

INNOVATION, TECHNOLOGY AND GENERAL SERVICES and BUDGET AND FINANCE COMMITTEES' REPORT relative to proposed contract and amendments between the City and CGI Technologies and Solutions Inc., for the Supply Management System replacement project.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROPRIATE \$3.965 million from the Unappropriated Balance to the Information Technology Agency (ITA) Fund 100/32, as follows:

<u>Account</u>	<u>Title</u>	<u>Amount</u>
3040	Contractual Services Account	\$3,574,609
1010	Salaries General Account	\$165,684
6010	Office and Administrative	<u>\$224,707</u>
		Total: \$3,965,000

2. AUTHORIZE by resolution two positions as follows:

<u>Quantity</u>	<u>Class</u>	<u>Title</u>	<u>Amount</u>
1	1455-2	Systems Programmer II	\$80,446
1	1431-5	Programmer Analyst V	<u>85,238</u>
			Total: \$165,684

3. AUTHORIZE the General Manager, ITA, or designee, to negotiate and execute a Professional Services Agreement totaling \$19.8 million with CGI Technologies and Solutions, Inc. for the implementation and post-implementation of the Procurement, Inventory, and Vendor Self-Service modules of the Financial Management System (FMS) for a four year term effective from September 1, 2014, with a ratification clause subject to the inclusion of a funding clause and approval of the City Attorney and the City Risk Manager.
4. AUTHORIZE the General Manager, ITA, or designee, to execute the Fourth Amendment to the Amended and Restated Proprietary Software License Agreement C-114341 with CGI Technologies and Solutions, Inc. This agreement includes all FMS software licenses. This amendment will add the third-party software licenses for the SMS Replacement Project totaling \$152,344.

5. AUTHORIZE the General Manager, ITA, or designee, to execute the Fifth Amendment to the Proprietary Software Maintenance Agreement C-114342 with CGI Technologies and Solutions, Inc. This agreement includes all FMS software maintenance and will add software maintenance for the SMS Replacement Project totaling \$137,505.
6. ACKNOWLEDGE that this project is a funding priority for future fiscal years.
7. DIRECT the Department of General Services (GSD) and ITA to provide a periodic status report to the Innovation, Technology and General Services Committee.

Fiscal Impact Statement: The ITA and GSD reports that approval of the proposed Contractual Agreements will result in expenditures of \$20.1 million dollars over a four year period, including \$3.6 million in FY14-15, \$6.7 million in FY15-16, \$6.2 million in FY16-17, and \$3.6 million in FY17-18. There is no fiscal impact to the current FY14-15 budget because \$3.965 million has been included as an appropriation in the Unappropriated Balance which will cover the expenditures associated to this Agreement for FY14-15. Approval of the recommendation of this report is in compliance with the City's Financial Policies as budgeted funds are available to support the proposed current year contract expenditures and future fiscal year expenditures are subject to annual appropriation within the Adopted Budget.

Community Impact Statement: None submitted.

(Personnel and Animal Welfare Committee waived consideration of the above matter)

Summary:

At a meeting held on August 12, 2014, the Innovation, Technology and General Services (ITGS) Committee considered a joint GSD and ITA report dated August 7, 2014 relative to requests for an unappropriated balance appropriation, staffing needs, and approval of proposed contract and amendments between the City and CGI Technologies and Solutions Inc., for the Supply Management System replacement project.

After providing an opportunity for public comment, the ITGS Committee recommended that Council approve the recommendations contained in the joint report with the additional instruction for both GSD and ITA to report back to the ITGS Committee to provide periodic status updates. On September 8, 2014, the Budget and Finance Committee considered this matter and concurred with the recommendations of the ITGS Committee. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

INNOVATION TECHNOLOGY AND GENERAL SERVICES COMMITTEE

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

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	YES
KORETZ:	ABSENT
BLUMENFIELD:	YES
BONIN:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-