TO: Board of Contracts and Awards

FROM: Jack Kelanic, Director of Information Technology

Grace Brosnon, IT Manager, Information Technology Department

COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and Chuck Blankenship, Finance/Purchasing

SUBJECT: Procure to Pay Technical Project Management Services, RFP Specification # PS14-0295F, Requesting City Council Date of December 15, 2015

DATE: December 2, 2015

SUMMARY:

The Information Technology Department recommends a contract be awarded to The Stergion Group, Inc., Rancho Palos Verdes, CA, in the amount of $299,520, plus applicable sales tax, for technical project management services, for an initial one-year contract term ending December 31, 2016.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

By managing the City's Procure-to-Pay business automation project, this contract directly supports an efficient and effective government.

BACKGROUND:

In 2014 the City completed an independent strategic assessment of its core business system, SAP. This assessment identified several key opportunities to further streamline and automate City business processes by leveraging existing and new software tools. One of the City's 2015-2016 focus areas is supply chain management, whereby the Finance/Purchasing Division and Information Technology Department are currently engaged to re-engineer the City's procurement and vendor payment tools and processes.

ISSUE: The Finance/Purchasing Division and Information Technology Department have developed the Procure-to-Pay project and plan to contract with a third-party software provider and systems integrator to implement the initial phases of a City-wide supply chain management solution in 2016. Staff recommends the project be managed by an experienced, full-time, technical project management professional to help ensure project success and to mitigate risk to the City.

ALTERNATIVES: Two alternatives exist to supply project management services for this major technology initiative. One alternative is to establish a new position within the Information Technology Department and recruit/hire a qualified employee. A second alternative is to assign the technical project management duties to an existing team member. The challenges of these alternatives are the temporary nature of the Procure-to-Pay project work, the lead time to recruit/hire/onboard employees, as well as the potential negative impact on competing City technology initiatives.

COMPETITIVE SOLICITATION: A roster of authorized contractors was established in 2014 through RFP Specification No. PS14-0295F IT Project Management Temporary Staffing Services. The Stergion Group, Inc. is one of the authorized contractors selected.

CONTRACT HISTORY: New contract.

Revised: 04/27/2015

SUSTAINABILITY: Approximately half of subject services will be provided remotely, thereby reducing the number of carbon-generating trips. Additionally, all contract deliverables will be digital.

DISADVANTAGED BUSINESS ENTERPRISE (DBE): The recommended contractor is a certified Disadvantaged Business Enterprise (DBE). As such, the DBE participation level of the recommended contractor is one hundred percent.

RECOMMENDATION:

The Information Technology Department recommends a contract be awarded to The Stergion Group, Inc., Rancho Palos Verdes, CA, in the amount of $299,520, plus applicable sales tax, for technical project management services, for an initial one-year contract term ending December 31, 2016.

FISCAL IMPACT:

Funds in the amount of $299,520 are budgeted and available in the 2015/2016 biennium.

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Information Systems Fund 5800	596600	5310100	$299,520
TOTAL			$299,520

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Information Systems Fund 5800	596600		$299,520
Information Systems Fund 5800	596600		
Information Systems Fund 5800	596600		
Information Systems Fund 5800	596600		
TOTAL			$299,520

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: $299,520

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

Not applicable

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Revised: 04/27/2015