



Legislation Details (With Text)

| | | | | | |
|----------------------|------------|----------------------|---|--------------|---|
| File #: | 21-0742 | Version: | 1 | Name: | FM - Contract w/Periscope Holdings for providing procurement technology solutions |
| Type: | Resolution | Status: | | | Adopted |
| File created: | 7/14/2021 | In control: | | | City Council |
| On agenda: | 8/3/2021 | Final action: | | | 8/3/2021 |

Title: Recommendation to adopt resolution authorizing City Manager, or designee, to execute a contract, including any necessary amendments, with Periscope Holdings, Inc., of Austin, TX, for providing a procurement technology solution, 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)

Sponsors: Financial Management

Indexes:

Code sections:

Attachments: 1. 080321-R-23sr&att.pdf, 2. 080321-R-23 PowerPoint.pdf, 3. RES-21-0094.pdf, 4. 0803021-R-23 TFF Memo 03.16.22.pdf

| Date | Ver. | Action By | Action | Result |
|----------|------|--------------|----------------------------------|--------|
| 8/3/2021 | 1 | City Council | approve recommendation and adopt | Pass |

Recommendation to adopt resolution authorizing City Manager, or designee, to execute a contract, including any necessary amendments, with Periscope Holdings, Inc., of Austin, TX, for providing a procurement technology solution, 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)

City Council approval is requested to enter into a contract with Periscope Holdings, Inc. (Periscope), to purchase a procurement technology 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 use the solution for vendor and bid management, labor compliance program management, purchasing contract management, and data and reporting on contract expenses and vendor utilization. This solution will provide the City with significant improvements and be much more adaptive to the City's needs. It will allow the City to incorporate recommendations to the City's purchasing functions related to the Language Access Policy, Everyone In Initiative, and the Framework for Racial Equity and Reconciliation.

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.

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.

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.

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 Implementatio Cost | First Year Annual Contract Cos | Total - 2 year (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 Savings | \$ 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.

Approve recommendation.

[Enter Body Here]

JOHN GROSS
INTERIM DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER