



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: June 1, 2010

Approved

Date

6/4/10

**SUBJECT: FIFTH AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF
SAN JOSE AND ENFOTECH & CONSULTING, INC.**

RECOMMENDATION

Adopt a resolution authorizing the Director of Finance to:

1. Negotiate and execute the Fifth Amendment (Amendment) to the Environmental Enforcement Data Management System (EEDMS) Agreement with enfoTech & Consulting, Inc. to extend the term of the agreement by eighteen months from July 31, 2010 to January 31, 2012 and increase the compensation by \$318,199 for a revised not to exceed amount of \$1,381,598 in order to upgrade the existing EEDMS to a web based system and to add additional features and functionality.
2. Exercise five additional one-year options to extend the Agreement for ongoing software maintenance and support at a fixed cost of \$49,500 per year subject to the appropriation of funds.
3. Execute change orders not-to-exceed a contingency amount of \$72,750 to cover any unanticipated changes to the system upgrade and maintenance and support.

OUTCOME

Provide an upgraded operating platform for the EEDMS; changing from a client server to a web based system to enable remote access and manage data for all environmental enforcement programs implemented pursuant to state water quality regulations, and system functionality to meet new permit and program requirements.

BACKGROUND

On April 15, 2003, the City Council approved an agreement with enfoTech & Consulting, Inc. (enfoTech), in the amount of \$1,063,399 to implement the EEDMS database project using their proprietary software, PACS 2000. The original contract has been amended four times. The first amendment extended the contract period for completion of the complex customization and testing requirements, and to give the Director of Environmental Services Department authorization to exercise two one-year maintenance options following the completion of the custom modules. The system became operational in 2005, and shortly thereafter, the City exercised its options for ongoing maintenance and support. The second, third, and fourth amendments added additional maintenance periods with the current contract expiring on July 31, 2010.

EEDMS is used to manage data for several regulatory programs driven by the Federal Environmental Protection Agency (EPA) requirements and the State National Pollution Discharge Elimination System (NPDES) permits for sanitary and stormwater discharge. The system in its current configuration is used by a total of 60 staff and provides for data management for a wide array of programs including stormwater inspections for industrial, commercial, and construction sites; illegal discharge complaint response; food service facility inspections; permitting for dentists using mercury amalgam; and pretreatment program implementation for industrial wastewater dischargers. Key features of EEDMS include:

- Staff reporting and supervisory tools to improve report generation and work efficiency
- Work management tools to efficiently schedule and manage inspections
- A permit module to track, generate, and manage permit schedules and fees
- Interface with handheld devices for field data collection and inspection report generation
- A data interface to the Laboratory Information Management System (LIMS) to automate data sharing with the Environmental Services Department (ESD) laboratory and to prevent manual data entry errors for water quality sample analyses
- Self-Monitoring Report (SMR) functions to manage data submittals from industrial users, flag violations based on water quality data and other information, and generate timely enforcement letters
- Automated generation of complex regulatory reports for stormwater and pretreatment programs
- Standardized inspection forms and enforcement documents for program consistency
- Automated document generation to reduce administrative time and data errors
- Single system for all data collection and management

Since the existing system went operational in 2005, there have been new requirements for Watershed Protection programs. New program needs are the result of the new stormwater Municipal Regional Permit, National Pollution Discharge Elimination System (NPDES) Permit requirements for regulation of dental mercury, Sewer System Management Plan requirements for regulation of Fats, Oils, & Grease (FOG), and other operational changes within the different Watershed Protection programs. These program changes involve regulatory requirements for monitoring of pollutant sources, pollutant control methods, data collection, and program

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reporting, some of which are required to be implemented by the end of 2011. The current EEDMS system cannot adequately address current program needs without this essential upgrade.

