



AGENDA ITEM NO.

COUNCIL MEETING 06/03/08

APPROVED BY

DEPARTMENT DIRECTOR

CITY MANAGER

June 3, 2008

**FROM:** KAREN M. BRADLEY, Interim City Controller  
Finance Department

**BY:** BRIAN REAMS, Revenue Manager  
Utilities Billing and Collection Division

S KIM JACKSON, Management Analyst III  
Finance Department

**SUBJECT:** AUTHORIZE STAFF TO NEGOTIATE AND ENTER CONTRACT DOCUMENTS WITH PROGRESSIVE SOLUTIONS, INC. FOR SOFTWARE SERVICES, SUPPORT, TRAINING AND MAINTENANCE, AND WITH DELL INC. FOR RELATED HARDWARE TO REPLACE EXISTING BUSINESS TAX LICENSING, CASHIERING, AND PET LICENSING PROGRAMS PURSUANT TO CITY RFP NO.2767 IN A TOTAL AMOUNT NOT TO EXCEED \$335,000 FINANCED UNDER CITY'S MASTER LEASE PURCHASE AGREEMENT, AND EXECUTE NECESSARY DOCUMENTS SUBJECT TO CITY ATTORNEY APPROVAL TO FORM.

**RECOMMENDATIONS**

Staff recommends that Council authorize staff to negotiate and enter contract documents with Progressive Solutions, Inc. for the acquisition of new business license software, and contract with Dell, Inc. for a server (to house the new software) through the ISD Requirements Contract, to replace the City's existing Cashiering, Permit, Business and Pet Licensing Management system utilized by the Business Tax Section of the Finance Department, all for a cost not to exceed \$335,000, and authorizing the taking of all necessary actions/executing documents relating thereto including as to master lease purchasing financing thereof, subject to the approval as to form by the City Attorney's Office.

**EXECUTIVE SUMMARY**

The Business Tax Section of the Finance Department initiated and processed a request for proposals for the acquisition of new business license software to replace the City's existing Cashiering, Permit, Business and Pet Licensing Management software. The vendor which most fulfilled the RFP requirements was Progressive Solutions, Inc. of Brea, California. The base software system to be provided by Progressive Solutions, without modifications, costs \$220,000 including \$37,500 in first year annual maintenance costs. An additional \$57,500 in system modifications were separately identified based on the specific requirements established by the City. ISD separately will purchase a new server for an additional \$20,000 through their Requirements Contracton which the software will dwell. The Finance Department intends to finance the software and hardware utilizing the City's Master Lease Agreement.

**KEY OBJECTIVE BALANCE**

REPORT TO THE CITY COUNCIL

AWARD A CONTRACT TO PROGRESSIVE SOLUTIONS, INC. AND PROCURE A SERVER

June 3, 2008

Page 2

The acquisition of this software and related server meets the key objectives of Financial Management, Employee Satisfaction and Customer Satisfaction by providing more appropriate and modern tools to enable staff to more efficiently and effectively respond to the needs of the public and to do so in a more customer friendly and cost savings manner. The system is expected to almost immediately deliver significant increases in revenue to the general fund by improved enforcement of existing municipal code sections.

**BACKGROUND**

The Business Tax and Permits Section of the Finance Department continues to utilize a software system that has been inadequate for many years and does not allow for the Section to effectively manage many of the municipal code requirements it is held accountable for. A Request for Proposals was advertised on January 14, 2008 and bid specifications were provided to 22 prospective bidders. At the February 7, 2008, bid opening, only four responses were received. Of these, only Progressive Solutions, Inc. was able to respond to and provide specifications that met all the requirements as identified in the Request for Proposals.

Progressive Solutions base system cost, without modifications, is \$220,000. First year maintenance expenses will be \$37,500. Additional system modifications in the amount of \$57,500 will be required to meet all the requirements identified by the Business Tax Section as being necessary in the RFP. It is anticipated that the software, including the first year's maintenance agreement as well as the related server cost will be financed over a three year period utilizing the City's Master Lease Agreement.

