

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT
relative to executing a contract amendment with CGI Technologies and Solutions Inc. for Phase Two Construction Contracts of the City's Procurement Reform Project.

Recommendations for Council action:

1. AUTHORIZE the General Manager, Information Technology Agency (ITA), to execute Amendment No. 2 to Contract C-124658 (Contract) with CGI Technologies and Solutions Inc. to increase the contract spending authority by \$993,010 for a new contract limit of \$21,728,032, and extend the term of the Contract by an additional two years to September 1, 2014 through August 31, 2020, in order to provide automation of the construction contract procurement process by configuring and expanding the Vendor Self-Service module in the Financial Management System, subject to the review and approval of the City Attorney, and instruct ITA to ensure verification of insurance documentation prior to the execution of the Contract.
2. AUTHORIZE further amendments to this Contract without subsequent Mayor and/or Council approvals only in the event of a company name change, and, if the new company agrees to the preceding Contract's terms and conditions, subject to the approval of the City Attorney and compliance with the City's contracting requirements.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that funding in the amount of \$600,000 to digitize construction contracting was included in the 2017-18 Budget; the ITA encumbered this amount, along with additional savings in its Contractual Services Account, and is able to pay for the proposed contract increase of \$993,010. The recommendations in this report comply with the City's Financial Policies in that budgeted funds and prior-year savings are available in the current fiscal year, and future expenditures are limited to the appropriation of funds in the budget.

Community Impact Statement: None submitted.

TIME LIMIT FILE – NOVEMBER 12, 2018

(LAST DAY FOR COUNCIL ACTION – NOVEMBER 6, 2018)

SUMMARY

At the meeting held on October 9, 2018, the Information, Technology, and General Services Committee considered a CAO report relative to authorizing the General Manager of the ITA to execute Amendment No. 2 to Contract C-124658 with CGI Technologies and Solutions, Inc. for Phase Two Construction Contracts of the City's Procurement Reform Project.

As stated in the CAO report, Phase One of the FMS 2.0 Project focused on the digitization of the City's commodities contracts. Council approved the digitization of City construction contracts, or Phase Two in concept along with the 2017-18 Budget (C.F. 17-0600) and as a component of a Citywide procurement reform effort. ITA's request to amend its Contract with CGI to include an expanded scope of work is consistent with this approval. Specifically, one-time funding was

provided in ITA's 2017-18 Contractual Services Account to automate the City's construction and personal services procurement process by standardizing forms and processes in a Citywide contract management system. In mid-2017, the total anticipated project cost of Phases Two and Three was anticipated to be \$3.5 million; of this amount, \$1.6 million was included in the 2017-18 Budget; \$600,000 was specifically included in the Contractual Services Account to digitize construction contracting (C.F. 170600). Phase Three, envisioned as the addition of a personal services module to further digitize the contracting process, is not included in the proposed Contract scope of work, though \$1 million for Citywide procurement system Phase Three was allocated in ITA's 2018-19 Budget (C.F. 18-0600).

ITA indicates that a key component of the City's procurement reform effort is to streamline the contracting process in order to simplify the work that businesses must do to contract with the City. The impact of this procurement reform effort is anticipated to be especially helpful for small, local businesses that do not have the resources to dedicate to the administrative process that large companies do. It is also anticipated that the number of local, minority, and women-owned businesses with which the City contracts will increase as a result of these streamlined processes.

After providing an opportunity for public comment, the Committee moved to approve the CAO report's recommendations, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
RODRIGUEZ:	YES
BLUMENFIELD:	YES
O'FARRELL:	YES

LC 10/09/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-