

Agenda Report

March 23, 2015

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Information Technology

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH SHARESQUARED TO FURNISH AND DELIVER AN ENTERPRISE CONTENT MANAGEMENT SYSTEM

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed contract is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b) (3);
2. Authorize the City Manager to enter into a contract with ShareSquared to install and configure software, licenses, and provide implementation services for an Enterprise Content Management System (ECMS) for an amount not to exceed \$619,654. Competitive bidding is not required pursuant to City Charter Article X Section 1002(F), Contracts for professional or unique services;
3. Amend the Fiscal Year 2015 Capital Improvement Program (CIP) Budget to increase the total estimated cost for the Enterprise Content Management System (ECMS) Project, 71151, by \$449,000 to \$849,000;
4. Approve a journal voucher appropriating \$421,000 to the ECMS Project, 71151, with \$221,000 from the Computing and Communications Fund (501) and \$200,000 from the Technology Fee in the Building Fund (204); and
5. Approve a journal voucher amending the Fiscal Year 2015 CIP Budget for the Water Capital Fund (412) and the Light and Power Capital Fund (411) as detailed in the Fiscal Impact section of this report.

BACKGROUND:

In 1994, the City purchased the Questys Document and Imaging System to scan and store over three million City documents electronically. The system was originally

purchased to provide central document storage of paper records and to replace outdated microfiche/film storage practices.

For the past twenty years, Questys has met the City's basic document storage and retrieval needs, in that City staff are able to do searches, view and print records and route files. Nine City departments currently use the system to store various City records, including City Council agendas, ordinances, resolutions, contracts, permits, birth certificates and a number of department-specific records.

However, Questys features and functionality in the current version of the software are insufficient. The growing needs of the City requires leveraging technology to improve processes and efficiency. Questys lacks user-rich functionality, has inefficient searches based on a complex folder structure, has weak integration points to other systems, has no automated workflow processing, does not use the latest technologies, such as e-Forms, e-Signature or e-Reporting, does not automatically capture electronic files, has limited visibility into records management, and limited administrative reporting. As an enterprise solution, Questys cannot meet the strategic initiatives outlined in the five-year Information Technology Strategic Plan (ITSP), completed in 2011. Replacing Questys with an Electronic Content Management System (ECMS) is a priority technology investment to improve processes and efficiencies outlined in the ITSP.

An Enterprise Content Management System (ECMS) organizes and classifies documents and content into a system that can be scanned and indexed for easier searching and retrieval. Leading ECMS solutions support all electronic document management needs including imaging, content management, records management, electronic signatures, forms and reports, integration into legacy and line-of-business systems, integration with Microsoft Office products, automated workflow and escalation procedures for time-sensitive activities.

City Clerk and Records Center Use Cases

Storage and retrieval of documents is an important part of the City Clerk's Department function in responding to internal and public record requests and for archiving City Council agenda packet information. Over one-hundred years of official records such as minutes, ordinances and resolutions are stored and maintained by the department. Scanning is the primary vehicle used by City Clerk staff for this purpose.

City Clerk staff in the Records Center also use storage and retrieval capabilities to research and support requests, and staff digitizes paper on an as-needed basis. A walk-up scan center is available to City departments to digitize paper, engineering drawings and microfilm/fiche. Items stored include transfer lists, destruction forms, requisitions, correspondences, and invoices. All documents use Optical Character Recognition (OCR) for full text retrieval of content.

The new ECMS is expected to provide enhanced functionality, efficiencies, a records management component to retain and dispose of records in the proper and legal

timeframe of their lifecycle, automation of several manual processes, and the ability to capture both paper and electronic files from a variety of inbound sources, including integration with Microsoft Office products.

