



## Legislation Text

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**File #:** 18-0728, **Version:** 1

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Recommendation to adopt Specifications No. RFP TI17-143 and award a contract to Compulink Management Center, Inc., dba Laserfiche Solutions Group, of Long Beach, CA, for the implementation, installation, software, maintenance, and support of the Enterprise Document Management System, for one-time software and services in the amount of \$1,839,966, and ongoing annual maintenance and licensing in the amount of \$385,444, for a period of five years, and authorize a 15 percent contingency in the amount of \$565,078, for a total contract amount not to exceed \$4,332,264, with the option to renew ongoing maintenance and licensing in an annual amount of \$404,716 for an additional five-year period, at the discretion of the City Manager; authorize City Manager, or designee, to execute all documents necessary to enter into the contract, including any necessary amendments; and

Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$2,225,410, offset by charges to user departments and funds and potential short-term internal loans between funds. (Citywide)

City Council approval is requested to enter into a contract with Compulink Management Center Inc., dba Laserfiche Solutions Group (Laserfiche), for the software, installation, implementation, maintenance, and support of the citywide Enterprise Document Management System (EDMS). The EDMS project was included in the technology systems category of the critical technology infrastructure needs that was presented to City Council on December 5, 2017. This action authorizes the design and licensing component of the EDMS project, the scanning component of the project will be awarded in a separate procurement.

The goal of an EDMS is to enhance operational efficiencies by automating business processes and greatly reducing paper files and storage. Implementing a citywide EDMS will help the City eliminate, to the extent possible, the number of paper documents and limit the amount of physical hardcopy storage needed in the new Civic Center. The focus of the EDMS will be to improve business processes, rather than just storing scanned or electronic documents. The City would like to use a best practice approach to implement the new EDMS that will include the following steps:

1. Build a solid imaging, document management and records management foundation that will require a unified taxonomy. A taxonomy is a method of logically and consistently organizing data into categories and subcategories to ensure it can be easily located;
2. Develop automated workflows, e-forms, and e-signature solutions; and,

3. Implement new automated department business processes to improve the efficiency of workflows.

In 2009, the City purchased software licenses for the Laserfiche Imaging and Document Management System. These were licenses based on named users and the City was limited to a select group of products available. Staff is now proposing a change from individual licenses to an enterprise subscription with bundled functionality that will provide a cost-effective way to provide a license for every City employee. The bundled functionality of the enterprise subscription means that every department within the City will have all the tools necessary to complete their digital transformation.

Upgrading the Laserfiche systems will provide new features including enhanced workflow, forms, digital signatures, mobile apps, and an enhanced web browser access. This purchase is necessary to maintain and expand the City's significant, existing investment in its current EDMS infrastructure, so complementary business systems such as Police, Fire, Housing, City Clerk, City Prosecutor and Development Services can continue to communicate and operate interdependently on platforms previously developed by Laserfiche.

A Request for Proposals (RFP) was advertised in the Long Beach Press-Telegram on August 17, 2017, and 6,539 potential proposers specializing in technology hardware/ software and technical services were notified of the RFP opportunity. Of those proposers, 91 downloaded the RFP via the City's 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). A RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 22 local, minority, and women-owned business groups. Twelve proposals were received on September 22, 2017. Of the 12 proposals, three were Minority-owned Business Enterprises (MBEs), one was a Women-owned Business Enterprise (WBE), three were certified Small Business Enterprises (SBEs), and one was a Long Beach business (Local).

A selection committee comprised of representatives from the Technology and Innovation, Police, Fire, Development Services, Public Works, City Clerk, Health and Human Services, and City Prosecutor Departments reviewed the proposals in accordance with the following criteria:

- Demonstrated competence;
- Experience in performance of comparable engagements;
- Expertise and availability of key personnel;
- Financial stability;
- Conformance with the terms of the RFP; and,
- Reasonableness of costs.

After the selection committee's initial review, the City shortlisted two firms on February 9, 2018, for further consideration. After an in-depth review of the information received in its

entirety, the selection committee was divided between the two finalists. Both firms met the City's requirements, but one firm presented some operational advantages, while the other firm offered a significantly lower cost. Considering the balance of both service and cost in accordance with the evaluation criteria, the City Manager made the determination to select Laserfiche.

## **Local Business Outreach**

In an effort to align with the City's outreach goals, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download the RFP specifications. Through outreach, 642 Long Beach vendors were notified to submit proposals, of which six downloaded and one 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 July 30, 2018 and by Budget Analysis Officer Julissa José-Murray on August 6, 2018.

City Council action is requested on August 21, 2018, to ensure timely implementation of the project to minimize the number of documents generated in the new Civic Center.

The cost to implement a new EDMS was included as part of the December 5, 2017 Critical Needs in Technology presentation made to City Council. The total cost of this contract is \$4,332,264, and consists of \$1,839,966 of one-time software and services, annual maintenance and licensing costs of \$385,444 for a period of five years, and a 15 percent contingency in the amount of \$565,078. As this expenditure is unbudgeted in Fiscal Year 2018, an appropriation increase of \$2,225,410 (\$1,839,966 for software/services and \$385,444 for maintenance/licensing) in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) is requested, offset by charges to user departments and funds, with the potential of short-term internal loans between funds if the charges cannot be immediately collected.

In the Critical Technology Needs presentation, \$7,000,000 was planned for use on the conversion, implementation, and software licensing of an EDMS system, which consists of \$5,000,000 in cash and \$2,000,000 in costs that were to be financed through a lease-purchase. Of the \$2,000,000 that was going to be lease-purchase financed, \$600,000 has already been authorized for servers and storage, leaving \$1,400,000 that could be financed under the original plan. However, the nature of the software acquisition and project costs makes it impossible to finance. Therefore, using cash will save on financing costs. This recommendation uses \$2,225,410 of the \$5,000,000 in originally anticipated cash outlay for system software and services and first year maintenance. The remaining \$2,774,590 in cash outlay is expected to be used to implement the scanning of existing records and project management portions of the project. An appropriation for the scanning and project management portions of the project will be requested in a future City Council action. The

\$2,774,590 may not be enough to cover the City's full scanning needs, but if that turns out to be the case, staff will return with options for additional funding. The \$5,000,000 in cash will come from user charges to departments and associated funds. If revenue from these charges is not immediately available, internal short-term borrowing between funds may be used in the interim.

The ongoing annual maintenance and licensing costs have been incorporated into the Fiscal Year 2019 proposed Technology and Innovation Department's budget and are charged out to user departments. This approach is consistent with the critical technology infrastructure needs funding plan. The annual ongoing expenses are about \$80,000 more than the planned costs; however, it is anticipated that these extra costs will be able to be absorbed using savings from other areas within the critical needs requests. These ongoing annual costs will also be incorporated into future budgets.

The award of this contract will provide continued support to our local economy by assisting in the preservation of employment for 131 employees residing in Long Beach.

Approve recommendation.

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JOHN GROSS  
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APPROVED:

PATRICK H. WEST  
CITY MANAGER