



## REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604

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Consent  
November 13, 2007

Honorable Mayor and  
Members of the City Council

**Title:** Electronic Document Content Management (EDCM) Project (AB55)

**Location/Council District:** Citywide

**Recommendation:** Adopt a **Resolution** authorizing: 1) the City Manager to a) execute a contract with EMC Corporation for, software and professional services for the amount not to exceed \$1,713,731, and b) to renew the software license support/maintenance services for additional one year terms, up to a total term of 5 years (including the initial term and all renewals) for the annual not to exceed amount of \$140,250, provided that sufficient funds are available in the budget adopted for the applicable Fiscal Year(s); 2) the City Manager to execute a Professional Services Agreement with PRIDE Industries, Inc. for the back file conversion (imaging) of paper documents for the City Clerk's Office and Department of Human Resources for an amount not to exceed \$320,000; and 3) the City Manager to transfer \$170,000 from the Information Technology FY2007/08 operating budget and \$100,000 from the City Clerk's Passport CIP (AB68) to the Electronic Content Document Management Project (AB55).

**Contact:** Shirley Concolino, City Clerk, 808-5442; Geri Hamby, Director of Human Resources, 808 7173; Stephen R. Ferguson, Chief Information Officer, 808 8600

**Presenters:** N/A

**Department:** City Clerk, Human Resources, and Information Technology

**Division:** N/A

**Organization No:** 0700

### Description/Analysis

**Issue:** The EDCM project will provide the technology for the City to automate business processes, such as the City Council agenda process, improve organizational efficiency and possibly reduce operating costs by allowing more effective and efficient delivery of City services, increase citizen access to public records, decrease space requirements for physical file storage, minimize risks of lost or misfiled documents, reduce risk of costly litigation due to inaccessibility of records, and facilitate compliance with the Federal Rules of Civil Procedure 2006 revisions concerning discovery and preservation of electronic evidence.

**Policy Considerations:** This recommendation is in accordance with the FY2007/08 Approved Blueprint for Strategic Budgeting. In particular this recommendation is consistent with the Strategic Planning – Strategic Budgeting principles that includes the following areas:

- Strategic use of resources
- Identify resources for top priorities and initiatives
- Continuous evaluation for efficiencies and effectiveness
- Identify return on investment and impacts, fiscal and social benefits
- Keep City Council informed

Also, this recommendation continues efforts to identify both better business practices and savings to reinvest in new service demands or cost reduction measures.

**Environmental Considerations:** This project concerns administrative activities that will not have a significant effect on the environment and does not constitute a “project” as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines §15378(b)(2)].

**Commission/Committee Action:** None.

**Rationale for Recommendation:** The City has identified the following business needs and concerns:

- Existing manual business processes are inefficient.
- Existing electronic systems are inadequate to support business needs.
- Regulatory requirements, such as electronic discovery, can not be supported by the City’s current electronic systems.
- Records retention policies can not be applied systematically to records or electronic systems, including electronic mail. Thus records are inconsistently maintained. This puts the City at risk for non-compliance, litigation and financial penalties.
- Reporting capabilities are inadequate to support real-time decision making.
- Access to public records is limited and excessively labor intensive. As a result, the City’s ability to meet California Public Records Act mandates is often jeopardized.

The EDCM project will replace inefficient, manual business processes and filing systems as well as provide appropriate public access to public records 24 hour 7 days/week. In addition, a comprehensive citywide EDCM program will:

- Reduce operating costs through more effective and efficient delivery of City services.

- Reduce records storage costs (paper and electronic).
- Reduce litigation and discovery costs by providing timely, comprehensive, and secure access to information.
- Reduce litigation risks associated with improper records management.
- Reduce risks of negative publicity due to improper record keeping practices.
- Reduce risks of loss of vital records to essential conduct current business.
- Protect the rights and interests of the City.
- Provide information protection during litigation, investigations and audits.
- Standardize procedures and improve staff effectiveness by using workflows.
- Support records management policies.
- Create a web-based central repository of City documents.
- Facilitate retrieval of information through metadata, key word, and full text searching capabilities.
- Facilitate citizen access to public records.

The time has arrived for the City to transform antiquated and inconsistent business processes to industry-best business practices. Through the promotion of best business practices, the EDCM project will:

- Maximize efficiencies / Minimize costs
- Implement consistent information management practices
- Ensure compliance
- Streamline the integration and flow of information throughout the City

The recommendation to award these contracts follows an extensive competitive RFP process. The process included a management appointed proposal Evaluation Team of ten staff members from nine departments. The Procurement Division, Project Sponsors and Steering Committee provided oversight to the Evaluation Team.

