



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: May 22, 2014 REPORT NO: 14-045
ATTENTION: Budget & Government Efficiency Committee
SUBJECT: IT Sourcing - Vendor EOCP Update & Presentations

REQUESTED ACTION:

This is an informational report. No Action is required on the part of the Committee or the City Council.

STAFF RECOMMENDATION:

Accept Report.

BACKGROUND

On April 15, 2011, the City issued RFP #10015345-11-Z for IT Services, with an original due date of June 2, 2011 for proposals to be received. There were five Addenda (A-E) issued between April 19, 2011 and June 2, 2011, with a final proposal due date of June 23, 2011.

The solicitation contained certain minimum requirements, including public sector experience in providing similar services to other government organizations in the United States, to ensure only fully qualified vendors submitted proposals to meet the City's IT service needs. As with all major service contracts, the solicitation included a voluntary subcontractor participation requirement of 20% of the total proposal price for Small Local Business Enterprise (SLBE) and Emerging Local Business Enterprise (ELBE) firms. This is in accordance with Council Policy 100-10 Small Local Business Preference for Goods, Services and Consultant Contracts.

The City awarded three large contracts for informational technology services to Atos, CGI Technologies and Solutions, Inc. and Xerox State & Local Solutions, Inc.

SUMMARY:

This past September, staff provided the Budget & Finance Committee with a report detailing the subcontracting participation levels and the efforts made by the Citywide IT Service Providers for FY13 (period 07/01/12 to 06/30/13). Due to subcontracting participation concerns, staff committed to continue monitoring the vendors subcontracting participation levels and to return with the Citywide IT Service Providers to present their reports detailing the subcontracted dollars committed for FY14 and programmatic status of efforts made to maximize subcontracting opportunities to certified SLBE/ELBE firms.

The vendor reports for the first six months of FY14 (period 07/01/13 to 12/31/13) are attached.

CGI Technologies and Solutions, Inc. (\$70,644,132 not to exceed; 5 year term)

CGI Technologies and Solutions, Inc. provides application support services for the City. The attached report provided by CGI (Attachment 1) indicates they met their commitment of 80 local staff members supporting the City of San Diego. Of the 80, there are 3 SLBE sub-contracted FTEs. CGI continues to pursue Master Services Agreements with local Staffing Firms who meet the City's SLBE or ELBE status requirements. To date, agreements are in place with 5 certified firms. In addition, CGI has identified several potential projects for various application support services between FY14 through FY18, cumulatively estimated at \$7.3 million. In efforts to increase SLBE/ELBE participation, an estimated \$2.5 Million (34%) has been identified for potential increased opportunities with SLBE/ELBE certified vendors.

The following chart provides a summary of CGI's total spend to subcontractors:

Fiscal Year	Contract Amount for FY	Subcontracted Dollars	Certified Firms	Non-Certified Firms
2013*	\$12,370,961.00	\$2,334,763.00	\$689,495.00 (5.6%)	\$1,645,268.00 (13.3%)
2014**	\$12,316,248.00	\$1,375,425.97	\$326,814.50 (2.7%)	\$1,048,611.47 (8.5%)

*Reporting Period FY 13 (07/12 – 06/13)

**Reporting Period FY 14 (07/13 – 12/13)

Xerox State & Local Solutions, Inc. (\$66,162,114 not to exceed; 5 year term)

Xerox State and Local Solutions, Inc. provides network support for the City of San Diego. Xerox provided support for the transition and transformation activities related to the Atos data center move to Texas for FY13 and the first half of FY14. Xerox also provided support for the new voice-over internet protocol (VOIP) phone systems, which was completed in December 2013. Xerox has noted that they were able to utilize a certified SLBE firm to assist with the VOIP transition. Additionally, Xerox noted they established an agreement with a firm to provide consulting to the City Library on the e-Rate program. The attached report provided by Xerox (Attachment 2) indicates they met their commitment of 22 local staff members supporting the City of San Diego with network services. Xerox continues to provide assistance and training to local college students through their summer internship program. Currently, Xerox has hired one college intern to assist with the security delivery tower.

The following chart provides a summary of Xerox's total spend to subcontractors:

Fiscal Year	Contract Amount for FY	Subcontracted Dollars	Certified Firms	Non-Certified Firms
2013*	\$15,101,065.00	\$4,294,166.00	\$113,014.00 (0.75%)	\$4,181,152.00 (27.7%)
2014**	\$11,816,145.00	\$2,205,561.00	\$0.00 (0.0%)	\$2,205,561.00 (18.7%)

*Reporting Period FY 13 (07/12 – 06/13)

**Reporting Period FY 14 (07/13 – 12/13)

Atos (\$47, 123,396 not to exceed; 5 year term)

Atos provides support bundled into three primary services- data center services, service desk support and desktop support. The City's primary data center was moved from the SDDPC Rose Canyon facility to Atos data centers located in the cities of Arlington and Carrollton, Texas. Atos spent all of FY13 and the first half of FY14 on transition and transformation activities to ensure the City's move of applications and infrastructure to the new Atos data centers located in Texas were affected as minimally as possible. According to Atos, the migration process and location of the new data center minimized opportunities for SLBE/ELBE certified firms and is reflected in the current spend data.

