



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: November 24, 2008

Approved

Christine J. Shippig

Date

12/1/08

COUNCIL DISTRICT: City-Wide

SUBJECT: FIRST AND SECOND AMENDMENTS TO THE AGREEMENT FOR AN INTEGRATED FIRE RECORDS MANAGEMENT SYSTEM BETWEEN THE CITY OF SAN JOSE AND ACS GOVERNMENT SYSTEMS

RECOMMENDATION

Adoption of a resolution authorizing the Director of Finance to negotiate and execute the first and second amendment to the agreement with ACS Government Systems to first extend the term of the agreement from December 31, 2007 to December 31, 2010, for payment of invoices and second to expand the scope of services for Accounts Receivable and Mobile Inspections functionality including software, installation; training and professional services and increase total compensation not to exceed \$100,000 from \$263,652 to \$363,652.

OUTCOME

To allow for payment of invoices and to further enhance the Fire Department's Records Management System by adding billing and mobile inspection functionality.

BACKGROUND

The cornerstone of the Fire Department's strategy for optimization of its emergency response and fire prevention services was the implementation of an integrated Records Management System (RMS).

On February 27, 2007, the City Council authorized the Director of Finance to execute an agreement with ACS Government Systems to purchase an integrated Records management System (RMS) for the Fire Department to automate most record keeping and data processing

functions, deployment planning, performance analysis, external reporting, and related business activities.

Due to unforeseen staffing issues within the Fire Department, there were delays in the implementation of the software. However, in October 2008, final acceptance of the system by the City took place and the system has been well received by the Department and its users.

Phase II of the RMS project is to fully integrate the Bureau of Fire Protection (BFP) non-development inspection databases and billing functions into the RMS system. The BFP provides annual inspections of all permitted occupancies and State mandated occupancies which include schools, day care facilities, apartments, high rise buildings, facilities with hazardous materials, and all businesses requiring fire permits in San José. The system that tracks all permit billing data is currently stored in a proprietary database on an antiquated VAX server located in the old City Hall building.

ANALYSIS

The proposed first amendment extends the term of the contract. As mentioned above, due to the delays in the implementation of the software, the City accepted the system in October 2008, after the expiration date of the agreement of December 31, 2007. Since the agreement expired, the City cannot process the final milestone payment for final acceptance without extending the term of the agreement. To ensure timely payment, staff requests authorization to negotiate and execute the first amendment for extension of the term of the agreement.

The proposed second amendment authorizes the purchase of a billing and accounts receivable module and a mobile inspection module that will enable BFP to process billing for permits and allow Inspectors to work live in the field via portable notebook computers to record inspections and violations. To negotiate the final scope of services as well as the project and payment milestones with ACS, staff requests authorization to negotiate and execute the second amendment.

Currently, all inspections are done on four-part NCR forms filled in by hand with no data tracking capability. The proposed enhancements will be fully integrated with and complement the existing inspection and permit functions of the application. The anticipated project timeline for this enhancement is 18 months. Compensation shall be firm fixed price with payments made upon successful completion and the City's acceptance of key milestones.

POLICY ALTERNATIVES

Alternative #1: Continue with original Agreement and only extend the term of service.

Pros: Save \$100,000 in costs.

Cons: The Fire Department will not be able to process billing for annual permits and inspections. This will result in the loss of revenue for BFP.

Reason for Not Recommending: The Amendment for expansion of the base system is critical because starting 12/5/08 BFP will no longer be able to process billing. There is a need to upgrade BFP's current accounts receivable system due to changes in the Business Tax License system which will make the current BFP accounts receivable system obsolete.

Alternative #2: Purchase the Accounts Receivable and not the Mobile Inspections Module.

Pros: Save \$14,306 in costs.

Cons: The Fire Department will still be required to conduct inspections using four-part NCR filled in by hand. This will require additional staff resources to input the information into the ACS application in order to process billing.

Reason for Not Recommending: Adding the Mobile Inspections Module is critical because it will enable inspection data to be collected immediately during an inspection without the need to have staff hand enter the information into the system at a later time.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 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)**
- Criterion 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 December 16, 2008 Council meeting.

COORDINATION

This contract amendment and memorandum have been coordinated with the City Attorney's Office, the City Manager's Budget Office, Information Technology, and the Fire Department.

FISCAL/POLICY ALIGNMENT

This action is consistent with the following General Budget Principles "focus on protecting our vital core city services for both the short- and long-term" and "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: "lead the way in using technology to improve daily life."

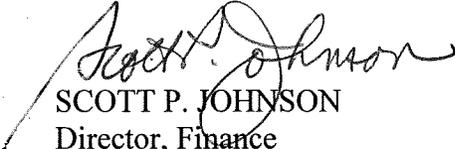
BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract(s) recommended as part of this memorandum and remaining project costs, including project delivery, construction, and contingency costs. The source of additional funding is from a judgment received in 2006 against AT&T. Under the terms of the judgment, the funds can only be used for BFP Hazardous Materials related use. No General Fund monies will be used.

Fund #	Appn #	Appn. Name	RC #	Total Appn	Amt. for Contract Increase	2008-2009 Adopted Operating Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Cost				\$100,000	\$100,000		
Current Available Funding							
001	3461	Hazardous Materials Consent Judgment	001-54-640640	\$133,050	\$100,000	VII-415	6/24/08 #28349
Total Project Funding				\$133,050	\$100,000		

CEQA

Not a Project.


 SCOTT P. JOHNSON
 Director, Finance

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