



Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

FROM: Del D. Borgsdorf

SUBJECT: SEE BELOW

DATE: August 16, 2004

**SUBJECT: CITY MANAGER'S FOLLOW-UP REPORT ON A PROCESS FOR A
CONVERGED DATA NETWORK AND TELEPHONY SYSTEM FOR NEW
CITY HALL**

RECOMMENDATION

Accept the City Manager's follow-up report on the process for a Converged Data Network and Telephony System for the New City Hall (NCH).

BACKGROUND

On August 10, 2004, the City Council accepted the Mayor's recommendations on how to proceed with respect to the Converged Data Network and Telephony Systems Request for Proposal (RFP). Included in that memo was direction for the City Manager to return in seven days with reports on two specific directives:

- 1 Recommended process and timeline to release a new request for proposals for Converged Data Network and Telephony System that includes a Request for Proposals that is based on outcomes, functions, service, and quality; identifies existing equipment and systems that must be integrated to achieve these results; and, not specify vendors or product brands.
2. Outcome of investigation of any improper activities by City staff related to the original VoIP RFP.

On August 10, 2004, a report was issued that provided detail on New City Hall (NCH) and Information Technology Department (IT) work plan items and a conceptual process for issuing a new RFP. Public discussion on personnel investigations and/or outcomes is not permissible.

ANALYSIS

This section of the report provides an update of the information addressed in the report issued on August 10, 2004. Status reports on the NCH work plan items will continue to be provided on a monthly basis, via Information Memo, as previously directed by the City Council. Status

HONORABLE MAYOR AND CITY COUNCIL

RE: Status Report on Converged Network Data and Telephony System RFP

August 16, 2004

Page 2 of 6

reports of items contained in the IT Department's work plan will be reported to Council if action is required, or via Information Memo based on the status of the project.

Status of City Manager Work Plan Items

Annual Ethics Training for Staff— Council directed Annual Ethics Training for all staff on August 10, 2004. Strategic Support City Service Area (CSA) will develop a training module by developing curriculum and a timetable to implement training. Staff suggests that a status report of this effort be reported to the Making Government Work Better Committee in the next work plan cycle. For the time being, communication on this effort will be provided via Information Memo.

Safe Spaces for Staff— Council directed that the City Manager establish “safe spaces” or a method for staff at all levels to raise, and have addressed, concerns regarding administrative processes, behavior, etc. Strategic Support CSA will also develop a work plan to begin implementation. As with the above, staff suggests that a status report of this effort be reported to the Making Government Work Better Committee in the next work plan cycle. For the time being, communication on this effort will be provided via Information Memo.

Evaluation of NCH and IT work plans— On August 9, 2004, I personally met with IT Department staff, which was followed by a meeting with IT staff on August 11, 2004 led by Deputy City Manager Kay Winer and Acting IT Director Jim Helmer. The purpose of these meetings has been to reassure staff of their good work and critical role to the organization. In addition, we have begun discussions with moving forward with work plan items outlined in the August 10, 2004 report. Discussions related to NCH work plan items have been on-going between Deputy City Manager Terry Roberts, NCH team members, and myself.

Information Technology Planning Board (ITPB)—I have requested that the Airport Director, member of the ITPB, convene the Board to review Council directives made on August 10, 2004 and to prioritize the IT standards and set a work plan for standardization of those standards. The first meeting is scheduled for August 19, 2004.

NCH construction impacts— This issue was addressed on August 10, 2004 in Closed Session. Staff continues to analyze options, and hold discussions with the Joint Venture, for proceeding to minimize delays, costs, and to restore the construction timeline to the fullest extent. Delay information is fluid and hinges on multiple factors.

Information Technology Procurement Consolidation— Staff is analyzing the opportunities and advantages for consolidating IT procurement packages to complete the NCH work plan items. This effort will be greatly guided by the new team established for issuing the RFP.

Standardization best practices— On August 9, 2004, the City Attorney's Office and City Manager's Office met to discuss a work plan and review research completed to date. Options

HONORABLE MAYOR AND CITY COUNCIL

RE: Status Report on Converged Network Data and Telephony System RFP

August 16, 2004

Page 3 of 6

for proceeding were discussed and staff continues to work together to facilitate the City Attorney bringing forward amendments to the municipal code. Research on best practices is being coordinated with Public Technology Institute (PTI) and International City-County Management Association (ICMA). On August 23, 2004, staff will reconvene to further develop its work product.

