



Legislation Details (With Text)

**File #:** 14-0095      **Version:** 1      **Name:** TS/HR/FM - Financial/HR Systems Systems Replacement

**Type:** Contract      **Status:** CCIS

**File created:** 11/21/2013      **In control:** City Council

**On agenda:** 2/4/2014      **Final action:** 2/4/2014

**Title:** Recommendation to adopt Specifications No. RFP TS13-050 and authorize City Manager to execute a contract, and any amendments thereto, with Plante & Moran, PLLC, of Southfield, Michigan (not a MBE, WBE, SBE or Local), for professional consulting services related to planning for and acquisition of the City's Financial/Human Resources systems replacement, in the amount of \$397,620, plus a \$60,000 contingency, for a total contract amount not to exceed \$457,620, for a period of one year, with the option to extend for one additional year; and

Increase appropriations in the General Services Fund (IS 385) in the Technology Services Department (TS) by \$10,000,000 by way of a transfer of the same purpose funds already budgeted in the General Fund. (Citywide)

**Sponsors:** Technology Services, Financial Management, Human Resources

**Indexes:** Contracts

**Code sections:**

**Attachments:** 1. 020414-R-21sr&att.pdf

Date	Ver.	Action By	Action	Result
2/4/2014	1	City Council	approve recommendation	Pass

Recommendation to adopt Specifications No. RFP TS13-050 and authorize City Manager to execute a contract, and any amendments thereto, with Plante & Moran, PLLC, of Southfield, Michigan (not a MBE, WBE, SBE or Local), for professional consulting services related to planning for and acquisition of the City's Financial/Human Resources systems replacement, in the amount of \$397,620, plus a \$60,000 contingency, for a total contract amount not to exceed \$457,620, for a period of one year, with the option to extend for one additional year; and

Increase appropriations in the General Services Fund (IS 385) in the Technology Services Department (TS) by \$10,000,000 by way of a transfer of the same purpose funds already budgeted in the General Fund. (Citywide)

During the FY 14 budget process, City staff presented information to the City Council on the urgent need to replace Citywide financial and human resource management systems, which include accounting and financial reporting, budget development and management, purchasing, account payables and receivables, fixed asset and inventory management, payroll and timekeeping, employee benefit management, recruiting and human resources administration functions, and position control and staffing management. The City Manager recommended funding for this replacement as part of the FY 14 Proposed Budget. On September 3, 2013, the City Council approved the FY 14 Appropriation Ordinance that included \$6,227,500 in one-time funds to cover the General Fund portion of total project costs currently estimated at approximately \$30 million. City Council approved an additional \$3,772,500 to be appropriated from FY 13 surplus funds. The surplus was available in FY 13; as a result, the total General Fund appropriation is \$10 million.

This professional services contract is for the initial work and the system selection services needed to acquire the replacement financial and human resources systems. Just as with construction projects, proper planning and design is essential for replacement of large, complex software systems to ensure that the chosen system meets the needs of the City and is successfully implemented. Among other services, the contract provides for a review of current business processes supported by the existing systems (to help determine what can be streamlined and what the new system should do), an analysis of replacement options including business process outsourcing, identification and preparation of City staff for system implementation, development of system requirements and an associated Request for Proposals (RFP), evaluation of vendor proposals, assistance with contract negotiations with selected vendor(s), and development of an implementation plan in concert with the selected system vendor(s).

The pre-implementation project to be managed by the consultants consists of three aspects as described below. There is also a \$60,000 contingency to allow for resolution of any issues that are not within the identified scope and for development of additional specifications and requirements should that become appropriate to do.

Project Management	\$ 35,000
Pre-implementation planning	\$ 166,850
System Acquisition	\$ <u>195,520</u>
Total	\$ <u>397,620</u>
Contingency	\$ 60,000

The RFP was advertised in the Press-Telegram on July 10, 2013, and 2,744 potential bidders specializing in professional services were notified of the RFP opportunity. Of those bidders, 83 downloaded the RFP via our electronic bid system. The RFP document was also made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at [www.longbeach.gov/purchasing](http://www.longbeach.gov/purchasing) <<http://www.longbeach.gov/purchasing>>. The RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority and women-owned business groups. Eight proposals were received on August 16, 2013. Of those eight proposers, one was a Minority-owned Business Enterprise (MBE); none were Women-owned Business Enterprises (WBEs); one was a certified Small Business Enterprise (SBE); and none were Long Beach businesses (Local).

The evaluation criteria included the following: demonstrated competence, experience in performance of comparable engagements, expertise and availability of key personnel, financial stability, conformance with terms of the RFP, and reasonableness of cost. Of the eight proposals, four were retained after an initial review of the applications. Those firms that moved on to the next phase of the evaluation were significantly stronger in terms of the proposed staff, their relevant experiences, the comprehensive nature of their proposal and their understanding of the City's needs. The four firms were then interviewed by an evaluation committee. The Committee continued to emphasize the same criteria in this phase. As a result of the interviews, the firms were narrowed to just two: Plante & Moran and Gartner. Plante & Moran and Gartner were invited to the City for a final interview, including a question and answer session.

The evaluation committee, including staff from the Harbor and Water departments, concluded that both firms could well meet the needs of the City, but unanimously recommended Plante & Moran PLLC, of Southfield, Michigan (not an MBE, WBE, SBE or Local). Plante & Moran proposed a

substantially lower cost than Gartner. Plante & Moran has significant and related municipal financial systems/human resources systems and IT strategic planning experience. The firm is independent of software providers and has assisted its clients in selecting and implementing a wide variety of solutions for similar system needs. Examples of cities where they are currently conducting, or recently completed, similar projects include Mesa, AZ, Corpus Christi, TX, Alexandria, VA, and Grand Rapids, MI, as well as Marin County, CA and Broward County, FL.

See Attachment A for additional information.

### **Local Business Outreach**

In an effort to align with our outreach goal, Long Beach businesses were encouraged to submit RFPs for City contracts. The Purchasing Division also assisted businesses with registering on the Bids Online database to download the RFP specifications. Through outreach, 306 Long Beach vendors were notified to submit RFPs, of which five downloaded the RFP; however, none submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Amy R. Webber on January 13, 2014 and by Budget Management Officer Victoria Bell on January 10, 2014.

City Council action to adopt Specifications No. RFP TS13-050 and award a contract and any amendments thereto is requested on February 4, 2014.

Funding to cover the total contract amount not to exceed \$457,620 is included in the FY 14 Adopted Budget. As part of the approved FY 14 Appropriation Ordinance, one-time funding of \$10,000,000 is temporarily budgeted in the General Fund for the City's Financial/Human Resources Systems replacement. An appropriation increase of \$10,000,000 in the General Services Fund (IS 385) in the Technology Services Department (TS) is included in the recommended action in order to transfer the budgeted funding from the General Fund to the General Services Fund where the project costs will be expended.

As the project moves forward beyond FY 14, total project costs will be allocated to other City funds in proportion to their share of the project. The participating departments will request increases in budget appropriation, as needed. The award of this contract will have no local job impact.

Approve recommendation.

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