

Agenda Report

TO: CITY COUNCIL **DATE:** NOVEMBER 16, 1998

FROM: CITY MANAGER

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH DAVID
M. GRIFFITH & ASSOCIATES.

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to enter into a contract with David M. Griffith & Associates for an amount not to exceed \$35,000 to analyze the current methodology of billing City departments for services rendered by the Information Technology Services Division. The proposed contract is exempt from competitive bidding pursuant to City Charter Section 1002(H) contracts for professional or unique services.

It is further recommended that the City Council grant this contract an exemption from the competitive selection process of the Affirmative Action in Contracting Ordinance pursuant to section 4.09.060[C], contracts for which the City's best interests are served.

BACKGROUND

The Information Technology Services Division (ITSD) provides a wide variety of technology-related services and support to City departments. This support includes: administration of computer networks, application development, repair of personal computers, and maintenance of mainframe and mini-computer systems on which the utility billing, financial system as well as other systems are resident.

ITSD operates as an internal service that recovers its cost by charging customers i.e., city departments, for its services. The guiding principal behind this methodology is that billing rates should be in line with the actual cost of providing service. Over time, as services and technology have changed these billing rates have lost connection to the actual cost of service and are therefore inequitable. In order to ensure that ITSD rates are in line with the cost of service staff recommends undertaking an analysis of the current billing methodology. Such analysis will also include a review of alternative methods of funding services provided by ITSD.

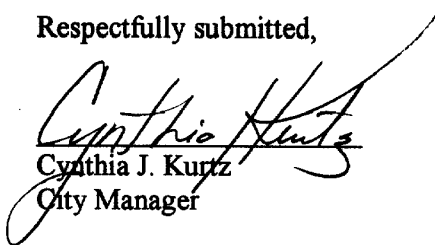
Rather than undertake a competitive selection process to identify a consulting firm to perform these services, staff recommends utilizing the firm of David M. Griffith & Associates. David M. Griffith & Associates recently performed the cost-allocation study for the City and conducted a cursory review of ITSD's billing methodology as part of that project. As such, David M. Griffith & Associates possess a unique understanding of the City's system of fund accounting. Were the City to contract with another consultant to perform these services, significant time i.e. cost, would be associated with them familiarizing themselves to this system. This will not be necessary with David M. Griffith. Additionally, David M. Griffith & Associates has demonstrated a high level of service and professionalism. For these reasons, it is recommended that the City Council approve award a contract to David M. Griffith & Associates and grant the contract and exemption from the Competitive Selection process of the Affirmative Action in Contracting Ordinance.

David M. Griffith & Associates has completed the required affirmative action forms and is in compliance with the Living Wage Ordinance as well.

FISCAL IMPACT

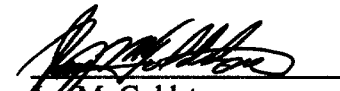
Funds for this contract are available in the current ITSD operating budget.

Respectfully submitted,




Cynthia J. Kurtz
City Manager

Approved by:




Jay M. Goldstone
Director of Finance



Robert Person
Assistant to the City Manager/
ITSD Administrator

Prepared by:



Steve Mermell
Purchasing Administrator