COUNCL AGENDA: 4-24-07
ITEM: 2.11

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: March 21, 2007

Approved Ray Winer Date 3/28/07

COUNCIL DISTRICT: City-Wide

SUBJECT: REPORT ON REQUEST FOR PROPOSAL FOR ACQUISITION OF AN INTEGRATED CASHIERING SYSTEM

RECOMMENDATION

Adoption of resolution authorizing the Director of Finance to:

1. Execute an agreement with The Active Network Inc. (Sacramento, CA) in an amount not to exceed $253,398 for the purchase and installation of an Integrated Cashiering System, including software, hardware, professional services, five years of maintenance and support, shipping, and applicable sales taxes.

2. Execute change orders not to exceed a 15% contingency amount of $38,010 to cover unanticipated changes or requirements related to the design, implementation, maintenance and support of the system over a five-year period.

OUTCOME

The Integrated Cashiering System (ICS) will automate City Hall's "One-Stop" centralized payment center enhancing business processes to more effectively meet customer service needs.

BACKGROUND

As a part of the New City Hall initiative, the City continues to transform its business operations and process through more effective uses of state-of-the-art technology solutions. Currently, cashiering staff utilizes eight applications to post payments and residents may be required to visit several cashiering counters to make a variety of payments.

The proposed Integrated Cashiering solution will result in:

- Customers and residents being able to pay for a variety of services at a single location versus several cashiering stops.
- Cashiering staff using a single software interface versus eight different systems to post payments, which streamlines the payment process.

In order to achieve these outcomes, in June 2005, a Request for Proposal (RFP) was developed and issued on behalf of the Finance Department's Treasury Division. As a result of incomplete specifications, Finance recommended the rejection of all proposals and re-issuance of the RFP. Council approved this recommendation on November 29, 2005.

ANALYSIS

RFP 05-06-08 for an Integrated Cashiering System was issued on May 31, 2006. The proposal was advertised on the City's internet "BidLine" and the DemandStar bid notification system. Over 180 companies were notified of the requirement, ten companies requested the RFP, and a total of four proposals were received by the July 5, 2006 deadline.

A cross-functional evaluation team with representatives from the Departments of Finance, Information Technology, and Planning, Building & Code Enforcement evaluated proposals. Consistent with City practices, all panel members were required to sign confidentiality and conflict of interest agreements prior to receiving the proposals. Below is a summary of each phase of the evaluation:

Phase 1, Minimum Requirements

Phase 1 of the evaluation process was to determine that the proposals met the minimum requirements as set forth in the RFP. All proposals met or exceeded the minimum requirements.

Phase 2, Management/Technical Evaluation (65%)

This phase consisted of a thorough review and evaluation of each proposal for proposer experience and capability (25% of total weight) and the functional and operational capabilities of the proposed solution (40%). Each member of the evaluation team independently evaluated and scored the written proposals.

The evaluation team recommended that all four proposers be invited for an oral presentation and product demonstration. Proposers were provided a script created by the evaluation team that defined the specific criteria that the team wanted to evaluate, including data retrieval, presentation of the data at the cashiering station, cashier transaction processes, transaction data posting, and systems and transaction reporting.

proposers were invited to participate in a Best and Final Offer process (BAFO). The objective of the BAFO was to provide specific information regarding implementation capabilities and to provide the opportunity for submission of a revised cost proposal.

At the conclusion of the BAFO process, the evaluation team met to discuss the BAFO response and modify their individual scores as appropriate. The results are summarized in the table below.

Phase 3, Cost Proposal Review (25%)

Cost proposals were submitted by each company separate from the written proposals in order to ensure that cost did not inadvertently influence the technical scores. Cost proposals were disclosed to the evaluation team after to completion of the Proposer presentations and demonstrations. The Active Network offered the solution including software, hardware, professional services, five years of maintenance and support, shipping, and applicable sales taxes for $253,398. Core Business Technologies offered the solution for $303,151.

The final score and ranking is summarized as follows:

Best and Final Offer Evaluation Scores					
Company	**Technical Score (65%)**	**5 Yr Cost (25%)**	**Local Small (10%)**	**Overall Score (100%)**	**% of High Score**
The Active Network, Sacramento, CA	53%	25%	0%	78%	100%
Core Business Technologies, East Providence, RI	56%	21%	0%	77%	98.7%

Ten percent of the total evaluation points were reserved for local and small business preference in accordance with the City's Local and Small Business Preference Ordinance. None of the two companies submitting proposals requested or qualified for the preference. Therefore, the preference was not a factor in the award recommendation.

Reference Checks

Reference Checks for the recommended vendor were conducted with the Cities of Carlsbad (CA) and San Clemente (CA). The reference check consisted of approximately ten detailed questions designed to validate The Active Network's ability to deliver on schedule and budget, their implementation and support staff capabilities, issues that may arise during the implementation process and the potential impact on the City. All references were very positive with each indicating that they would not hesitate to make an award to The Active Network again.

Evaluation Summary

Staff recommends The Active Network be awarded the agreement for the Integrated Cashiering System based on overall highest score per the evaluation criteria and weighting as set forth in the RFP. The evaluation team concluded that the product offered meets and exceeds the City's requirements and is the lowest cost solution. Additionally, the reference checks validated that The Active Network was able to successfully implement similar systems with other jurisdictions.

The RFP included a process for Proposers to object to specifications and requirements of the RFP. No objections were received. The RFP also provides for a protest process for unsuccessful proposers to protest Staff's award recommendation. The ten-day protest period commenced on February 28, 2006 and ended on March 9, 2006. No protest was received.

After execution of contract, staff expects to have the implementation of the application and related interfaces completed in fall 2007.

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)**

Although this project does not meet the $1 million threshold for Criterion 1, this memorandum is posted on the City's website for the February 27, 2007 Council Agenda. Additionally, as described above, this requirement was advertised on the City's internet Bid-Line and the DemandStar solicitation notification system.

COORDINATION

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

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 #	Appn #	Appn. Name	Total Appn	Amt. for Contract*	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
001	3470	Integrated Cashiering Solution	$300,000	$291,408	Annual Report p.III-16	10/17/06, Ord.27888

* Includes 15% contingency.

CEQA

Not a project.

Julia H. Cooper
for SCOTT P. JOHNSON
Director, Finance

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