The transition from the En Pointe service desk to the Atos service desk occurred on July 1, 2013. Atos also spent the first half of FY14 on transition and transformation activities in relation to this service, which is located in Mason, Ohio. Again, Atos indicated that the migration process and location of the new service desk center minimized opportunities for SLBE/ELBE certified firms, reflected in the current spend data.

The desktop support team is based in San Diego and collaborates with the team in Mason, Ohio. The report provided by Atos (Attachment 3) indicates the original estimated 33 local San Diego positions were revised to 32 after a scope adjustment. Atos' local staff currently stands at 32 with 3 additional contracted resources. Additionally, Atos also hired 2 local FTE's to support the San Diego City Employee Retirement System (SDCERS). The FY 14 Refresh Program was created for the replacement of 3200+ General Fund computers that were not in compliance with the Citywide Windows 7 upgrade project. Per the service contract, Atos was obligated to perform computer hardware installation. Atos has sub-contracted PCM Sarcom for the Refresh Program and other computer hardware orders. This agreement supports an additional 5 local FTE's. Atos continues to entertain Master Services Agreements with a local staffing firm who meets the City's SLBE or ELBE status requirements. To date, agreements are in place with 1 certified firm. In addition, staff has identified an opportunity for Atos to leverage a SLBE on a new project. Atos is partnering with a SLBE to inventory, decommission, and dispose of old SDDPC assets at the Rose Canyon SDDPC buildings.

The following chart provides a summary of Atos's total spend to subcontractors:

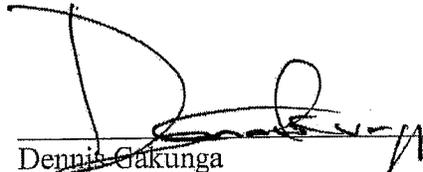
Fiscal Year	Contract Amount for FY	Subcontracted Dollars	Certified Firms	Non-Certified Firms
2013*	\$9,418,787.00	\$308,277.00	\$0.00 (0%)	\$308,277.00 (3.3%)
2014**	\$8,182,390.00	\$645,319.89	\$88,218.00 (1.0%)	\$557,101.89 (6.8%)

*Reporting Period FY 13 (07/12 – 06/13)

**Reporting Period FY 14 (07/13 – 12/13)

CONCLUSION:

In efforts to increase SLBE/ELBE participation, the IT Department's City Relationship Managers (CRM) Team is actively working with City departments to identify upcoming projects for potential opportunities. Additionally, staff has established a monthly meeting schedule with CGI, Xerox, and Atos to monitor and assist with maximizing outreach.


Dennis Cakunga
Purchasing & Contracting Department Director


Jeff Sturak
Deputy Chief Operating Officer

Attachment(s):

1. CGI Technologies and Solutions Inc. FY 13 Report (Period 07/13 – 12/13)
2. Xerox State & Local Solutions, Inc. FY 13 Report (Period 07/13 – 12/13)
3. Atos FY 13 Report (Period 07/13 – 12/13)

ATTACHMENT 1

Equal Opportunity Contracting Program
IT Services Annual Status Report

FY'14 Period 7/1/2013 to 12/31/2013 Report*

Company Name: CGI Technologies and Solutions Inc.
Local Diversity & Outreach Coordinator: Steven Newstrom
(Name, Address and Phone #) 707 Wilshire Blvd, Suite 4325
Los Angeles, CA 90017

Contract Information*

Total Contract Value: \$ 70,644,132.00
Total Subcontract Value: \$ _____
(please complete attached form)

Status of Programs Specifically Developed for San Diego:
(Please list each Program and provide the activities completed)

From a staffing perspective, CGI has committed to an estimated 80 staff members located in San Diego supporting the ADM Services in Contract Year 2. As of 12/31/13, we have 80 staff members total supporting the City of San Diego. Of the 80 staff members there are 3 SLBE sub-contract FTEs.

CGI continues to pursue Master Services Agreements with local Staffing Firms who meet the City's SLBE or ELBE status requirements. To-date, agreements are in place with:

- IMG Networks
- Quartic
- Evari GIS Consulting
- Zora
- Island Staffing

We have had discussions with others but have not come to agreement on specific terms and conditions.

*Fiscal Year 2014 period ending 12/31/2013

**Equal Opportunity Contracting Program
IT Services Annual Status Report**

FY14 Period 7/1/2013 to 12/31/2013 Report*

Company Name: Xerox State & Local Solutions, Inc.