The base system upgrade will include many new and much needed features including the ability to track individual account balances on a running total basis; offer an online renewal and payment option not currently available to customers and the ability to automatically coordinate and match multiple licensees to a master account as is desired and required for the proper oversight and licensing of professional firms. The base system will also include a new module for Pet Licensing that will allow the Section to more efficiently and effectively track data and enforce the provisions of the recently amended vicious dog ordinance.

The system features identified in the \$57,500 in additional costs to modify the base module, includes the ability to verify and populate business locations and compare them against the city's existing GIS data base. The advantages of being able to automatically populate the licensing data field, utilizing this information, enables proper identification and management of special business zones, council districts, and city limit verifications, all of which is critical to proper rate setting. Also included in the modification package is the ability to truncate social security information for identity protection purposes; the ability for the system to pro-rate back tax amounts and the ability to interface financial information directly into the City's PeopleSoft General Ledger.

The Business Tax Section strongly believes that with the fully updated software package, the Section will be able to increase licensing revenues by up to as much as 10% over current levels. The Section initially anticipates increases of between \$500,000 and \$750,000 dollars simply by identifying and bringing non-registered businesses into compliance. This figure is based on the ability to match data with State of California information sources, which currently cannot be done, and the ability to better report on the status of business points within the City. The GIS interface is a critical component to this process success and will be required to produce the revenue improvement that has been seen by cities similar to Fresno that have already implemented this software.

**FISCAL IMPACT**

It is anticipated that the software, including the first year's maintenance agreement as well as the related server cost will be financed over a three year period utilizing the City's Master Lease Agreement. This agreement expires on June 30, 2008, however the City is going through the RFP process for the Master Lease

REPORT TO THE CITY COUNCIL

AWARD A CONTRACT TO PROGRESSIVE SOLUTIONS, INC. AND PROCURE A SERVER

June 3, 2008

Page 2

and expects to have a new agreement in place shortly. The first year's lease payment is budgeted within current Fiscal Year 2008 appropriations.

Attachments:      Listing of Proposers and Committee Recommendation  
                         Report from Evaluation Committee and Matrix of Proposers

FOR: REQUEST FOR PROPOSALS FOR INTEGRATED CASHIERING, BUSINESS LICENSE AND ANIMAL LICENSE SYSTEM

RFP No. 2767  
RFP Opening: February 7, 2008

	PROPOSER'S (In alphabetical order)	TOTAL PROPOSAL AMOUNT
1.	CORE Business Technologies 2224 Pawtucket Avenue East Providence RI 02914	\$397,720.14
2.	HdL Software, LLC 1340 Valley Vista Drive, Suite 200 Diamond Bar CA 91765	\$93,775.00
3.	Progressive Solutions, Inc. PO Box 783 Brea CA 92822	\$315,000.00
4.	SunGard Public Sector, Inc. 1000 Business Center Drive Lake Mary FL 32746	\$81,834.25

Each proposer has agreed to allow the City one hundred twenty (120) days from date proposals were opened to accept or reject their proposal.

DEPARTMENT CONCLUSIONS AND RECOMMENDATION:

Award a contract in the amount of \$ \$315,000 (\$257,500 plus \$57,500 in system modifications (customization) to Progressive Solutions, Inc. in accordance with the Selection Committee recommendation.

Reject all proposals. Reason:

Remarks:

Progressive Solutions Inc. is the only one of four proposers who was able to meet all the specifications required in the scope of work. The core Business license permitting and Animal License software system cost is \$220,000 along with \$37,500 in annual maintenance fees total \$257,500. Progressive stated they would be able to accommodate several specific functions the City requested with a minimal amount of modifications (customization) to their software in the amount of \$57,500 which brings the total amount to \$315,000. Finance is planning on implementing the Business license, Permitting and Animal Licensing software in phases. Initially, we will install and put the core system into operation. Then we will evaluate how the functionality is working for us and see if the modifications (customization) will then be necessary.