RFP process changes/communication guidelines—This report is on schedule to return to the Making Government Work Better Committee in September. The report will provide general information on the current RFP process, review staff's preliminary work plan on the recommendations made by the City Auditor in the CUSP RFP evaluation and in the recent report issued by the City Attorney and City Auditor regarding the Converged Network RFP.

The intent of this report is to begin discussion in a Committee setting on guidelines for improving the current process. As mentioned before, staff anticipates returning to Council, after the September report, with a proposed process for issuing RFPs, including guidelines for staff to communicate with potential proposers/vendors during the RFP process (i.e., pre-, during, and post-RFP process). Upon the Committee's September discussion, staff will engage stakeholders in a focus group setting to provide input on an improved process. In addition, staff continues to research RFP best practices.

Transfer of Converged Data Network and Telephony System Information— As mentioned last week, transfer of information will be limited to baseline data, fact finding, and/or critical records needed to allow for the new team to get up-to-speed and to develop, release, and evaluate an RFP. Transfer of vital information is necessary to the new team to obtain information on existing systems and integration of new systems. The transfer of information will be monitored and managed by the Acting Information Technology Director, in consultation with the City Manager's Office. To assist in determining the level of information to be used in the new RFP, a Process Support Team has been established, with representation from the Budget Office, City Manager's Office, General Services Department and Public Works Department. Participation from the City Attorney's Office and City Auditor's Office will also be solicited.

City Attorney/City Auditor Report—I believe that the recommendations of the Mayor and those included in the report of the City Attorney and City Auditor will help the Administration ensure that future processes will avoid these problems. The Administration is already addressing the changes needed, with reports forthcoming.

Personnel Investigation— Public discussion regarding personnel investigations and/or outcomes is not permitted.

Status of Process for Issuing a Converged Data Network and Telephony System

RFP Process Model— As stated last week, staff has evaluated the best approach for proceeding expeditiously with issuing a new RFP. On August 10, 2004, Council approved my

HONORABLE MAYOR AND CITY COUNCIL

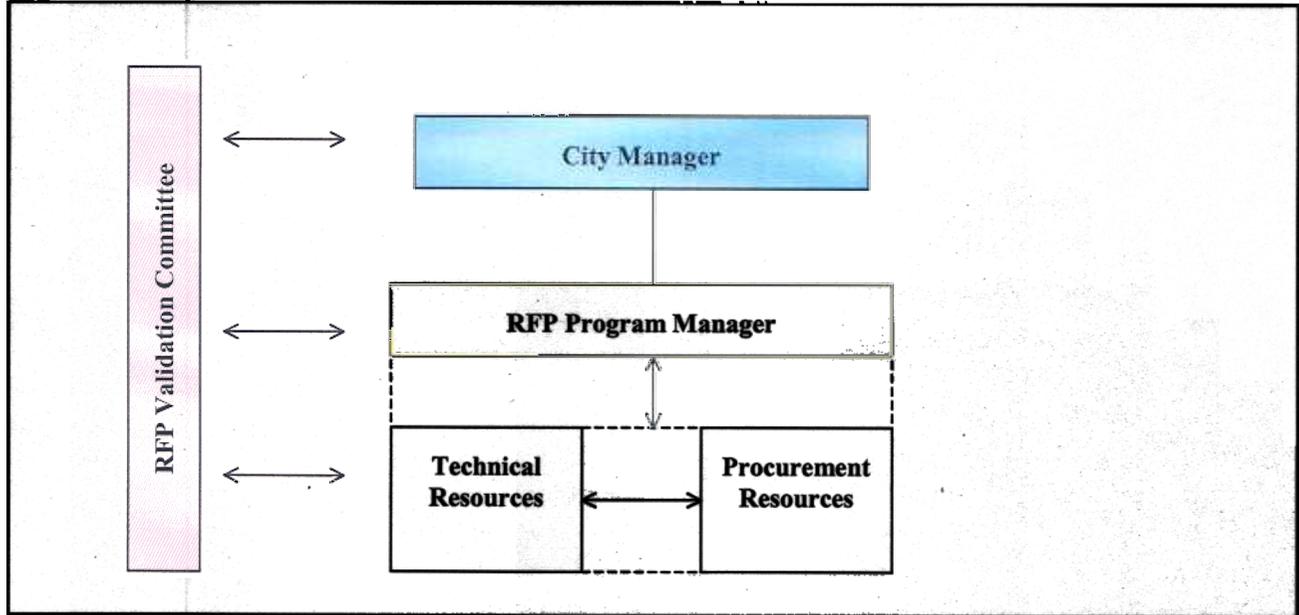
RE: Status Report on Converged Network Data and Telephony System RFP

August 16, 2004

Page 4 of 6

recommendation to have a team of internal and external experts to develop, release and evaluate the RFP. Below is an organizational diagram of the conceptual structure of this process.