ANALYSIS

The upgraded EEDMS system will be uniquely capable of handling all of our programs within the same system. No agencies of similar program size, using a single data management system for all the major regulatory programs as we do in San José, were found when we contacted other programs to gain information regarding how they managed their program data. The original contract allows the City to exercise a provision wherein enfoTech will provide an upgrade of the PACS 2000 system to their web based iPACS system at no additional licensing cost to the City. Upgrading the current EEDMS system to the web based version offers the City the most robust and flexible data management system at the lowest implementation cost to allow the City to meet regulatory requirements.

The enfoTech system software is proprietary and enfoTech is the sole provider for support and maintenance. Both PACS 2000 and iPACS are enfoTech products that utilize the same basic functionality which will facilitate a seamless transition to the upgraded system. Staff has already been trained on the existing system and many of the operating concepts of the upgraded system will carry over and be easily understood by staff. Similarly, enfoTech's existing understanding of the City's operational methods and data management needs will allow them to quickly understand and address any new program requirements. A detailed business analysis effort has been conducted to identify the customizations of the base system necessary to ensure the proposed upgrade will address all our existing and projected business practice needs. Additionally, the data migration to the new system is expected to be more efficient and seamless for the upgrade because the data is being transferred within the same system environment.

Currently, any changes to the field forms or reports must be performed by the contractor. The proposed upgrade adds the Dynamic Field Assistant Service Tracking system (Dynamic FAST) module, a critical new feature that allows the end user to create or reconfigure forms to capture critical information, and update or modify reports in-house to reflect programmatic changes. This feature avoids the time delay and cost associated with developing new forms or reports by the contractor. Dynamic FAST will allow the City to create new forms and reports to address regulatory changes, helping to increase the efficiency for bringing new forms or reports online.

Key benefits of the proposed upgrade include:

- iPACS and FAST are newer systems using current system standards and configurations. It will run faster and more efficiently than the current system.
- Deploying updates to the system will require almost no downtime. Patching can take place more often, and therefore the system can continually be improved and updated.
- FAST will run on easy-to-purchase Windows devices that are more durable, reliable and potentially less expensive. Printers can be standard printers which should make them less expensive and provide more options among manufacturers and models.
- Data will be cleansed and stored in appropriate fields during the data migration.

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- Users can personalize their home page so that they see only the tasks they need.
- iPACS will directly integrate with standard Geographical Information Systems (GIS) employed in the City as well as Internet map services such as Google Maps.
- iPACS and FAST are the current focus of development by enfoTech and the City can expect more extensive support and knowledge about this system than our current PACS2000 and PACSLite.
- iPACS currently supports Crystal Reports XI and 2008 and will be easier to align with newer versions as they are released.
- Printer connection will employ a standard Universal Serial Bus (USB) connection.
- Existing and new field forms and reports can be created and modified by the City instead of issuing contract "Change Orders" for contractor to perform such tasks.

Manager's Budget Addendum #38 (Renegotiation of Contract Pricing): EnfoTech has agreed to waive approximately \$240,000 in license fees, and they have further agreed to a 10% rate reduction for on-site labor, and provide \$70,000 worth of additional features/functionality at no cost to the City.

Based on the above analysis, staff recommends amending the existing EEDMS Agreement with enfoTech Consulting, Inc. and to extend the agreement term by 18 months from July 31, 2010 to January 31, 2012 in order to a) upgrade the current system to the web based iPACS and Dynamic FAST version, for the development and implementation of the necessary customizations, b) complete full testing and acceptance of the final system, and c) add five additional 12-month maintenance periods to commence upon final system acceptance testing.

The recommendation is consistent with Section 4.12.435 (Unique Services) of the San José Municipal Code. This provision authorizes the Director of Finance to determine whether a unique situation exists that make the application of the requirements for competitive procurement of a services agreement contrary to the public interest. Staff believes based on the factors set forth in this memorandum a competitive procurement is contrary to the public interest.