The Evaluation Team followed a four phase evaluation process to review four original proposals. It conducted an on line survey of dozens of vendor customers, hosted four days of vendor demonstrations, and ten site visits.

Detailed discovery sessions were held with the top two finalists. For the past month, the project leads have negotiated terms and conditions for the professional services agreements, implementation services, software licenses and maintenance contracts, and detailed Statement of Work. The City Attorney's Office provided extensive support and guidance throughout the negotiations.

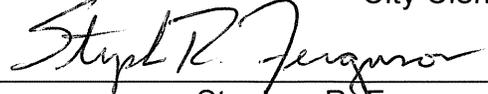
**Financial Considerations:** Funding for the initial license and implementation costs is available in the Capital Improvement Program budget (CIP) AB55 Document Management Project and the FY08 Citywide Information Technology (IT) Consulting Services budget (\$150,000), the FY08 Citywide IT Training budget in the IT Department (\$20,000), and the City Clerk's Passport CIP – AB68 budget (\$100,000). No additional funding is requested.

The current estimate for the EDCM project including consulting services contract, acquisition of hardware and software, software maintenance for five years is approximately \$2.8million. The estimated annual software maintenance cost of the EDCM is capped for four years at \$561,000 renewed annually subject to funding availability.

The balance of funds in the CIP for Document Management (\$184,000) will be used to purchase computer hardware and scanning equipment in the current fiscal year using existing cooperative purchase agreements. Staff expects that as the Citywide Document Management system is implemented there will be a need to purchase additional hardware to accommodate system growth. When additional hardware is needed in FY2008/09 those purchases will be funded by transfers from the Citywide IT Consulting Services and Citywide IT Training budgets to the CIP for Document Management Project (AB55) contingent upon those funds being available in FY2008/09.

**Emerging Small Business Development (ESBD):** EMC and PRIDE Industries, Inc. are not City certified E/SBE firms.

Respectfully Submitted by:   
Shirley Concolino  
City Clerk

  
Stephen R. Ferguson  
Chief Information Officer

  
Geri Hamby  
Director Human Resources

Recommendation Approved:

  
Ray Kerridge  
City Manager

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**Attachment 1****Background:**

Information in all forms and formats is critical to daily City business functions. As part of its overall Electronic Document/Content Management (EDCM) project, City staff identified the need to implement an enterprise content management system (ECMS). The EDCM project will provide all City departments with a simple, straightforward process to store, manage, share and retrieve information. Key overall project goals are:

- Provide the best customer service to constituents
- Improve internal administrative processes and reduce costs through
  - Use of computer technology to complement and/or replace existing hardcopy systems
  - Citywide use of common classification and retrieval systems
  - Timely, user friendly, secure access to documents on all media and in all formats
  - Use workflow software and network technology to store and manage records
  - Implementation of standardized EMCS and workflow on a Citywide basis

In June 2005, the City hired ThirdWave Corp. consultants to assess the City's information management needs and develop a high level ECMS strategy. Through working sessions, workshops and user surveys with forty-five (45) City business units, ThirdWave identified the City's current processes and developed recommendations for improved solutions. The City then conducted a Request for Information (RFI) process to shortlist ECMS software vendors. Four software products met the City's mandatory criteria:

1. EMC Documentum
2. FileNet
3. OpenText
4. Stellent

In August, 2006, the city issued a Request for Proposal (RFP), No. 061320001 Electronic Content Management System Software and Implementation Services, based on ThirdWave findings. No proposals were fully compliant with the RFP requirements.

On November 30, 2006, the City issued a revised RFP, No. 061320001R Electronic Content Management System Software and Implementation Services, for software pricing, technical architecture designs and system implementation services for any of the four ECMS software packages identified in the RFI.

In January 2007, four proposals were received and reviewed in a multi-phase structured evaluation process. Proposals were evaluated on the following:

1. Responses to the City's functional requirements;

2. Software vendor's experience, demonstrated performance and financial viability;
3. Implementation vendor(s)' experience, demonstrated performance and financial viability;
4. Quality and value of the proposed training and implementation services plan;
5. Quality and value of the proposed ongoing software maintenance/support services;
6. Quality, clarity and responsiveness of the vendor in conformance with the instructions and format prescribed by the RFP and subsequent documents, scripts, etc.;
7. Acceptance of and exceptions to City terms and conditions;
8. Emerging and Small Business Development program preference; and
9. Overall Cost of Software, Services and Support.

In addition to the multi-level evaluation, dozens on line surveys were sent to software system and implementation service customers.

In April, two proposals were elevated to the Demonstration Phase of the selection process (April 23 – 26, 2007). This phase consisted of two (2) days of presentations, lab demonstrations and discussions for each software vendor.

