



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: January 13, 2012

Approved

Date

1/26/12

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

RECOMMENDATION

Adopt a resolution authorizing the City Manager to:

- (a) Execute the Sixth Amendment to the Environmental Enforcement Data Management System (EEDMS) Agreement with enfoTech & Consulting, Inc., to extend the term of the agreement by twelve months, from January 31, 2012 to January 31, 2013, and increase the maximum compensation by \$86,300 for a revised not-to-exceed amount of \$1,467,898 in order to complete the upgrade of the existing EEDMS to a web-based system and to add additional features and functionality.
- (b) Add \$17,260 to the previous contingency amount of \$72,750, for a total contingency amount not to exceed \$90,010, to cover any unanticipated changes to the system upgrade, report development, system maintenance and support.
- (c) Execute amendments to extend the term of the agreement beyond January 31, 2013, as required in the event that additional time is needed to complete the project.

OUTCOME

Complete implementation of an upgraded operating platform and added functionality to manage data for Environmental Services Department (ESD) inspection programs. The added functionality will provide operations and management reports to support program administration and oversight.

January 13, 2012

Subject: Sixth Amendment with enfoTech and Consulting, Inc, for EEDMS

Page 2

BACKGROUND

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 storm water discharge. The system is used by 60 staff members and provides for data management for a wide array of programs including storm water 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.

On April 15, 2003, Council approved an agreement with enfoTech & Consulting, Inc. (enfoTech), in the amount of \$1,063,399, to implement the EEDMS project using their proprietary software, PACS 2000. This selection was the result of a competitive Request for Proposal (RFP) process. The system was accepted by the City and became operational in 2005. The original contract has since been amended five times. The first amendment extended the contract period for completion of the complex customization and testing requirements and to include two, one-year maintenance options. The Second, Third and Fourth Amendments added additional maintenance periods and extended the term of the agreement without increasing compensation.

On June 22, 2010, Council approved the Fifth Amendment increasing compensation by \$318,199 in order to upgrade the system to the web-based EEDMS 2.0. In addition, five one-year maintenance options were approved and the agreement term was extended to January 31, 2012. The largest segment of work remaining is completion of the operations and management report development for the new system. These reports are critical for the administration and oversight of the various inspection programs and contain information ranging from inspector work progress to violation summaries. They are also used to compile data for regulatory reports submitted by ESD to the Regional Water Quality Control Board and the EPA on an annual and semi-annual basis. ESD originally intended internal staff to conduct the report development work and did not include this in the scope of the previous amendment to the agreement. Staff has completed several reports; however, due to the volume of reports and the need to redirect ESD technical resources to other critical projects, a substantial number of reports will remain outstanding. Therefore, the scope is being amended for enfoTech to develop the reports that are critical for ESD to properly oversee and manage inspection programs and realize the full benefit of the EEDMS System.

ANALYSIS

With this amendment, enfoTech will complete development of up to 90 reports. Most of these reports currently exist in EEDMS 1.0, but may require modifications to meet changing program needs. Other reports are new reports required to meet the needs of new program elements. In addition, enfoTech would update or provide new database programming to automate processes associated with various reports. Complexity is added to this task because the data structure in

EEDMS 2.0 is different from the structure of the current database. enfoTech will work with ESD staff to ensure that the finished reports run correctly and include the appropriate data. Completion of various reports is important to the robust testing of the system as such reports demonstrate that program data is being stored and compiled accurately. ESD anticipates that this approach will result in the work being completed sooner and at less cost than completing the reports in-house, which would require diverting ESD's technology staff away from other critical projects.

The additional funding and extended term will allow time to complete the system upgrade, system acceptance, additional customizations, and report development. ESD anticipates launching the new system in January 2012. Following the system launch, a 60 day system acceptance period will begin. During this acceptance period, ESD may identify database issues that necessitate additional system modifications. Such modifications will be added to the scope through change orders and will be paid for with contingency funds. This additional work, if required, will require additional time. The term extension will also allow time to complete report development.

enfoTech is uniquely suited to conduct the scope of work described above because of their familiarity with the ESD database and business processes. As the developer of EEDMS 1.0 and EEDMS 2.0, enfoTech is intimately familiar with the data structure of both systems. They have also become familiar with ESD business practices.

enfoTech has agreed to a 10% reduction to hourly rates for staff assigned to conduct report development.

EVALUATION AND FOLLOW-UP

The project is currently within budget and on schedule with a projected completion by January 2013. No additional follow up actions with Council are expected at this time.

POLICY ALTERNATIVES

Alternative #1: Complete the project as currently scoped with City staff developing various custom reports.

Pros: Cost avoidance to purchase the consultant services to develop management reports.

Cons: The City will not be able to properly manage and oversee inspection program activities until the necessary reports are completed. Additionally, other technology projects such as the laboratory information system upgrade will be delayed.

Reason for Not Recommending: This alternative is not viable because the reports are a critical element of proper inspection program management. The City must maintain proper program oversight and management to comply with regulatory requirements.

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 item does not meet any of the above criteria, this memorandum will be posted on the City's website for the February 14, 2012 Council meeting.

COORDINATION

This item is scheduled to be heard at the February 9, 2012, 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 José a Tech-Savvy City; lead the way in using technology to improve daily life."

COST SUMMARY/IMPLICATIONS

| | | |
|--|---|--------------------|
| 1. AMOUNT OF RECOMMENDATION (Sixth Amendment): | | \$86,300 |
| 2. COST ELEMENTS OF AGREEMENT | | |
| Agreement | | \$1,063,399 |
| *Fifth Amendment | | \$318,199 |
| Proposed Sixth Amendment | | \$86,300 |
| Subtotal | | \$1,467,898 |
| *The first, second, third, and fourth amendments did not add compensation to the original Agreement. | | |
| Maintenance Options | | \$71,420 |
| Prior Contingency | | \$72,750 |
| Proposed Additional Contingency | | \$17,260 |
| Subtotal | | \$90,010 |
| Total Cost | | \$1,629,328 |
| Prior Year Expenditures | | 1,387,130 |
| REMAINING PROJECT COSTS | | \$242,198 |
| 3. SOURCE OF FUNDING: | 513 – San José/Santa Clara Treatment Plant Operating Fund, and | |
| | 446 – Storm Sewer Operating Fund | |
| 4. FISCAL IMPACT: | a). This project has been reviewed and staff has determined that it will have no impact on the General Fund Operating Budget. | |

January 13, 2012

Subject: Sixth Amendment with enfoTech and Consulting, Inc, for EEDMS

Page 6

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 | 2011-2012 Adopted Budget (Page) | Last Budget Action (Date, Ord. No.) |
|---------------------------------------|--------|--------------------------|--------------|---------------------|---------------------------------|-------------------------------------|
| 446 | 0762 | ESD Non-personal/ Equip. | \$5,251,421 | \$43,150 | XI-85 | 06/21/11, 28928 |
| 513 | 0762 | ESD Non-personal/ Equip. | \$25,548,275 | \$43,150 | XI-78 | 06/21/11, 28928 |
| Amount of Recommendation Costs | | | | \$86,300 | | |

CEQA

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

/s/

JULIA H. COOPER
Acting Director of Finance

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

