistent with the following General Budget Principles "We must focus on protecting our vital core city services for both the short- and long-term" and "We must continue

to streamline, innovate, and simplify our operations so that we can deliver services at a higher quality level, with better flexibility, at a lower cost” and the Strategic Initiative “Make San Jose a Tech-Savvy City; lead the way in using technology to improve daily life.”

COST SUMMARY/IMPLICATIONS

Not applicable.

BUDGET REFERENCE

Fund #	App n #	Appn. Name	Total Appn	2006-2007 Adopted Capital Budget	Last Budget Action (Date, Ord. No.)
520	4657	North Concourse Building	\$15,988,000	V-980	10/17/06 27888
520	4635	Taxiway Y Reconstruction	\$1,102,000	V-940	10/17/06 27888
(526) 522	4712	Utility Infrastructure	\$3,376,000	V-991	10/17/06 27888
(526) 522	4717	Electrical Distribution System	\$1,216,000	V-976	10/17/06 27888
527	4712	Utility Infrastructure	\$901,000	V-991	
527	4007	Advanced Planning	\$759,000	V-992	10/17/06 27888
527	4717	Electrical Distribution System	\$110,000	V-976	10/17/06 27888
527	5496	Taxiway Z Alignment	\$553,000	V-941	10/17/06 27888
527	5253	Terminal Area Improvement, Phase I	\$5,303,000	V-985	10/17/06 27888
(526) 554	5253	Terminal Area Improvement, Phase I	\$117,996,000	V-985	10/17/06 27888
(526) 554	5780	Terminal Area Improvement, Phase II	\$26,799,000		10/17/06 27890
(526) 554	5246	Public Parking Garage	\$8,187,000	V-966	10/17/06 27890
527	5067	Runway 11/29 REIL	\$380,000	V-939	10/17/06 27888

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Fund #	Appn #	Appn. Name	Total Appn	2006-2007 Adopted Capital Budget	Last Budget Action (Date, Ord. No.)
527	5068	Airport Blvd./Airport Pkwy ASTRA Compliance	\$95,000	V-971	
527	5730	Automated People Mover Terminal Zone Refinement	\$184,000	V-972	
527	5072	Part 139 Compliance Projects	\$189,000	V-938	
(526) 554	5279	Warehouse Building Maintenance	\$110,000	V-962	
527	5254	West Side Airfield Reconstruction	\$87,000	V-942	
(526) 554	5254	West Side Airfield Reconstruction	\$2,363,000	V-942	
(526) 528	4164	Consolidated Rental Car Facility	\$10,242,000	V-963	10/17/06 27888
529	4635	Taxiway Y Reconstruction	\$10,304,000	V-940	
(526) 547	6953	FMC Site Reuse Preparation	\$13,309,000	V-964	10/17/06 27888
(526) 548	4643	Central Plant Expansion	\$5,313,000	V-975	10/17/06 27888
(526) 548	4657	North Concourse Building	\$176,806,000	V-980	10/17/06 27888

CEQA

Not a project.


 SCOTT P. JOHNSON
 Director, Finance

For questions please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.