Following the demonstrations and further analysis by the full evaluation team, a sub-set of the evaluation team consisting of representatives from City Clerk, Budget and Development Services conducted ten site visits from June 18 – July 19. The visits were selected based on references provided in the proposals as well as subsequent discussions with the proposers. An equal number of sites visits were conducted for each product.

Following the site visits, both proposals entered the Discovery Phase of the selection process. Lasting from August into October, this phase further clarified the functionality, architecture, responsiveness, support and other software and implementation details through a written Request for Clarification (RFC) and additional on site presentations by both vendor teams.

In May – July 2007, the back file (imaging) component of the EDCM project was re-evaluated due to information gleaned from the vendor demonstrations and site visits. As part of a comprehensive risk and cost benefit analysis, the team, including several representatives from the City's Procurement Division and the Steering Committee, conducted a thorough site visit of PRIDE Industries, Inc. and recommended that this component of the EDCM project be distinct from the software selection.

All proposals, vendor demonstrations and product capabilities were carefully reviewed. Of the 4 proposals submitted, the City's EDCM Evaluation team, Steering Committee and project sponsors concluded that EMC and PRIDE Industries, Inc. best meet the City's business requirements

**Attachment 2**

**RESOLUTION NO.**

Adopted by the Sacramento City Council

Date

AUTHORIZING THE CITY MANAGER TO TRANSFER EXISTING FUNDS TO THE ELECTRONIC CONTENT DOCUMENT MANAGEMENT PROJECT (AB55) AND TO EXECUTE AGREEMENTS WITH EMC CORPORATION AND PRIDE INDUSTRIES, INC. TO FURTHER THE CITY'S ELECTRONIC DOCUMENT CONTENT MANAGEMENT CAPABILITIES

**BACKGROUND:**

- A. In 2005, recognizing the need to implement an enterprise content management system (ECMS), the City contracted with ThirdWave Corp. to assess the City's ECMS requirements relative to City needs and to articulate solutions and comprehensive recommendations for strategic Citywide deployment.
- B. In 2005, the City conducted a Request for Information (RFI) process to shortlist ECMS software vendors. Four software products met the City's mandatory criteria.
- C. In August 2006, the city issued a Request for Proposal (RFP) based on ThirdWave findings. No respondents were fully compliant with the RFP requirements.
- D. In November 2006, the City issued a revised RFP for software pricing, technical architecture designs and system implementation services for any of the four ECMS software packages identified in the RFI.
- E. In January 2007, four proposals were received and reviewed in a multi-phase structured evaluation process.
- F. In April 2007, two of the proposals were elevated to the Demonstration Phase. This phase consisted of two (2) days of presentations, lab demonstrations and discussions for each software vendor.
- G. In June – July 2007, a sub-set of the evaluation team consisting of representatives from City Clerk, Budget and Development Services conducted five site visits for each software product.
- H. In August 2007, both proposals entered the Discovery Phase of the selection process. This extensive phase further clarified the functionality, architecture,

responsiveness, support and other software and implementation details through a written Request for Clarification (RFC) and additional on site presentations by both vendor teams.

- I. In October 2007, one vendor was elevated to contract negotiations.
- J. In May – July 2007, the back file conversion (imaging) component of the EDCM project was re-evaluated. Following a comprehensive review of risk and cost factors as well as tangential economic benefits to the City and area residents, the Evaluation Team recommended that this component of the EDCM project be independent of the software selection. The Steering Committee approved this recommendation.
- K. The City's EDCM Evaluation Team, Steering Committee and project sponsors carefully reviewed all proposals, vendor demonstrations and product capabilities and concluded that EMC Corporation and PRIDE Industries, Inc. best meet the City's business requirements. EMC Corporation and PRIDE Industries, Inc. offered the lowest cost and best value to the City.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1 The City Manager is authorized to a) execute a contract with EMC Corporation for the purchase of software licenses and training for an amount not to exceed \$873,000 and one year software maintenance services for an amount not to exceed \$140,250 b) execute a Professional Services agreement with EMC Corporation for implementation and integration of the EDCMS system for an amount not to exceed \$700,481, and c) renew the software license support/maintenance services for additional one year terms, up to a total term of 5 years (including the first year and all renewals) for the annual not to exceed amount of \$ 140,250 provided that sufficient funds are available in the budget adopted for the applicable Fiscal Year(s).
- Section 2 The City Manager is authorized to execute a Professional Services Agreement with PRIDE Industries, Inc. for the back file conversion (imaging) of paper documents for the City Clerk's Office and Department of Human Resources for an amount not to exceed \$320,000.
- Section 3 The City Manager is authorized to transfer \$170,000 from the Information Technology FY2007/08 operating budget and \$100,000 from the City Clerk's Passport CIP (AB68) to the Electronic Content Document Management Project (AB55).