



Agenda Report

August 15, 2022

TO: Honorable Mayor and City Council

FROM: Finance Department

**SUBJECT: CONTRACT AWARD TO OPENGOV INC FOR AN ELECTRONIC
PROCUREMENT SYSTEM FOR AN AMOUNT NOT-TO-EXCEED
\$107,000**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to Section 21065 of CEQA and Sections 15060 (c)(2), 15060 (c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project;
2. Authorize the City Manager to enter into a contract, based on a competitive selection process pursuant to Pasadena Municipal Code Section 4.08.047, with OpenGov Inc. to provide an Electronic Procurement System (eProcurement System) for a five-year term, not-to-exceed \$107,000, which includes a \$7,000 contingency. Competitive bidding is not required pursuant to City Charter Section 1002(F) (contracts for professional or unique services).

EXECUTIVE SUMMARY:

The Pasadena Municipal Code (PMC) Chapter 4.08 directs staff to administer a public procurement process for purchases. The Department of Finance, Purchasing Division is responsible for administering the City's purchasing procedures for City Departments. On March 16, 2022, a Request for Proposals (RFP) for an eProcurement System was posted on PlanetBids. On April 5, 2022, eight proposals were received in response to this RFP. There are several operational enhancements that would be realized by this contract award.

BACKGROUND:

The Purchasing Division publicizes formal and informal solicitations for goods and services via an electronic platform, currently Planet Bids. The Purchasing Division also manages a list of vendors interested in doing business with the City of Pasadena.

Through this electronic registration system, registered vendors are notified automatically of solicitation opportunities related to their products or services. Vendors may also indicate if they are able to provide assistance to the City in the event of an emergency. In the current eProcurement software system, between calendar years 2015 and 2021, the City of Pasadena released an average of 337 solicitations annually. In calendar year 2021, there were over 451 solicitations released in the eProcurement system. As there has been a sharp increased use of the public procurement process, the need for increased efficiency and overall management of the City's solicitations, while applying the City's procurement procedures, have also increased. As such, additional functions and streamlined-processes have become essential to administering PMC 4.08.

On December 10, 2021, the Finance Department issued a Request for Information (RFI) to gather information and input from eProcurement System providers. There were 11 responses received. On February 18, 2022, the Finance Department began advanced outreach with a scope of work inviting questions from potential eProcurement System providers. Information gathered from City Departments over several years, information and input received from the RFI as well as direct conversations with other jurisdictions were considered in the development of an RFP.

While the City is most familiar with the Planet Bids solution, staff gathered and reviewed information from multiple municipal agencies, some of which conducted RFP processes of their own. Information gathered from agencies that conducted an RFP processes included: City of Manhattan Beach; Santa Clara Valley Transportation Authority; Eastern Municipal Water District; and West Basin Municipal Water District. Information gathered from agencies that did not conduct an RFP process included: City of Santa Monica, City of Glendale, City of Burbank, and City of Riverside.

Following the review with other agencies and eProcurement system providers, staff developed an RFP that enabled the City to automate solicitation development, establish electronic workflow solicitation approvals, continue to process public procurements electronically, and transition current vendors while registering new vendors at no cost. An ideal system aids staff in administering the earliest initial stages of drafting and developing specifications, collaboration among team members and other city departments, collection of electronic bids and proposals, and evaluation of bids and proposals.

On March 16, 2022, an RFP for an eProcurement System was posted on PlanetBids. The posting generated notices to over 3,000 vendors, of which over 200 businesses were local. A total of 20 vendors downloaded the RFP, none of which were local.

On April 5, 2022, eight proposals were received, four proposals did not meet the RFP guidelines, and/or cost requirements. The remaining four proposals were scored followed by a subsequent test of the leading eProcurement System by an interdepartmental panel including representatives from the Department of Finance, Water & Power, Public Works, Library, and the Parks, Recreation & Community Services Departments. OpenGov Inc. received the highest evaluated score. A breakdown of the proposal scores are shown in Attachment A.