Progressive Solutions Inc. was the only proposer to include a completely integrated Cashiering function built right into the system, along with the functionality of Balancing Forwarding, ability to share business information with the State, and the capability of connecting businesses through a Parent/Child relationship. Their system also has an extensive auditing trail coupled with an effective security system to ensure the confidentiality of our citizens. One additional feature included in the core cost if the software agreement is signed within 120 days from the date of the opening of the proposal which is 6/06/08, Progressive Solutions Inc. will include a bonus module worth \$20,000 which will allow our customers the ability to renew their licenses via the Web.

**LISTING OF PROPOSERS**

FOR: REQUEST FOR PROPOSALS FOR INTEGRATED CASHIERING, BUSINESS LICENSE AND ANIMAL LICENSE SYSTEM

RFP No. 2767  
RFP Opening: February 7, 2008

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Department Head Approval

*Angelo Bradley 2/11/08*

Title Interim City Controller / Finance Director

Date March 10, 2008

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Approve Dept. Recommendation | <input type="checkbox"/> Approve GSD/Purchasing Recommendation |
| <input type="checkbox"/> Disapprove                              | <input type="checkbox"/> Disapprove                            |
| <input type="checkbox"/> See Attachment                          |  |

GENERAL SERVICES DEPARTMENT

CITY MANAGER

*Janet Smith 3/12/08*  
Purchasing Manager Date

*[Signature] 3/13/08*  
City Manager or Designee Date

*K. Herland 3/12/08*  
Director Date

**REPORT FROM EVALUATION COMMITTEE  
REQUEST FOR PROPOSAL FOR  
INTEGRATED CASHIERING, BUSINESS LICENSE AND ANIMAL LICENSE SYSTEM**

**COMMITTEE MEMBERS:**

Kim Jackson, Management Analyst III, Finance  
Connie Alfaro, Revenue Supervisor, Finance  
Lorraine Kuroda, Management Analyst II, UB&C  
Eddie Hughes, Information Services Manager  
Ken Ishimoto, Information Services Supervisor  
Tracy Souders Buyer II City of Fresno, General Services Dept. – Purchasing Facilitator

**BACKGROUND:**

The goal of this Request for Proposal (RFP) was to solicit proposals to provide Integrated Cashiering, Business License and Animal License Software for the Finance Department. Seven proposals were sent out and four were received and opened on February 7, 2008. The other proposers were contacted to find out why they didn't submit a proposal; .All three stated that they could not fulfill the specifications. These services consist of installation of a new software system and conversion of the existing systems data. Installation services will be performed Monday – Friday, between 8:00 a.m. and 5:00p.m.

**EVALUATION BY COMMITTEE:**

Integrated Cashiering & License software is a software package that allows the Finance Department to administrate revenue collection, billing and payment processing for business licenses, animal licenses and permits issued by the City. A necessary feature for the software package was Cashiering, and the ability to interface with the City's GIS system; account balance forward; parent/child account functionality; animal license; exceptional query and reporting functionality and the ability to export accounting data to the City's General Ledger system. The Cashiering function is a critical feature that bidders must meet.

CORE Business Technologies

This proposer had the highest proposal at \$368,344.65 and was unable to meet all specifications required in the scope of work. Core Revenue Management Solutions is only a Cashiering program; they coordinated with EDEN Systems to provide the licensing portion of their proposal. The committee was very concerned with having two separate companies to coordinate with in terms of implementation, integration and service. Core was also unable to provide the parent/child relationship needed by the City to fulfill City Municipal Code. The references were checked and they were found to be excellent.

HDL Software LLC

This proposer was unable to meet the requirements of the RFP. They appear to have the second lowest cost proposal at \$93,775.00 but could not provide a critical feature, the Cashiering system, as required by the scope of work. The references were checked and the responses were good.

Progressive Solutions, Inc.

