



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: January 28, 2015 REPORT NO: 15-005
ATTENTION: Budget & Government Efficiency Committee
SUBJECT: IT Sourcing - Vendor EOCP FY 15 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 City awarded three large contracts for informational technology services to Atos, CGI Technologies and Solutions, Inc. and Xerox State & Local Solutions, Inc.

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 service contracts, the solicitation included a voluntary subcontractor participation 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.

SUMMARY:

On October 29, 2014, staff provided the Budget & Government Efficiency Committee with a report detailing the subcontracting participation levels and the efforts made by the Citywide IT Service Providers for the year-end of FY14 (period 07/01/13 to 6/30/14). Due to subcontracting participation concerns, the Committee requested for staff to return with the Citywide IT Service Providers to present their reports detailing the subcontracted dollars committed for the first quarter of FY15 and programmatic status of efforts made to maximize subcontracting opportunities to certified SLBE/ELBE firms.

The vendor reports for the first quarter of FY15 (period 07/01/14 to 9/30/14) 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. In their original submitted proposal, CGI had a subcontracting commitment of 2% of the total contract value with other (non-certified) subcontractors. The overall certified subcontractor spend amount for FY14 was \$693K (5.6%). The attached report provided by CGI indicates the certified subcontractor spend amount was \$165K (1.49%) for the first quarter of FY15 (Attachment 1).

Positive Trends

CGI has maintained their local hire commitment and has two planned college hires (one additional hire from the previous reporting period). CGI is currently utilizing Quartic Solutions (woman-owned ELBE) and RJIT Consulting (minority-owned ELBE), whose participation will total \$500K by the end of FY15.

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

Fiscal Year	Contract Amount for FY	Subcontracted Dollars	Certified Subcontractors	Other Subcontractors
2014*	\$12,316,248	\$3,017,087	\$693,026 (5.6%)	\$2,324,061 (18.8%)
2015**	\$11,144,567	\$613,387	\$165,599 (1.49%)	\$447,788 (4.02%)

* Reporting Period FY 14 (07/01/13 – 06/30/14)

**Reporting Period FY 15 (07/01/14 – 09/30/14)

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. In their original submitted proposal, Xerox did not have a subcontracting commitment. The certified subcontractor spend amount at the end of FY14 was \$68K (0.58%). The attached report provided by Xerox indicates that certified subcontractors were not utilized in the first quarter of FY15 (Attachment 2).

Positive Trends

Xerox has continued to exceed their original local hire commitment of 18 employees and currently utilizes 22 local hires. They are continuing to encourage their subcontractors to seek certification with the City's SLBE/ELBE program. Xerox is also working with Island Staffing (ELBE) to identify potential opportunities for future projects.

Staff is currently working to connect Xerox with SLBE/ELBE firms who provide cable installation and repair services. There are currently 31 City-certified firms who were identified as a firm providing this type of service.

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

Fiscal Year	Contract Amount for FY	Subcontracted Dollars	Certified Subcontractors	Other Subcontractors
2014*	\$11,816,145	\$9,437,828	\$68,730 (0.58%)	\$9,369,098 (79.3%)
2015**	\$11,725,718	\$2,164,063	\$0.00 (0.00%)	\$2,164,063 (18.46%)

* Reporting Period FY 14 (07/01/13 – 06/30/14)

**Reporting Period FY 15 (07/01/14 – 09/30/14)

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. In their original submitted proposal, Atos did not have a subcontracting commitment. The total certified subcontractor spend amount for FY14 was \$141K (1.73 %). The attached report provided by Atos indicates that the certified subcontractor spend amount was \$62K (0.80%) for the first quarter of FY15 (Attachment 3).

Positive Trends

Atos is currently utilizing 38 local hires, exceeding their original commitment by 5. Atos continues to utilize Spectraforce Technologies (certified MBE) for the decommissioning of the SDDPC Rose Canyon Data Center. They are also continuing to utilize Island Staffing (ELBE), and PCM Sarcom (previously used by SDDPC) for the City's FY14 Refresh Program.

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

Fiscal Year	Contract Amount for FY	Subcontracted Dollars	Certified Subcontractors	Other Subcontractors
2014*	\$8,182,390	\$1,360,353	\$141,722 (1.73%)	\$1,218,631 (14.9%)
2015**	\$7,683,606	\$863,691	\$62,183 (0.80%)	\$801,508 (10.4%)

* Reporting Period FY 14 (07/01/13 – 06/30/14)

**Reporting Period FY 15 (07/01/14 – 09/30/14)

Outreach

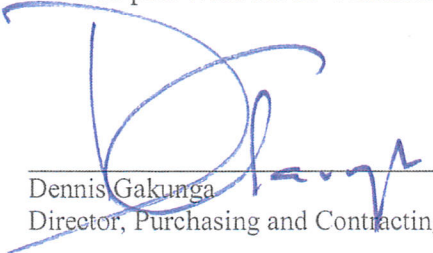
As previously mentioned, staff is currently working to connect Xerox with SLBE/ELBE firms who provide cable installation and repair services. There are currently 31 City-certified firms who were identified as a firm providing this type of service.