Local Diversity & Outreach Coordinator: Scott Sanders
(Name, Address and Phone #) 5975 Santa Fe Street
San Diego, CA 92109

Contract Information*

Total Contract Value: \$ 66,162,114

Total Subcontract Value: \$ 2,205,561
(please complete attached form)

Status of Programs Specifically Developed for San Diego:
(Please list each Program and provide the activities completed)

We established a subcontract agreement with Tech-Masters to provide consulting to the City Library on the e-Rate program and funded that activity up to \$20K this year. We exceeded our \$10K commitment and Tech-Masters' work enables the Library to receive about \$300,000 each year.

We completed the Voice over IP Transformation project in December, 2013 and used Precision Voice and Data Solution in assisting with that project. Our funding of Precision Voice and Data exceeded \$90K in 2013. This is a San Diego based woman-owned small business.

Xerox has hired a number of former SDDPC employees and our current local employee count is 22 Full Time Employees.

Xerox hired April Ollero as a college intern in our Security Delivery Tower. We seek additional qualified college interns and will hire based on opportunity and merit.

**Equal Opportunity Contracting Program
IT Services Annual Status Report**

FY'13 Period 7/1/2013 to 12/31/2013 Report*

Company Name: Atos

*Local Diversity & Outreach Coordinator:
(Name, Address and Phone #)* Thomas Pisegna
1010 2nd Ave Suite 500 East Tower
San Diego, CA 92101

*Contract Information**

Total Contract Value: \$ 47,123,396.00

Total Subcontract Value: \$ _____
(please complete attached form)

Status of Programs Specifically Developed for San Diego:

(Please list each Program and provide the activities completed)

From a staffing perspective, Atos originally estimated 33 local San Diego positions. That was revised to 32 after City initiated a scope adjustment. Atos local staff currently stands at 32 with 3 additional contracted resources. In addition to this we also have hired two local staff in support of the San Diego City Employee Retirement System (SDCERS). As part of the City's FY14 Refresh Program Atos is sub-contracting with PCM. That agreement will support an additional 5 local staff. Atos also has leveraged a local SLBE staffing company to fulfill local staffing needs at City of San Diego and at one of our national accounts. Atos is also in the process of contracting with a local SLBE company to provide services to the City of San Diego starting in late April 2014 for the SDDPC Data Center decommissioning project.

Atos continues to entertain Master Services Agreements with local a staffing firm who meet the City's SLBE or ELBE status requirements. To-date, agreements are in place with:

- Island Staffing
- Atos is in discussions with one other local SLBE and close to agreement on specific terms and conditions for project work within San Diego.

*Fiscal Year 2013 period ending 6/30/2013

ATTACHMENT 3

ANNUAL INVOICING REPORT

Prime Contractor: Atos
 Project Title: Atos Expenses From Jul 1st - Dec 31st, 2013
 Contact Person and Phone: Tom Pisegna 858-208-6164 or Ana Dedetic 619-851-4334
 Fiscal Year: 2013
 Proposal Number: RFP-10015345
 Original Contract Amount: \$47,123,396.00
 Contract Amount to Date: \$5,830,611

SUBCONTRACTORS / SUPPLIERS (List Name(s) of Subcontractors / Suppliers)	DBE / DVEB / DBE / MBE / WBE / SDBE / WOSB / HUBZone / SDVOSB	Actual Start Date	Date of Last Invoice	Dollar Amount Paid This Month	Amount Invoiced to Date	COMBINED AMOUNTS PAID TO DATE		ORIGINAL COMMITMENT	Change Order Paid This Month
						Dollar Amount	% of Contract		
SARCOM		July 2013	Feb 2014		\$169,707.89		\$169,707.89		
Island Staffing		July 2013	Feb 2014		\$88,213		\$88,213		
San Diego Data Processing Corporation		July 2013	November 2013		\$296,854		\$296,854		
ReControl		July 2013	February 2014		\$69,000		\$69,000		
Ace Parking		September 2012	March 2014	\$7,130	\$21,560		\$21,560		
VENDOR SUPPLIERS:									
TOTAL DBE SUBCONTRACTORS / SUPPLIERS*									
TOTAL DVEB SUBCONTRACTORS / SUPPLIERS*									
TOTAL OBE SUBCONTRACTORS / SUPPLIERS									
TOTAL MBE SUBCONTRACTORS / SUPPLIERS*									
TOTAL WBE SUBCONTRACTORS / SUPPLIERS*									
TOTAL ELBE SUBCONTRACTORS / SUPPLIERS*									
TOTAL SDBE SUBCONTRACTORS / SUPPLIERS*									
TOTAL WOSB, SUBCONTRACTORS / SUPPLIERS*									
TOTAL HUBZone SUBCONTRACTORS / SUPPLIERS*									
TOTAL SDVOSB SUBCONTRACTORS / SUPPLIERS*									

(Rev. 09/2012)

Form Title: MONTHLY INVOICING REPORT
 Form Number: CC25
 *Certified by the City and/or a City approved Agency