Progressive Solutions, Inc. had the second highest cost proposal at \$315,000.00 which includes \$57,500 for customization that would be completed as an option in a second phase of installation. The cost without this customization is \$257,500. Progressive Solutions was the only proposer able to meet all specifications required in the scope of work. In addition, they are including a Web Renewal Interface in their proposal that normally costs an additional \$20,000. Progressive also provides the critical feature Cashiering, Parent/Child relationships, City/State information transfer and the ability to provide the Balance forward feature. Their references were checked and they were found to be outstanding in both product and service.

Sungard Public Sector, Inc.:

This proposer offered the lowest proposal cost at approximately \$75,790 but was unable to fulfill each section of the scope of work. Sungard's proposal is for an update to the system the City currently has in place with this supplier. This update would necessitate the need for the system to be rebuilt and still would not resolve the outstanding issues that exist between the needs of the City and the Sungard H T E system. Sungard is unable to provide features such as; balance forward tracking, parent/child relationships; which are required by the City to conform to City Municipal Code requirements, and they are unable to provide a method for information transfer between City and State agencies for tracking and revenue reporting purposes. The references were checked and the response was good.

**RECOMMENDATION**

The Committee recommends award to Progressive Solutions, Inc. in the amount of \$315,000. Their proposal meets all the RFP requirements including critical components such as Cashiering, Balance Forward Tracking, parent/child relationships, City/State transfer of information. Progressive Solutions also had favorable references and a history of providing outstanding customer service. If the software agreement should be signed by June 6, 2008, within 120 days from the RFP opening, Progressive will include a bonus module worth \$20,000 allowing our customers the ability to renew their licenses via the web.

See attached

Matrix summary

**RFP FOR INTEGRATED CASHIERING, BUSINESS LICENSE AND ANIMAL LICENSE SYSTEM RFP #2767**

Proposers	CORE Business Technologies	Hdl Software LLC	Progressive Solutions, Inc.	SunGard Public Sector, Inc.
Criteria				
Ability to meet stated service Requirements	No	No	Yes	No
Past Performance	Excellent	Good	Outstanding	Good
Conformance to the terms & conditions	Exceptions taken	Exceptions taken	Exceptions taken	Exceptions taken
Performance Bond	Issue with bonding	Yes	Additional cost for bonding	Additional Cost of 3%
Years in business	20 yrs	25 yrs	29 yrs	26 yrs
Financials	Reviewed	Financial Statements can be submitted if awarded.	Financial Statements can be submitted if awarded.	Reviewed
Statement of Customization	No customization, off the shelf.	Cannot provide Parent/Child features.	Conforms	No customization, can only provide a conversion feature.
Conformance to Software System Requirements	Cannot provide Parent/Child features and other features in each section, one feature may require subcontracting.	Cannot provide a main software feature, Cashiering.	Features available in software package.	Cannot provide barcode readers, No automatic GIS updates and other features in each section.
Cost	\$397,720.14	\$93,775.00	\$315,000	\$81,834.25

**NOTICE OF STAFF DETERMINATION OF CONTRACT AWARD**

Posted: March 17, 2008

Staff has determined the following to be the lowest responsible bidder(s) for the project(s) listed below.

Any bidder having a specific interest in the award of a contract may file an appeal of the staff determination of contract award in accordance with Resolution 2003-129. **Note:** Resolution 2003-129 does not apply to Request for Proposals, (RFP's), Request for Qualifications (RFQ's), or Request for Information (RFI), *unless specifically included in the specifications.*

**Council Meeting March 25, 2008**

2748	No Neighborhood Left Behind Area 38 (\$245,941.50)	<b>JWT General Engineering</b>
2759	Blackstone and Bullard Intersection Improvements (\$1,441,132)	<b>Henderson Construction Company</b>
2767	Request for Proposals for Integrated Cashiering, Business License and Animal License System (\$315,000)	<b>Progressive Solutions Brea, CA</b>
2769	Whitesbridge Road Reconstruction Project-HUD (\$754,632)	<b>American Paving</b>
8931	Requirements Contract to Provide Paint for Graffiti Abatement (\$96,756.72)	<b>Pittsburg Paint</b>

**Reminder to Support Staff: Update in Filemaker and BidsOnline**