The City also plans to conduct another IT Outreach Event at the Balboa Park Club in the spring in collaboration with EOC, the Department of IT, and all three IT service providers. Staff plans

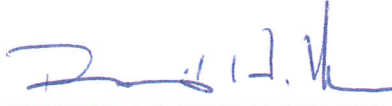
to distribute event information to local jurisdictions & organizations and all council offices, as well as utilizing Planet Bids (e-Procurement web portal) and PRISM (compliance/certification web portal) to inform potential participants of the event.

CONCLUSION:

In efforts to increase SLBE/ELBE participation, City staff continues to meet monthly with the City's three IT vendors and City departments to identify upcoming projects for potential opportunities. Staff is also continuing outreach and networking efforts to identify SLBE/ELBE firms to pair with the IT vendors.



Dennis Gakunga
Director, Purchasing and Contracting



Ronald H. Villa
Deputy Chief Operating Officer, Internal
Operations

Attachment(s):

1. CGI Technologies and Solutions Inc. FY15 Report
(Period 07/01/14 – 09/30/14)
2. Xerox State & Local Solutions, Inc. FY15 Report
(Period 07/01/14 – 09/30/14)
3. Atos FY15 Report
(Period 07/01/14 – 09/30/14)

Equal Opportunity Contracting Program IT Services Annual Status Report

Fiscal Year 2015*

Company Name: CGI Technologies and Solutions Inc.

Local Diversity & Outreach Coordinator: Ben Thompson
(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: \$ 613,387.00
(please complete attached form)

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

CGI continued to identify opportunities to increase SLBE participation. CGI has identified a SLBE sub contractor that started in July 2014 that will increase participation by \$200k annually.

CGI increased steady state maintenance participation by 0.50 FTE in August 2014 which is backfill for attrition

CGI has identified opportunities to add additional SLBE vendors as part of our operations for janitorial and office supplies.

One of Seven (7) opportunities has been awarded to CGI that will increase SLBE participation by \$300k in FY15. There are 6 remaining opportunities targeted for FY15 and FY16 for a total SLBE revenue of \$2M.

Highlights:

- Local Hires
 - 72 Local Hires (Committed to 72 Local Hires)
 - 2 college hires planned for December 2014
- SLBE Participation
 - \$165k in Q1 of FY15
- SLBE Future Participation
 - 1 Project awarded in FY15 with SLBE participation for approximately \$300K (Oct 14 thru June 15)
 - Added SLBE Sub Contractor in July 2014 - \$200K annual (RJIT Consulting)
 - Added 0.5 FTE SLBE Sub Contractor to backfill attrition on steady state services (Aug 2014)
 - Added SLBE vendors for janitorial and office supply services (Aug 2014)
 - 6 Projects in FY15 and FY16 for approximately \$2.0M additional SLBE participation revenue

* Reporting Period 7/1/14 – 9/30/14

Equal Opportunity Contracting Program IT Services Annual Status Report

Fiscal Year 2015*

Company Name: Xerox State & Local Solutions, Inc.

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

Contract Information *

Total Contract Value: \$66,162,114

Total Subcontract Value: \$2,164,063

Status of Programs Specifically Developed for San Diego:

Xerox committed to hiring 18 local San Diego Data Processing Corporation (SDDPC) employees in support of the City's Network and Security services. We exceeded that commitment and hired 22 former SDDPC employees.

Xerox committed to exploring partnerships with local small, minority, woman, and veteran-owned businesses, for future projects. Xerox continues to explore partnerships with local businesses on potential opportunities.

Xerox continues to encourage subcontractor firms, Cable Inc. and TechMasters, to register as Small Local Business Enterprise (SLBE) with the City's Equal Opportunity Contracting Program.

Xerox submitted a CAD Replacement Proposal to the City in October that allocated 10% of the implementation for that proposed project to Dynamik Inc., a WBE.

Xerox is working with local certified SLBE's such as Island Staffing to determine if they can provide technical staffing for future project work.