Table 1: Conceptual Structure of RFP Process



The above diagram illustrates the process model that consists of a RFP Program Manager reporting directly to the City Manager's Office on the new RFP. A team of external and internal members, with technology and procurement expertise, will develop, release and evaluate the new RFP. This process model/structure relies on multiple levels of review and validation. First, the RFP Program Manager will oversee the entire process and manage the day-to-day functions of the RFP process. Second, the General Services Department's role is to oversee the day-to-day procurement activities, working in partnership with the RFP Program Manager, and signing-off on all required activities. General Services Department will also ensure that City policies and practices are followed with respect to procurement. The third level of validation is the establishment of an RFP Validation Committee whose role is to serve as an in-process peer review team to quality check and validate the process at key milestones. The RFP Validation Committee will be composed of experts in technology, procurement, general management and other areas of expertise that add value to reviewing/validating the RFP process.

The City Manager and Acting Information Technology Director will be engaged at all levels and milestones throughout the process and we will report frequently and directly to the City Council. This process will be transparent at all levels.

Status of Internal Resources—I want to first mention how impressed I am with the number of staff willing to step forward and provide their support on this effort. This is clearly a reflection of staff's professionalism and concern for ensuring a successful project.

HONORABLE MAYOR AND CITY COUNCIL

RE: Status Report on Converged Network Data and Telephony System RFP

August 16, 2004

Page 5 of 6

I have almost completed my review of the organization to identify eligible and qualified resources that can be made available to work on the issuance of the RFP and overall impact to city service delivery. This effort has been greatly aided by the recent appointment of Jim Helmer as Acting Information Technology Director. Listed below are staff or recent retirees, with either technology or procurement skills, that can be made available to assist with this effort.

Table 2: List of In-House Staff with Technology or Procurement Skills

Title	Focus Area	Department
Retired, Systems & Network Coordination Supervisor for Airport	Management, Technology, and Procurement	Not applicable
Deputy Director	Technology	Fire Department
Program Manager II	Technology	Airport
Program Manager II		
Division Manager		
Administrative Officer	Procurement	Police
Retired, Deputy Director of Housing	Procurement	Not applicable.
Administrative Officer		
Deputy Director		
		Environmental Services Department
		Airport
Acting Deputy Director	Procurement	Environmental Services Department
Assistant Director	Procurement/Contracts	Public Works
Deputy Director	Procurement	General Services
Assistant to the City Manager (2 FTEs)	Administrative, Contracts, Management	City Manager's Office

Status of External Resources—I would also like to acknowledge the communication from external resources that have provided information on their expertise and willingness to provide services to the City of San Jose. I am confident that as we move forward, we will be well served by a strong team composed of internal and external resources. Selection of external resources will be based on the City Attorney's review of conflicts of interests. The Process Support Team, referenced earlier, will lead this effort with the support of an Executive Committee consisting of the Directors of IT, Public Works and General Services and a Deputy City Manager.

The first order of business that begins during the week of August 16th will be to determine the method to obtain external resources (i.e., Requests for Qualification, Requests for Proposals, etc.). Of significance, in making a recommendation, is the time and cost that would be added to the project, compared to the benefits that could be gained. It is estimated that the development of a consultant's work scope, advertisement, and selection process could take between four to six weeks. Additional information will be available after the Process Support Team and Executive Committee convene their work. More precise timelines for release of an RFP will be developed when the team is fully put together.

Status of RFP Validation Committee—Several potential candidates have been identified. Designation as RFP Validation Committee members will be contingent upon the City Attorney's determination that the candidate does not have a conflict of interest based on information

HONORABLE MAYOR AND CITY COUNCIL

RE: Status Report on Converged Network Data and Telephony System RFP

August 16, 2004

Page 6 of 6

provided by the candidate to the City Manager. This effort will mirror reports provided to the City Council for candidates to Boards and Commissions. Based on conflict of interest information provided by the City Attorney, I will select and disclose the names of the members. Release of potential members is premature and, out of respect to their professions and/or status in the community, is not recommended for disclosure at this time.

COORDINATION

This report has been provided in advance to the City Attorney for discussion and comment.

CONCLUSION

This report outlines all of the good work that staff has completed over the past week. I am confident that moving forward, the City will be well supported by internal and external resources.


Del D. Borgsdorf
City Manager