

R-23

August 3, 2021

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract, including any necessary amendments, with Periscope Holdings, Inc., of Austin, TX, for providing a procurement software solution for management of solicitations (invitations to bid, requests for proposals, etc.), labor compliance, and purchasing contracts, on the same terms and conditions afforded to the Texas Department of Information Resources (TXDIR), in the amount of \$504,282 for the implementation service fee, with a 20 percent contingency in the amount of \$100,856, for a total amount not to exceed \$605,138, for a period of one year, and an annual amount of \$186,680, with a 20 percent contingency in the amount of \$37,336, for a total annual contract amount not to exceed \$224,016, for subsequent years, until the TXDIR contract expires on November 15, 2024, with the option to renew for as long as the TXDIR contract is in effect, at the discretion of the City Manager; and,

Increase appropriations in the General Fund Group in the Financial Management Department by \$151,680 to use FY 21 budget savings, offset by unspent departmental funds. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with Periscope Holdings, Inc. (Periscope), to purchase a procurement software solution on the same terms and conditions afforded to the Texas Department of Information Resources (TXDIR). The Purchasing Division of the Financial Management Department will implement Periscope ePro (ePro) as a replacement for the PlanetBids system currently in use by the City. ePro is a modern system that will much enhance our ability in many areas as described further on, including lowering of barriers for small, local, and disadvantaged vendors, and improved contract management.

ePro will be used for management of our database of prospective vendors, management of solicitations (invitations to bid, requests for proposals, etc.), labor compliance program management, purchasing contract management, and data and reporting on contract values and vendor utilization. The City's procurement system is a critical tool that supports the City in selecting best value goods and services needed for City operations, extending equitable contracting opportunities to local, diverse, and disadvantaged businesses, ensuring appropriate safeguarding of public funds, and complying with applicable regulations and procurement best practices. The City has a large registered vendor pool of over 24,000 vendors of which 12,000 are currently active, and conducts an average of 150 formal solicitations per

year along with innumerable small dollar procurements. The ePro solution will provide the City with significant improvements and will be very adaptive to the City's needs.

Over the last year, the Purchasing Division has undertaken a comprehensive evaluation and reform of the City's procurement systems and processes in partnership with the Harvard Kennedy School's Government Performance Lab. The first phase has been focused internally and serves as a critical building block for engaging the external vendor community. After extensive internal stakeholder engagement and analysis, a series of projects was designed to address existing challenges and lower barriers for vendors to do business with the City. The projects have included redesigning the request for proposals document/template, developing live and self-paced procurement training modules for City staff, and facilitating the forecasting of upcoming City procurement needs. By making City processes more efficient, consistent, and forward-looking, all vendors are better positioned to successfully propose, be awarded, and deliver on business opportunities with the City.

The next phase of procurement reform will focus specifically on building stronger connections to local, diverse, and disadvantaged businesses that have traditionally been left out of government procurement. This will focus on three key strategies to promote equity and inclusion in City contracting: continue lowering barriers for vendors to do business with the City; expanding vendor outreach; and building vendor capacity for doing business with the City. Projects planned include conducting surveys and focus groups, building connections with and tapping into existing vendor equity programs in the city and nearby jurisdictions, designing and implementing a vendor engagement and outreach program in collaboration with Economic Development and Business Licensing, and establishing better data systems to measure against contracting goals.

In line with the other changes associated with procurement reform, the new procurement technology platform will position the City to more effectively engage local, diverse, and disadvantaged businesses, while also allowing the City to incorporate recommendations to the City's purchasing functions related to the Language Access Policy, the "Everyone In" Initiative, and the Framework for Racial Equity and Reconciliation. The platform facilitates the lowering of barriers to contract with the City in a number of ways: it provides a searchable database of vendors that will allow City users to more effectively source small dollar purchases from Long Beach businesses; it is approachable and easy to use for potential vendors who are uncomfortable with technology; it offers the ability to host a landing page and instruction guides with multiple languages and an interface that can be translated by Google's translation add-in application; and vendor information, including required documents like insurance and tax forms, must only be provided once, making the vendor on-boarding process more expeditious and efficient. Finally, the data and reporting module provides dashboards and reporting on vendor demographics and other statistics, supporting the tracking of progress on equity goals and providing potential for greater transparency to the public on the City's procurement activities.