Summarized below are the benefits of an ECMS solution for the City Clerk and Records Center and more broadly to all City departments:

- Increased Efficiency and Staff Productivity
 - Find and use City documents and records in a timely manner
 - Decrease the possibility of lost files and misplaced information
 - Increase document accessibility
 - Reduce the time spent copying and forwarding documents to City Departments
 - Reduce or eliminate staff time to retrieve documents from the physical storage
- Cost Savings from Paper Reduction
 - Reduce or eliminate copier costs (paper, toner, and copier maintenance)
- Enhanced Customer Service
 - Expedite customer service via business process improvement
- Improved Document and Records Management
 - Reduce the need for City departments to maintain duplicate personnel documents
 - Ensure compliance with document retention and accessibility policies

These benefits will yield cost-benefit savings to the City as additional departments leverage the ECMS solution.

Request for Proposals (RFP)

The Department of Information Technology (DoIT) contracted with Third Wave Corporation, a technology consulting agency, to assist in assessing current and future ECMS needs and requirements. A Request for Proposals (RFP) was issued in July 2013 for a new ECMS and implementation support services that incorporated the results of the Third Wave assessment. The RFP resulted in a range of solutions and platforms, one solution was considered, but none were ultimately selected.

Simultaneously, SharePoint, which is a Microsoft software tool already deployed in the organization for cross-team and cross-departmental collaboration, reportedly issued a new software release that could provide the platform for an ECMS solution. Trends at Fortune 1000 organizations indicated a sharp increase in the adoption of SharePoint as an ECMS solution. Staff conducted research and contacted multiple references for input.

Based on recommendations from Gartner Group, a recognized information technology research and advisory company, and the Association for Information and Image Management (AIIM), the industry-leading advocate of Enterprise Content Management

solutions, a SharePoint ECMS solution was rated as a leading system, scalable, and can satisfactorily address specific government records retention and compliance requirements.

This recommendation from Gartner and AIIM led staff to conclude that leveraging the SharePoint platform, which is already owned by the City, as the new ECMS platform was more compelling than building a new and separate system.

Based on the foregoing, DoIT issued a second RFP on November 3, 2014 requesting implementation support services leveraging Microsoft SharePoint ECMS. Proposers were required to provide information on the functional and technical aspects of their solution, recent similar experience implementing ECMS solutions with municipalities, and total cost of ownership. On November 24, 2014, the City received a total of two (2) responsive proposals from ShareSquared and NTT Data. Both vendors provided question and answer sessions, customer references, compatibility requirements, an implementation schedule and expected resource utilization of City staff. Staff used a scoring process to thoroughly analyze the credentials of the vendor and their success with similarly sized projects delivering the same product mix for government entities. Interviews with fourteen references were held using a set agenda to be able to appropriately compare and contrast the vendors.

A panel of reviewers from the City Clerk and Water and Power Departments, as well as DoIT, scored each proposal. Evaluation criteria, stated in the RFP, included six criteria: 1) qualifications of the project team, 2) experience and references, 3) implementation requirements, 4) total cost, 5) Pasadena local business, and 6) small/micro-business preference. The panel ranked the proposals as follows:

Company Name	Location	Total Score (100 max)
ShareSquared	Montrose, CA	90.7
NTT Data	Plano, TX	74.3

The finalist was ShareSquared with nine references interviewed and a consensus among their clients that the vendor would be utilized again based on their technical expertise and ability to deliver. ShareSquared's estimate for professional services and licenses was also more competitive than the response from NTT Data.

Based on the scoring above, staff is recommending authorization for the City Manager to enter into a contract with ShareSquared for an amount not-to-exceed \$619,654. The cost includes software licensing and professional services including installation, configuration training and deployment, plus maintenance and support for two years. The proposed contract would be set up as follows:

Professional Services Base Amount	\$303,290
Software Licenses	\$188,514
Maintenance and Support (2 years)	\$ 91,455
Contingency Allowance (12% of Base Amount)	<u>\$ 36,395</u>
Contract "Not To Exceed" Amount	\$619,654

Typically, a 10% contingency is recommended, but since this is the first engagement with this vendor, staff recommends a modest increase to the contingency amount. In addition to the contract award above, hardware, software and other third-party services are estimated at \$83,874. Temporary staff resources will be needed for project management and business analysis, as well as training for City staff. These are estimated to cost \$102,500. The total estimated project cost is \$806,028.