EVALUATION AND FOLLOW-UP

This recommendation will require the future procurement of updated field devices for system users, the replacement of the current application server with a new web server, and the upgrade of a single Crystal Reports license. The procurement of these items is not included in this recommendation, and the cost is estimated at \$80,000. Of this amount, the field device cost estimate is \$75,000, which was included in the Fiscal Year 09-10 Operating Budget as part of the investment proposal for this system. Since the devices will not be purchased until Fiscal Year 10-11, this funding is being requested for rebudget to Fiscal Year 10-11.

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POLICY ALTERNATIVES

Alternative #1: Purchase an entirely new system instead of upgrading the existing EEDMS.

Pros: Provide staff the opportunity to evaluate competing solutions.

Cons: The purchase of a new solution would result in substantially higher product development costs, as well as the resource commitment needed to test, deploy, and learn a brand new system in a relatively short time period.

Reason for not recommending: The purchase of a new system would be at significantly greater cost to the City.

Alternative #2: Continue using the existing EEDMS without the proposed upgrade.

Pros: Users are trained and using the current EEDMS.

Cons: The existing EEDMS requires numerous costly change orders to meet new regulatory requirements. Any future changes to regulations will require more change orders. The existing EEDMS uses outdated technology with limited support.

Reason for not recommending: Using the outdated technology would require ongoing investment in order to meet regulatory changes as they occur. Failure to meet regulatory requirements would put the City in significant risk for non-compliance and possible fines.

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)**

While this recommendation does not meet any of the criteria listed above, this memorandum will be posted on the City's website for the June 22, 2010 Council Agenda.

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COORDINATION

This item is scheduled to be heard at the June 10, 2010 Treatment Plant Advisory Committee meeting. In addition, this memorandum has been coordinated with the Environmental Services Department, Information Technology 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 Principle "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

1. AMOUNT OF RECOMMENDATION (Fifth Amendment):		\$318,199
2. Original contract balance		\$166,801
3. Total cost of project		\$485,000
4. COST ELEMENTS OF AMENDMENT:		
	Contingency (if required)	\$72,750
	Amendment Total (including contingency)	\$390,949
5. SOURCE OF FUNDING:	513 – San Jose/Santa Clara Treatment Plant Operating Fund, and	
	446 – San Jose Storm Sewer Operating Fund	
6. FISCAL IMPACT:	<p>a) This project has been reviewed and staff has determined that it will have no impact on the General Fund Operating Budget.</p> <p>b) Approval of this Amendment is expected to reduce the need for future expenses for form and report changes, as these will now be performed by in-house personnel.</p> <p>c) The total does not include the cost for the five one-year maintenance options, which if exercised, add a cost of \$49,500 per year, maximum total of \$247,500, subject to appropriation of funds. . . Once the project passes final acceptance testing which is anticipated to occur in January 2012, budget action is needed to allocate funding.</p> <p>d) This total does not include the cost of updated field devices for system users. The estimated cost</p>	

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	<p>for devices is \$75,000, which was included in the 2009-2010 Operating Budget as part of the investment proposal for EEDMS. Since the devices will not be purchased until 2010-2011, this funding is being requested for rebudget to 2010-2011 as part of the Adopted 2010-2011 Budget.</p> <p>e) This total does not include the cost of replacing the current application server with a new web server, and the upgrade of a single Crystal Reports license, estimated to cost \$5,300.</p>	
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BUDGET REFERENCE

The table below identifies the funds and appropriations proposed to fund the agreement recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn.	Amount for Contract	2009-2010 Adopted Budget (Page)	Last Budget Action (Date, Ord. No.)
446	0762	ESD Non-personal/ Equip.	\$3,415,007	\$159,099	XI-79	02/09/10, 28698
513	0762	ESD Non-personal/ Equip.	\$36,555,142	\$159,100	XI-86	02/09/10, 28698
Amount of Recommendation Costs				\$318,199		

CEQA

Not a Project, File No. PP10-066(a) Agreements and Contracts. (Environmental Services)

/s/
 SCOTT P. JOHNSON
 Director, Finance

For questions please contact Mark Giovannetti, Purchasing Officer at (408) 535-7052.