Annual costs include multiple contract management features that will make the City's contract management capacity more robust, such as automatic tracking of contract expirations and renewals. In addition, the solution includes the capability for streamlined generation of solicitation and contract documents, with up to 30 licenses for key personnel involved in the

development of the documents. The contract includes a contingency for potential additional user licenses for advanced functions related to the streamlined generation of solicitation and contract documents. The licenses are not needed at this time and will not be budgeted unless a need for additional licenses is shown based on use and needs in the future.

The Purchasing Division researched procurement options for procurement technology solutions and discovered other agencies had completed an open, fair, transparent, and competitive procurement process. The City reviewed the cooperative agreement options and determined that the contract between TXDIR and Periscope provided the City's best value. Periscope was selected based on its competitive pricing, service level, and high-quality product. Periscope offers more and better capabilities than other procurement technology providers, including integration with the City's financial system (ERP), flexible reconfiguration, and high-quality customer service.

City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment, and labor with other governmental agencies. This alternative procurement method can save time and reduce costs through economies of scale by purchasing under existing contracts from other government agencies on a voluntary and selective basis when authorized by a Resolution adopted by the City Council.

This matter was reviewed by Deputy City Attorney Amy R. Webber on July 14, 2021, Business Services Bureau Manager Tara Mortensen on July 13, 2021, and by Revenue Management Officer Geraldine Alejo on July 15, 2021.

TIMING CONSIDERATIONS

City Council action to adopt the attached Resolution and award a contract concurrently is requested on August 3, 2021, to ensure the contract is in place expeditiously.

FISCAL IMPACT

The one-time implementation fee will not exceed \$605,138, inclusive of a 20 percent contingency. The ongoing structural costs of the contract beginning in FY 22 is anticipated to be \$186,680 but could increase by the 20 percent contingency amount to the maximum of \$224,016 for additional advanced function licenses if, at a later point, the City determines that expanding the number of these licenses is appropriate. The contract contingency provides that option to add licenses but will not be budgeted until and unless the City finds the additional licenses are needed.

The implementation costs will be funded by \$50,000 from the Water Fund Group in the Water Department, \$100,000 in Long Beach Recovery Act funding, and \$200,000 in CARES Act funding. If appropriation adjustments are needed in any of the identified funding sources, this will be assessed closer to FY 21 year-end and will be brought forward to the City Council at a future date. The remaining amount of \$255,138 will be funded within current resources available from FY 21 savings in the General Fund Group in the Financial Management Department.

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The FY 22 annual cost of \$186,680 will be funded by \$35,000 appropriated in the Water Fund Group in the Water Department, and the remaining amount of \$151,680 will be funded from FY 21 savings in the General Fund Group in the Financial Management Department.

The table below outlines the costs and anticipated available funding sources for FY 21 and FY 22 and the recurring annual cost starting in FY 23. With the available funding identified, FY 21 and FY 22 are fully funded. Beyond FY 22, the ongoing cost will continue to be funded with \$35,000 from the Water Fund Group, with an additional \$45,000 available from appropriation that is currently used to support the existing purchasing system.

	One-Time Implementation Cost	First Year Annual Contract Cost	Total - 2 years (FY 21 & FY 22)	Recurring Annual Cost (FY 23 & beyond)
Total Contract Cost	\$ 605,138	\$ 186,680	\$ 791,818	\$ 186,680
Available Funding				
Water Department	\$ 50,000	\$ 35,000	\$ 85,000	\$ 35,000
Long Beach Recovery Act	\$ 100,000	\$ -	\$ 100,000	\$ -
CARES Act Funding	\$ 200,000	\$ -	\$ 200,000	\$ -
Financial Management Existing Budget	\$ -	\$ -	\$ -	\$ 45,000
Financial Management One-time Saving	\$ 255,138	\$ 151,680	\$ 406,818	
Total Available Funding	\$ 605,138	\$ 186,680	\$ 791,818	\$ 80,000
<i>Impact to Future Year Shortfall</i>	\$ -	\$ -	\$ -	\$ (106,680)