The following table represents a cost summary per the contract:

COST CATERGORY	ONE-TIME COSTS
ShareSquared Implementation (Professional Services)	\$303,290
Software	\$188,514
Maintenance and Support (Year 1 and 2)	\$91,455
Temporary Staff Support	\$95,000
Hardware	\$77,442
Third Party Software and Services	\$13,932
Contingency 12% of Professional Services	\$36,395
Total Fiscal Impact	\$806,028

The authorization included in this agenda report is for the implementation of a robust ECMS, including software and hardware costs, configuration, implementation and professional services, software licenses with two years of maintenance, temporary staff support, training, and project contingencies. At the conclusion of this phase, the ECMS system infrastructure will be available to all City departments and City Clerk and Records Center documents will be migrated from Questys to the new ECMS system. Future phases of the project will migrate the remaining records of eight departments to the new ECMS. Each future phase will have a differing scope based on how and where department content is stored and processed.

The authorization included in this agenda report also will increase the total estimated cost for the ECMS Project (71151) by \$449,000 to \$849,000. The original project cost was a high-level estimate based namely on the professional services for a project of this size and scope and did not take into account the conversion requirements or automation goals to enhance efficiencies in current document management practices. The estimate was intended to be adjusted once a thorough cost review of the vendor proposals were received in response to the RFP. Furthermore, the hardware infrastructure is being scaled to support document scanning and storage services for all City departments. Hardware, software licenses and maintenance costs for

implementation largely account for the majority of the project cost increase. The difference between the total fiscal impact of \$806,028 and total estimated project costs of \$849,000 is due to \$42,972 spent out of the project for consulting services to develop the requirements and the first request for proposals.

Funding for this phase is supported by existing appropriations across three Capital Improvement Program (CIP) Projects that in aggregate total \$207,028. These projects include: ECMS Project (71151), Water Capital Fund ECMS Project (1071), and the Light and Power Capital Fund ECMS Project (3204). Additional appropriations from other funds are required for this infrastructure investment and are outlined below.

The Water and Power Department will appropriate an additional \$178,000, for a total of \$278,000, to provide for infrastructure, business process mapping, workflow development and set-up, and scanning devices. This will position the Water & Power Department to take advantage of the system in a future phase, including the potential to scan approximately 1.5 million pages of paper documents into the system.

The Planning and Community Development Department will appropriate \$200,000 from the Technology Fee in the Building Fund to support storage of permits currently in the Questys system and to be the repository for all permits, maps, architectural plans and other drawings that will be part of the future Land Management System Replacement project currently in the vendor solicitation process.

Finally, DoIT will contribute \$221,000 in funding from the Computing and Communications Fund, some originally earmarked for hardware equipment replacement and a SharePoint version upgrade. This funding will also support temporary staffing support for project management and business analysis resources.

A change order review process will be followed and led by DoIT project management staff to minimize the impacts of any unanticipated changes that could cause delay or increase the project budget. The ECMS project is organized with multiple levels of control; DoIT Project Management Office oversight with a dedicated Project Manager, and a Project Steering Team with manager-level staff from Water and Power, City Clerk, and DoIT that will meet on a regular basis to review project timelines, deliverables and budget.

Staff anticipates that the project will take approximately twelve months to complete upon contract signing, and a comprehensive implementation plan will be defined as part of the project planning phase with the vendor.

COUNCIL POLICY CONSIDERATION:

This contract with ShareSquared supports the City Council's three year goal to improve, maintain and enhance public facilities infrastructure; to provide a high quality of public service, which adds to the quality of life in the City and increases its attractiveness through more efficient management of resources. It also supports DoIT's mission of

providing proven state-of-the-practice technologies in the most strategic, cost effective and efficient ways in line with the projects and initiatives outlined in the IT Strategic Plan.

ENVIRONMENTAL ANALYSIS:

The proposed contract is exempt from CEQA per section 15061(b) (3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed action is for the installation of hardware and software in existing facilities and will not result in any new development or physical changes.

FISCAL IMPACT:

The cost of this action will be \$806,028. Funding for this action will be addressed by the utilization of existing budgeted appropriations in three Capital Improvement Program (CIP) Projects that in aggregate total \$207,028. These projects include ECMS Project (71151) for \$107,028, Water Fund ECMS Project (1071) for \$35,000, and the Light and Power Fund ECMS Project (3204) for \$65,000.

Staff is recommending an increase in appropriations to the ECMS Project (71151) from the Computing and Communications Fund (501) in the amount of \$221,000 and from the Technology Fee in the Building Fund (204) in the amount of \$200,000.

Staff also recommends a total of \$178,000 in additional appropriations to the Water Capital Fund (412) ECMS Project (1071) for \$62,300, the Light and Power Capital Fund (411) ECMS Project (3204) for \$115,700, and the following amendments to various projects to provide funding for the ECMS project. Sufficient funds will remain in each of the affected Water Capital Fund and Light and Power Capital Fund projects to complete the scheduled workplans for Fiscal Year 2015:

	Appropriate	Un-Appropriate
Water Capital Fund (412)		
1071 – Enterprise Content Management (ECMS)	\$62,300	
1070 – 311 Citizen Request Management		(\$25,000)
1011 – Customer Information System		(\$37,300)
Total Water Capital Fund	\$62,300	(\$62,300)
Light and Power Capital Fund (411)		
3204 – Enterprise Content Management (ECMS)	\$115,700	
3203 – 311 Citizen Request Management		(\$75,000)
3022 – Customer Information System		(\$40,700)
Total Light and Power Capital Fund	\$115,700	(\$115,700)
Total Water and Power Capital Funding	\$178,000	(\$178,000)

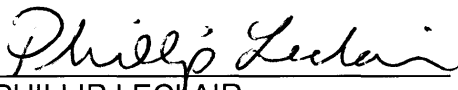
It is anticipated that the entire contract amount of \$619,654 will be spent during the 2015 and 2016 fiscal years. The contract includes maintenance support for two years and a 12% contingency for professional services that may or may not be utilized. Indirect and DoIT technical support costs such as system maintenance and IT support are anticipated to be \$30,000 for the life of the system and will be addressed by the utilization of existing budgeted appropriations in DoIT's annual adopted operating budget. Ongoing vendor maintenance and support on the system will be evaluated after the first two years to determine an appropriate course of action in the best interests of the City. Any maintenance costs thereafter will be funded through a chargeback to departments by DoIT through rates established annually during the budget process.

The following table presents a summary of the sources of funds that will be used.

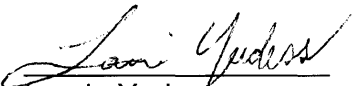
FUNDING SOURCE	AMOUNT
Existing Appropriations	
ECMS Project (71151)	\$107,028
Water Fund ECMS Project (1071)	\$ 35,000
Light & Power Fund ECMS Project (3204)	\$ 65,000
New Appropriations	
Computing and Communication Fund (501)	\$221,000
Building Fund – Technology Fee (204)	\$200,000
Light & Power Capital Fund (411)	\$115,700
Water Capital Fund (412)	\$ 62,300
Total Sources	\$806,028

The anticipated impact to other operational programs or capital projects as a result of this action will be minimal.


Respectfully submitted,


PHILLIP LECLAIR
Chief Information Officer
Department of Information Technology

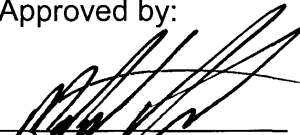
Prepared by:


Laurie Yudess
ECMS Project Manager
Department of Information Technology

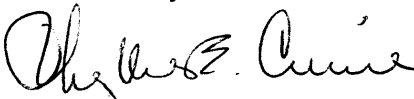
Concurred by:


MARK JOMSKY
City Clerk
City Clerk Office

Approved by:


MICHAEL J. BECK
City Manager

Concurred by:


PHYLLIS E. CURRIE
General Manager
Water and Power Department