

Agenda Report

DATE: November 22, 1999
TO: City Council
FROM: City Manager
SUBJECT: AUTHORIZATION TO AMEND CONTRACT WITH IKON
OFFICE SOLUTIONS FOR DOCUMENT CONVERSION
SERVICES.

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the City Manager to amend Contract No. 16,853, for an amount not to exceed \$250,000, with IKON Office Solutions to provide document conversion services for the Document Imaging System without competitive bidding pursuant to City Charter section 1002(F), contract for professional or unique services;
2. Approve a journal voucher appropriating \$100,000 from the un-appropriated Building Services Fund Reserve to account #8114-204-447100; and
3. Grant this contract amendment a partial exemption (vendor outreach only) from the competitive selection process of the Affirmative Action in Contracting Ordinance pursuant to P.M.C. 4.09.060(C), contracts for which the City's best interests are served.

BACKGROUND:

The Permit Center Division of the Planning & Permitting Department maintains the records of all building permits, building inspections, and related documents including electrical, plumbing and mechanical permits, and technical specifications. Customers of the Permit Center, as well as city staff, access these files on a daily basis to verify the permit history of properties. A critical component of the Permit Center when it opened in January, 1995 was the introduction of document imaging as a means to facilitate the storage and retrieval of building data, both historical and current.

Therefore, beginning in April 1994, the Council authorized a series of three actions to implement an imaging system which would provide the ability to store and display documents on-line as digitized images. This electronic file cabinet would add an important dimension to document retrieval; remote and concurrent access by multiple users. Two of the actions were for the purchase of software and hardware to be maintained by the Records Management Division of the City Clerk's Office. The third action, in July 1994, authorized the purchase of contract labor for the conversion of historical building records (both hard copy and microfiche) to document imaging media.

The scope of this contract was to cover the conversion of 1.5 million pages of building records for an amount not to exceed \$199,290. The contract was cancelled in early 1997 due to inadequate tracking of the documents by the vendor as well as delivery of end product on a media unacceptable to the City. To further complicate the project, the number of documents originally estimated fell short by approximately 20%.

Beginning in fiscal year 1998, and again in fiscal 1999, IKON Office Solutions was selected through a competitive selection process to assume the document conversion project and has completed approximately 700,000 images. A records management surcharge of 3% on all Building Fund transactions and some General Fund transactions in the Permit Center funded the work. These contracts were limited to under \$75,000 because the anticipated annual receipts of this surcharge at the time totaled less than that amount in each fiscal year. Anticipated revenues from this surcharge for this fiscal year are expected to be \$150,000

It is now estimated that 1.2 million images remain to be converted. Rather than undertake a competitive selection process to identify a vendor to perform the conversion services, staff recommends continuing with IKON Office Solutions. IKON Office Solutions possess a unique familiarity of the required imaging enhancement required to capture the best possible image due to the manner in which the original documents were scanned. Were the City to contract with another vendor to perform these services, significant time and cost would be associated with them familiarizing themselves to the documents and requirements for producing acceptable images. Additionally, IKON Office Solutions has demonstrated a high level of service and quality of product.

Approval of this contract amendment will enable the conversion of building permit records to be completed by April 2000. This timeframe coincides with the planned integration of the document imaging system with the automated permitting (Tidemark) System the Planning and Permitting Department is currently implementing. Through this integration, staff and customers of the Permit Center would be provided with improved access to building permit documents.

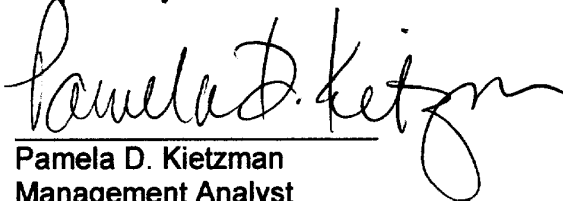
FISCAL IMPACT:

There are budgeted funds in the amount of \$150,000 for this contract amendment in Account #8114-204-447100 of the Building Services Fund. Approval of this action will increase appropriations to this account by \$100,000 for a total new appropriation of \$250,000 and will reduce the Building Services Fund Reserve by \$100,000 to a new estimated balance of approximately \$1.2 million.

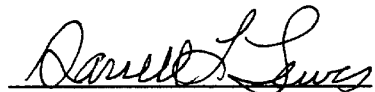
Respectfully Submitted,


Cynthia J. Kurtz
City Manager

Prepared by:


Pamela D. Kietzman
Management Analyst

Approved by:


Darrell L. Lewis, Director
Planning & Permitting Dept.

Reviewed by:


Roderick A. Olguin
Permit Center Manager