



CITY OF LONG BEACH

R-35

DEPARTMENT OF FINANCIAL MANAGEMENT

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June 2, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications No. FM 09-014 and award a contract to Cardon Solutions, LLC to provide technical and functional maintenance support and development services for the City's suite of Financial Accounting Management Information Systems (FAMIS) and Simpler Suite (EZ FAMIS) financial software applications in an amount not to exceed \$225,000 for a period of 18 months, plus an additional \$90,000 for the Harbor Department, for a total of \$315,000 in the 18-month period, with the option to renew for two additional one-year periods, at the discretion of the City Manager, with the option to add expenditures up to 10 percent (or \$31,500) above annual contract amount, if necessary and if funds are available. (Citywide).

DISCUSSION

The City implemented its current suite of mainframe-based Financial Accounting Management Information Systems (FAMIS) software modules in February 1998 to meet its accounting, purchasing and budgeting needs. The software is currently used by every City department, and has over 1,000 registered users Citywide. The accounting module is used as the City's official "book of record" for tracking and auditing all City accounting transactions, as well as for preparing the City's Comprehensive Annual Financial Report. Other FAMIS software modules are used Citywide to create, route and publish requisitions and purchase orders, as well as to record and track City-owned fixed assets. FAMIS' budget module is used extensively to develop and publish the annual Citywide budget.

Since its implementation, the City has contracted with various companies to ensure that its FAMIS software has had on-going and uninterrupted maintenance and support. Examples of support services include: identifying, troubleshooting and resolving reported system bugs and user issues, creating and maintaining complex interfaces between FAMIS and the City's other software applications, and developing and implementing software modifications and enhancements to support ever-changing business, accounting, auditing and regulatory requirements. The Harbor Department will also be utilizing Cardon Solutions to modify the City's FAMIS software to address Harbor-specific system requirements, such as modification of software to support the recording of additional project information on procurement and accounts payable documents, and extracting and interfacing this data for use in their planned project cost management system.

While FAMIS meets the City's basic accounting functions, its ability to provide summary financial reporting is extremely limited. As such, in June 2008, the Department of Financial Management implemented Simpler Suite (EZ FAMIS), a web-based reporting tool that allows users throughout the City to easily generate their own financial/budgetary reports from FAMIS data for management, auditors, grantors, regulatory agencies and other end users. Prior to EZ FAMIS, basic financial information regarding departmental expenditures and revenues, as well as general ledger accounts, was not easily accessible for most employees. The Department of Financial Management had to prepare monthly and ad-hoc reports for departments in order for them to have basic financial information in many cases. EZ FAMIS now provides access to FAMIS' accounting, purchasing, and budgeting data, as well as other financial datasets in a quicker, more user-friendly format. Since its introduction, EZ FAMIS has saved departments countless staff hours gathering data, performing analyses and preparing reports. City staff can now create complex multi-year analyses in minutes, instead of days. Likewise, EZ FAMIS has streamlined the City's grant and project billing processes, which will hopefully result in more timely reimbursements. Additionally, using EZ FAMIS, the Department of Financial Management has been able to research and respond almost immediately to management's requests for information from departments and auditors. EZ FAMIS has been widely adopted by City staff and has become an integral component of the City's financial system that is relied upon by its nearly 1,000 users, and as such requires on-going maintenance and support services, similar to those required by the underlying FAMIS financial system.

A bid for services to support both FAMIS and EZ FAMIS' financial software was advertised on February 18, 2009, and 173 potential bidders specializing in data processing services and software applications were notified of the bid opportunity; 39 are Minority-owned Business Enterprises (MBEs), 38 are Women-owned Business Enterprises (WBEs), 25 are certified Small Business Enterprises (SBEs) and 23 are Long Beach businesses. The bid document was made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. A bid announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority and women's business groups. One bid was received and a bid opening occurred on February 27, 2009. A committee, comprising of representatives from the Department of Financial Management and the Technology Services Department, reviewed the bid and recommended Cardon Solutions, LLC of Davie, Florida, a WBE, as the responsible, lowest bidder.

This matter was reviewed by Deputy City Attorney Gary Anderson on April 27, 2009 and Budget and Performance Management Bureau Manager David Wodynski on April 30, 2009.

TIMING CONSIDERATIONS

City Council action is requested on June 2, 2009 to ensure that a contract is in place expeditiously.

FISCAL IMPACT

The cost of this contract, in an amount not to exceed \$315,000, of which \$225,000 is budgeted in the General Services Fund (IS 385) in the Citywide Activities (XC) department, and \$90,000 is budgeted in the Harbor Fund (HR 430) in the Harbor (HA) department. The City will have the option of adding expenditures up to 10 percent above the annual contract amount, if necessary and if funds are available.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

APPROVED:



PATRICK H. WEST
CITY MANAGER