The OpenGov eProcurement system was primarily chosen for their level of efficiency. OpenGov Inc. has experience partnering with other procurement teams and agencies of similar size and/or scope as Pasadena, such as:

City of Pittsburgh, PA*
City of Santa Monica, CA*
Sacramento County, CA*
San Francisco Intl Airport
Orange County, FL*
Santa Clara VTA, CA*
City of Tucson, AZ*
Greenville County, SC*

City of Palm Desert, CA*
City of Banning, CA*
Manhattan Beach, CA
Mesa Public Schools, AZ
Tampa Intl Airport FL*
Ocean County, NJ*
City of Scranton, PA

**These agencies replaced legacy electronic procurement systems with OpenGov Inc. Procurement.*

Below is a list of the modules and features. Items noted as "new features" are features not presently available or could not be reasonably used in the legacy system:

1. Solicitation Development (currently in use)
 - a. Management of Boilerplate Solicitation Documents (new feature)
 - b. Solicitation Development (new feature)
 - c. Solicitation Approval (new feature)
2. Live Solicitation Management
 - a. Workflow of Addendum Releases (new feature)
 - b. Workflow and Delegation of Written Questions (new feature)
 - c. Electronic Bid Bond (new feature)
3. Vendor Management
 - a. Registrations at no cost to vendors
 - b. Access to vendors registered in the providers Vendor Database, increasing the number of registered vendors from approximately 19,000 to over 70,000 (new feature)
4. Electronic Bid, and Proposal Submittals
5. Online Training Videos (new feature)
6. Live chat support (new feature)
7. Unlimited City Users (new feature)
8. Outreach
 - a. Can List/Maintain Live list of Solicitations on City's website (new features)
 - b. Targeted Notifications of Forthcoming Solicitations
9. Mobile and Device Compatible (new feature)
10. Evaluation Module (new feature):
 - a. Tools for Evaluation of Bids and Proposals (new feature)
 - b. Tools for online License checks with the State of California (new feature)
 - c. Online Department of Industrial Relations checks (new feature)
11. Registration for Emergency Operations

In addition, OpenGov Inc. will help the Purchasing Division administer a training plan for replacing the legacy system and other manual processes. Staff will work directly with OpenGov Inc. to electronically merge current vendors, and new vendors will be able to join the new system at no charge. Staff will continue to coordinate live trainings for vendors during its "Doing Business with the City" workshops. Training videos will also be available for instant viewing. Finally, postcards will be mailed to Pasadena businesses registered to do business with the City that will include a QR (quick response) code to immediately start their registration process. During the implementation, there will be a phased approach and transition period to ensure that solicitations continue to be posted for public view. In addition, once the new system is implemented, there are plans to request an Application Program Interface between the City of Pasadena and OpenGov Inc., which will further streamline the data exchange between City software's, like the Tyler Munis Management Content System.

It is recommended that the City enter into contract with OpenGov Inc. for the eProcurement System for a five-year term, if approved, in addition to the added features and operational enhancements listed above, there will be a 23% cost savings realized by this contract award. If this contract is not approved the informal and formal solicitations along with many of the features mentioned would have to be administered manually and the City would pay more for fewer services.

COUNCIL POLICY CONSIDERATION:

The proposed action is consistent with the City Council's Strategic Plan Goal to maintain fiscal responsibility and stability. The contract supports the Finance Department, Purchasing Division's ability to administer the Purchasing Ordinance as codified in PMC 4.08.

ENVIRONMENTAL ANALYSIS:

The proposed action is the purchase of an eProcurement software for the City to allow for ongoing online public procurement services for the City.

The proposed contract has been determined to be exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3), the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

FISCAL IMPACT:

The total amount of this contract is \$107,000. Funding for this action will utilize budgeted and future appropriations in account 10115008-811400.

Fiscal Impact Over Five Years

Year One	\$20,000
Year Two	\$20,000
Year Three	\$20,000
Year Four	\$20,000
Year Five	\$20,000
Contingency	\$7,000
Total Contract Amount	\$107,000

Respectfully submitted,


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Approved by:


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Attachments: (1)

Attachment A - Request for Proposal: Electronic Procurement System Evaluation Criteria and Scoring