* Reporting Period 7/1/14 – 9/30/14

ANNUAL INVOICING REPORT

Prime Contractor: Xerox State & Local Solutions, Inc. Fiscal Year: 2015 (through 09/30/14)
 Project Title: City of San Diego, IT Services Proposal Number: 10015345-11-Z
 Contact Person and Phone: Kristina Lindsey Original Contract Amount: 66,162,114
Contract Amount to Date: 2,350,142

SUBCONTRACTORS/SUPPLIERS (List Names of all Sub-contractors/Suppliers)	DBE D/VBE WBE, MBE LDBE, SLBE, WOSB, HCBZ/one OK SDB/O.SB.	Actual Start Date	Date of Last Invoice	Dollar Amount Paid This Month	Amount Invoiced to Date	CUMULATIVE AMOUNTS PAID TO DATE		ORIGINAL COMMITMENT		Change Order/Amendments This Month
						Dollar Amount	% of Contract	Dollar Amount	% of Contract	
SUBCONTRACTORS:										
Technmasters		9/1/2012	9/30/2014	\$1,300	\$ 3,650.00	\$ 3,650.00	0.0%	\$ 10,000	37%	
VENDORS/SUPPLIERS:										
Accuvant		7/1/2013	6/19/2014	\$0	\$ -	\$ -	0.0%			
AT&T		7/1/2012	9/29/2014	\$461,912	\$ 1,403,362.12	\$ 1,403,362	12.2%	\$ 3,416,088	41%	
Avotus		11/1/2013	9/30/2015	\$1,224	\$ 1,224.00	\$ 1,224.00	0.0%			
Cable Inc		7/1/2012	9/30/2014	\$113,020	\$ 280,599.25	\$ 280,599	2.4%			
CDW		7/1/2012	9/13/2014	\$5,893	\$ 6,063.59	\$ 6,063.59	0.1%			
Cisco		7/1/2012	9/1/2014	\$97,500	\$ 290,359.71	\$ 290,359.71	2.5%			
Commworks		12/1/2012	2/27/2014	\$0	\$ -	\$ -	0.0%			
CoreXchange		11/1/2012	3/5/2014	\$297	\$ -	\$ -	0.0%			
Cox Communications		7/1/2012	9/14/2014	\$32,088	\$ 96,591.94	\$ 96,592	0.8%			
Ingram Micro		7/1/2012	9/17/2014	\$2,763	\$ 18,243.90	\$ 18,243.90	0.2%			
NEC		7/1/2012	1/17/2014	\$9,408	\$ -	\$ -	0.0%			
Precision Voice & Data Solutions		12/1/2012	8/2/2013	\$0	\$ -	\$ -	0.0%	\$ 90,000	0%	
SARCOM		12/1/2012	1/22/2014	\$0	\$ -	\$ -	0.0%			
Sprint		7/1/2012	9/30/2014	\$672	\$ 2,026.06	\$ 2,026	0.0%			
Time Warner		7/1/2012	9/15/2014	\$16,256	\$ 48,769.44	\$ 48,769.44	0.4%			
Trilogy		1/1/2013	9/1/2014	\$4,391	\$ 13,172.93	\$ 13,174	0.1%			

Vega	SBE	1/1/2013	2/24/2014	SO	\$	\$	\$	0.0%
TOTAL DBE SUBCONTRACTORS / SUPPLIERS*								
TOTAL DVBE SUBCONTRACTORS / SUPPLIERS*								
TOTAL OBE SUBCONTRACTORS / SUPPLIERS								
TOTAL WBE SUBCONTRACTORS / SUPPLIERS*								
TOTAL ELBE SUBCONTRACTORS / SUPPLIERS*								
TOTAL SLBE SUBCONTRACTORS / SUPPLIERS*								
TOTAL W6SB, SUBCONTRACTORS / SUPPLIERS*								
TOTAL HUBZone SUBCONTRACTORS / SUPPLIERS*								
TOTAL SDVOSB SUBCONTRACTORS / SUPPLIERS*								
Total Spend					\$	2,164,064		19%
TOTAL AMOUNT PAID TO PRIME					\$	2,350,142		20%

I certify under penalty of perjury that the foregoing is true and correct.

Authorized Signature

Printed Name / Title

Date

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

(Rev. 09/2012)

Equal Opportunity Contracting Program IT Services Annual Status Report

Fiscal Year 2015*

Company Name: Atos _____

Local Diversity & Outreach Coordinator: Thomas Pisegna _____
(Name, Address and Phone #) 1010 2nd Avenue _____
San Diego CA 92101 _____
(858) 208 6164 _____

Contract Information*

Total Contract Value: \$47,123,396 _____

Total Subcontract Value: \$1,464,867.85 _____
(please complete attached form)

Status of Programs Specifically Developed for San Diego:

(Please list each Program and provide the activities completed)

Staffing Report

- Prior to contract start Atos estimated 33 local San Diego positions
- The number was revised to 32 after infrastructure transformation
- The current local number stands at 38:
 - Data Center Tower = 17
 - End User Services = 14
 - Account Management Office = 5
 - SDCERS = 2
- Atos has augmented its regular staff with 3 contracted resources
 - Resources are hired after attainment of CLETS certification
- Atos has reduced down to 2 local subcontracted staff with CLETS certification in support of SDPD
- Atos has hired 2 local staff to provide onsite support to San Diego City Employee Retirement System (SDCERS)
- There has been no attrition of the SDDPC employees hired into Atos
 - Atos has promoted former SDDPC employees to Management and Senior Architect positions
 - Some of those employees are being leveraged on other accounts as well as CoSD
 - East Coast and Central Coast accounts have benefitted from the expertise provided by the local San Diego Atos employees
- As part of the City's FY14 Refresh Program Atos continued to sub-contract with Island Staffing and PCM
- That agreement is supported by additional 8 local staff
- Atos has leveraged SLBE staffing company to fulfill local staffing needs for the City of San Diego and other national accounts
- Atos has an agreement in place with an SLBE company to provide services to the City of San Diego starting in mid-June 2014 for the SDDPC Data Center decommissioning project.

* Reporting Period 07/01/14 -09/31/2014

Equal Opportunity Contracting Program IT Services Annual Status Report

- Atos has engaged with an SLBE (Spectraforce) to successfully deliver Phase 1 and Phase 2 of the Rose Canyon Data Center Dissolution project
- Atos has sub-contracted Phase 3 of the project to Spectraforce
- The Atos Account and Procurement team has been contacting and working with local San Diego and San Diego County firms to identify areas where work can be sub-contracted while maintaining the committed to services and pricing
- Atos continues to progress on Master Services Agreements with local a staffing firm who meet the City's SLBE or ELBE status requirements
- Atos Account Team attended local IT function with SLBEs and ELBEs in order to connect and expand relationships in support of CoSD and other local initiatives on 9/18/2014
- Atos Account Team participated in the City sponsored Information Technology (IT) Outreach Event on 09/23/2014 in an effort to expand its portfolio of SLBEs
- Atos Account Team met with SLBE CEOs and visited their facilities between 10/2/2014 and 10/17/2014 in an effort to put working agreements in place
- Atos Account Team has identified 3 registered SLBEs that will be leveraged for two new Microsoft related projects at CoSD

** Reporting Period 07/01/14 -09/31/2014*

ANNUAL INVOICING REPORT

Prime Contractor: Atos
 Project Title: Atos Expenses From July 1st - Sept 31st, 2014
 Contact Person and Phone: Tom Pisegna 858-208-6164 or Ana Dedeic 619-851-4334

Fiscal Year: 2015
 Proposal Number: RFP-10015345
 Original Contract Amount: \$47,123,396
 Contract Amount to Date: \$8,199,731

SUBCONTRACTORS / SUPPLIERS (List Names of all Subcontractors / Suppliers)	DBE, DBBE, OBE, MBE, WBE, ELBE, SBE, WOSB, HUBZone, OR SDVOSB*	Actual Start Date	Date of Last Invoice	Dollar Amount Paid This Month	Amount Invoiced to Date	CUMULATIVE AMOUNTS PAID TO DATE		ORIGINAL COMMITMENT	Change Order Paid This Month
						Dollar Amounts	% of Contract		
SUBCONTRACTORS:									
SARCOM	Local Office	July 2014	Sept 2014	\$65,570.75	\$761,026.1	\$906,631.56	11.06%	\$0	
Spectraforce Technologies	MBE	July 2014	July 2014	\$20,423.5	\$20,423.5	\$20,423.5	0.25%	\$0	
E-Arc	Local Office	Sept 2014	Sept 2014	\$0	\$761.40	\$761.40	0.000016%	\$0	
Island Staffing	SLBE	July 2014	Sept 2014	\$13,920	\$41,760	\$41,760	0.008886%	\$0	
VENDORS/SUPPLIERS:									
Ace Parking	Local HQ	Sept 2012	Sept 2014	\$1,530	\$39,720	\$39,720	0.48%	\$0	
TOTAL DBE SUBCONTRACTORS / SUPPLIERS*									
TOTAL DBBE SUBCONTRACTORS / SUPPLIERS*									
TOTAL OBE SUBCONTRACTORS / SUPPLIERS									
TOTAL MBE SUBCONTRACTORS / SUPPLIERS*									
TOTAL WBE SUBCONTRACTORS / SUPPLIERS*									
TOTAL ELBE SUBCONTRACTORS / SUPPLIERS*									
TOTAL SBE SUBCONTRACTORS / SUPPLIERS*									
TOTAL WOSB, SUBCONTRACTORS / SUPPLIERS*									
TOTAL HUBZone SUBCONTRACTORS / SUPPLIERS*									
TOTAL SDVOSB SUBCONTRACTORS / SUPPLIERS*									
TOTAL AMOUNT PAID TO PRIME									

I certify under penalty of perjury that the foregoing is true and correct.

Authorized Signature _____ Printed Name / Title _____ Date _____