A one-time appropriation increase of \$151,680 is requested in the General Fund Group in the Financial Management Department to appropriate the portion of the funding needed for the first year annual contract cost from FY 21 savings within the Financial Management Department. Beginning in FY 23, \$106,680 in ongoing structural costs do not have an offset and will add to the structural shortfall anticipated for FY 23 in the General Fund. Finding offsets and solutions for this cost and the larger General Fund shortfall will be addressed as part of the FY 23 budget development process. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
INTERIM DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

1 RESOLUTION NO.
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH AUTHORIZING THE CITY
5 MANAGER TO EXECUTE A CONTRACT WITH
6 PERISCOPE HOLDINGS, INC. ON THE SAME TERMS AND
7 CONDITIONS AFFORDED TO THE STATE OF TEXAS
8 DEPARTMENT OF INFORMATION RESOURCES (TXDIR),
9 TO PROVIDE A PROCUREMENT TECHNOLOGY
10 SOLUTION, IN THE AMOUNT OF \$504,282 FOR
11 IMPLEMENTATION, WITH A 20 PERCENT CONTINGENCY
12 IN THE AMOUNT OF \$100,856, FOR A TOTAL AMOUNT
13 NOT TO EXCEED \$605,138, FOR A PERIOD OF ONE
14 YEAR; AND, AN ANNUAL AMOUNT OF \$186,680, WITH A
15 20 PERCENT CONTINGENCY IN THE AMOUNT OF
16 \$37,336, FOR A TOTAL ANNUAL CONTRACT AMOUNT
17 NOT TO EXCEED \$224,016, FOR SUBSEQUENT YEARS,
18 UNTIL THE TXDIR CONTRACT EXPIRES ON NOVEMBER
19 15, 2024
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21 WHEREAS, the Charter of the City of Long Beach, Section 1802, permits
22 the City Manager to enter into a contract on behalf of the City, in writing or otherwise,
23 without advertising for bids, for services, supplies, materials, equipment or labor, with
24 other government agencies, when authorized by resolution; and

25 WHEREAS, the City desires to purchase a procurement technology
26 solution; and

27 WHEREAS, Periscope Holdings, Inc. has a contract with the state of Texas
28 Department of Information Resources (TXDIR) for software solutions, including

1 commercially available off-the-shelf software products, software as a service, and
2 enterprise resource planning supplemental modules and products, Contract No. CPO-
3 4727 (“TXDIR Contract”); and

4 WHEREAS, the City’s participation in the TXDIR Contract will facilitate
5 acquisition of a procurement technology solution as well as provide considerable cost
6 benefits to the City; and

7 WHEREAS, if the City had to go to formal bid rather than participate in the
8 TXDIR Contract considerably more funds would be required;

9 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
10 follows:

11 Section 1. The City Manager or designee is hereby authorized to enter a
12 contract with Periscope Holdings, Inc. for a procurement technology solution, in the
13 amount of Five Hundred Four Thousand Two Hundred Eighty-Two Dollars (\$504,282) for
14 implementation, with a twenty percent (20%) contingency in the amount of One Hundred
15 Thousand Eight Hundred Fifty-Six Dollars (\$100,856), for a total amount not to exceed
16 Six Hundred Five Thousand One Hundred Thirty-Eight Dollars (\$605,138), for a period of
17 one (1) year; and, an annual amount of One Hundred Eighty-Six Thousand Six Hundred
18 Eighty Dollars (\$186,680), with a twenty percent (20%) contingency in the amount of
19 Thirty-Seven Thousand Three Hundred Thirty-Six Dollars (\$37,336), for a total annual
20 contract amount not to exceed Two Hundred Twenty-Four Thousand Sixteen Dollars
21 (\$224,016), for subsequent years, until the TXDIR contract expires on November 15,
22 2024, with the option to renew for as long as the TXDIR is in effect, at the discretion of
23 the City Manager.

24 Section 2. This resolution shall take effect immediately upon its adoption
25 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664

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I hereby certify that the foregoing resolution was adopted by the City
Council of the City of Long Beach at its meeting of _____, 2021
by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk