



Staff Report

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH SOFTRESOURCES, LLC FOR PREPARATION OF A TECHNOLOGY MASTER PLAN IN AN AMOUNT NOT TO EXCEED \$ 69,845.00.

Honorable Mayor and Council Members:

Summary

The Executive Technology Consultant Committee consisting of the City Manager, Finance Director and Information Services Manager, hereafter referred to as Staff, interviewed six potential vendors and two finalists for preparation of a comprehensive Technology Master Plan that identifies future hardware, software and related needs of the City of Belmont over the next five years. Staff recommended the final selection of SoftResources, LLC to perform the requested work based on the comprehensiveness of their proposal, confirmed references of quality of their past work, responsiveness to the City's strict completion schedule, experience and price.

Approval of the attached resolution would authorize the City Manager to execute an agreement with SoftResources, LLC in the amount not to exceed \$ 69,845.00.

Background and Discussion

The original Technology Master Plan was created in 1999. This plan was to provide the city with a timeline including specific goals over a 5 year period. The vast majority of those goals were accomplished within the 5 years. The Plan was updated in 2004 by the Technology Steering Committee with approval from the Senior Management Team and then adopted by the City Council.

Staff determined that a successful project will need to be based on a long term enterprise wide strategy and solution. Furthermore, the Plan will need to be comprehensive and include the following elements: review the City's existing software and interconnectivity for maximum utility; and make recommendations on selection of Finance, Human Resources and other departmental software; determine and recommend an appropriate server platform, based on the software recommendation; integrate telecommunications and computer capabilities to take advantage of emerging technologies, with particular emphasis on E-commerce. It is the consensus of staff that we provide an environment for our citizens and customers to be able to conduct City business online 24x7 wherever possible.

Selection process

Staff formulated a list of 15 potential vendors. After staff discussion, which included review of vendor background, prior engagements within the State of California, and other polled agency recommendations, a short-list of 5 remained. On March 6, 2007, an informational document consisting of background information, expected results and current hardware and software inventories was sent to Client First, Pacific Technologies Inc., SoftResources, Accenture and GFOA (Government Financial Officers Association). The listed vendors were scheduled for interviews during the following week with the Executive Technology Committee. Accenture declined the invitation to interview.

The interview areas discussed with each potential vendor were:

- Background of each vendor
- Experience and background as related to City governments
- Similar project engagements
- Last four or five engagements
- Potential individuals assigned to this project and their background
- Envisioned process of this engagement
- Ideas around streamlining the Technology Master Plan and ERP (Enterprise Resource Planning) recommendations
- Estimated hours and hourly rates and the billing process
- Envisioned time frame this engagement would require, up to and including completion

Following analysis and review of interviews with Client First, Pacific Technologies Inc., GFOA and SoftResources, LLC, staff concluded that two of the firms demonstrated ability to present information in a user friendly format and could work within the scope set out by the City. However, after a second round of interviews with Staff, SoftResources, LLC excelled in several important technical areas, namely clarity of their proposal, responsiveness to the City’s needs, preparation of similar Plans for other municipalities and a willingness to ‘think outside the box’.

This is an estimated project schedule and may change based on availability of City personnel for meetings, availability of software vendor resources, and other factors. The project is set to begin the week of July 9, 2007.

Phase	Description	Timing
I	Requirements	1-2 Weeks
II	Research	4-5 Weeks
III	Demos	3-4 Weeks
IV	Decision	2-3 Weeks
V	Strategic Systems Plan	2-3 Weeks
VI	Contract Review	2-3 Weeks
Total Project Estimate		14-20 Weeks

Attached for City Council's consideration is the Agreement for Professional Services and a resolution.

General Plan/Vision Statement

No impact.

Fiscal Impact

The cost of executing the agreement with SoftResources, LLC is \$69,845.00. City Council approved a total budget of \$80,000 to fund the initial cost of the consultant project. The proposed recommendation is consistent and covered within the Adopted FY 2007 budget. Funding is adequate in Account #620-4142-2142-9040.

Once the Plan is complete, City Council will have a five year cost analysis and staff will prepare specific recommendations on how the Plan will be financed.

Public Contact

Posting of City Council agenda.

Recommendation

It is recommended that the City Council concur with the contract execution for professional services with SoftResources, LLC to prepare a Technology Master Plan not to exceed \$ 69,845.00.

Alternatives

1. Deny recommendation.
2. Refer matter back to staff for more information, or additional options.

Attachments

1. Resolution
2. Proposal

Respectfully submitted,

Valerie Harnish
Information Services Manager

Jack R. Crist
City Manager

Staff Contact:

Valerie Harnish, Information Services Manager

650.637.2970

Valerie@belmont.gov

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT
AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL
SERVICES AGREEMENT WITH SOFTRESOURCES, LLC FOR THE PREPARATION
OF A TECHNOLOGY MASTER PLAN IN AN AMOUNT NOT TO EXCEED \$ 69,845,00**

WHEREAS, The City of Belmont is interested in utilizing currently owned systems to the extent practical; and

WHEREAS, Establishing standardization of software, including identification of a comprehensive municipal software for operating departments is needed; and

WHEREAS, Developing a five year information technology strategy; and

WHEREAS, Developing a five year cost analysis is an important consideration for City Council in determining an appropriate technology strategy; and

WHEREAS, In addressing the need to have a long term technology strategy developed, the Executive Technology Consultant Committee conducted interviews for preparation of a Technology Master Plan; and

WHEREAS, SoftResources, LLC submitted a proposal meeting all the criteria for performing the required services; and

WHEREAS, the Executive Technology Consultant Committee recommends that the proposal submitted by SoftResources, LLC be accepted by the City Council.

NOW, THEREFORE, BE IT RESOLVED, that the City Council authorizes the City Manager to execute a professional services agreement with SoftResources, LLC to prepare a Technology Master Plan in an amount not to exceed \$ 69,845.00.

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on June 26, 2007 by the following vote:

AYES, COUNCILMEMBERS: _____

NOES, COUNCILMEMBERS: _____

ABSTAIN, COUNCILMEMBERS: _____

ABSENT, COUNCILMEMBERS: _____

CLERK of the City of Belmont

APPROVED:

MAYOR of the City of Belmont

The City of Belmont

Proposal for
Software Evaluation Services By



June 7, 2007

11411 NE 124th Street • Suite 270 • Kirkland, WA 98034
Phone: (425) 216-4030 • Fax: (425) 968-4131 • Email: info@softresources.com
• Website: www.softresources.com

June 7, 2007

Valerie Harnish
City of Belmont
One Twin Pines Lane
Belmont, CA 94002

The purpose of this letter is to propose an engagement between SoftResources LLC (SoftResources) and the City of Belmont (City). Our understanding is that the City's current financial system (Cayenta) is reaching the end of its lifecycle and requires an upgrade and/or replacement. The City has requested that SoftResources assist them with an analysis of their software options, selection of a new ERP system, and an overall Strategic Systems Plan (ie. ERP, CRM, e-commerce, reservations, etc.).

To accomplish the goals of this project, SoftResources recommends that the City proceed first with an evaluation of ERP systems available on the market. Modern municipal focused ERP systems have an extensive functional footprint. When the City makes a determination of the ERP system they will move forward with, then SoftResources will work with the City to determine the holes that will need to be filled with ancillary systems and put together a plan and timing for implementation of these additional systems to integrate with and support the core ERP system.

The City has asked SoftResources do this work in an expedited manner. This means that SoftResources will not do a comprehensive software evaluation of all the City's software options and there may be solutions that will not be considered by SoftResources that could be a fit for the City. The following highlights the work plan for this project:

- (1) Conduct requirements analysis.
- (2) Identify the key high-level requirements (Differentiating Criteria) of the City.
- (3) Based on our experience, review the software vendor market and conduct direct research with a few software vendors and products we deem could be a fit based on our experience working with other cities and evaluating the vendors.
- (4) Recommend a Short-List of ERP software alternatives.
- (5) Create an ERP Software Demo Script.
- (6) Work with the city through the due diligence process as the City selects an ERP system.
- (7) When the ERP system is selected by the City, SoftResources will conduct an analysis of the functional footprint and create a high-level Strategic Systems Plan that outlines the new technology and functionality that the city could take advantage of in the future. We will include any recommended ancillary systems and a recommended timeline for selection and implementation of the various ancillary systems.
- (8) Work with the City to prepare for and make a presentation to the City Council regarding the selected vendor(s) and plan of action.
- (9) Work with the City's purchasing and legal counsel to conduct a contract review and negotiate the contract with the selected vendor.

This project will focus on the following functional areas for the City.

Functionality	
General Ledger	Budget
Accounts Receivable	Cash Receipts
Accounts Payable	Purchasing
Community Development (Zoning, Plan, Code)	Fixed Assets
License & Permits (Business License)	Project Accounting
Bank Reconciliation	Facility Maintenance
Payroll	Human Resources
Public Works	Parks and Recreation

Customer Information System	e-commerce
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Work Plan and Deliverables

The following Work Plan defines the specific tasks to be performed by SoftResources within each phase and the deliverables that will be provided to the City as a result of each phase.

Phase I – Requirements. Work with City employees to determine the key high-level requirements document (2-3 page Differentiating Criteria) for systems at the City of Belmont. The City will review and finalize the document. The specific tasks to be included by SoftResources in this phase are identified as follows:

1. Review any documentation provided by the City with regards to current systems, processes, and system requirements that would be helpful as part of the requirements analysis for a new system.
2. Work with the City to schedule interviews and provide a draft of an invitation to the interview sessions that the City can review, modify and issue. The memo includes sample questions for the attendees to consider prior to the requirements interview sessions.
3. Visit the City of Belmont for 2 days to conduct interviews with key personnel grouped by functional area (i.e. General Ledger, Purchasing, etc.) to review requirements to support the creation of the key Differentiating Criteria document.
4. Take the information gathered from the interviews and create a high-level Differentiating Criteria (2-3 pages) document that will be used to evaluate software vendor options. This will not be all of the requirements for the City, but will allow us to evaluate software vendor options at a high level. The City will review, finalize, and approve the Differentiating Criteria document.

Deliverable: Differentiating Criteria document (2-3 pages)

Phase II – Research. SoftResources will evaluate ERP software vendors based on our experience and conduct research to identify a Short-List of 2-4 ERP solutions that may be a fit for the City to review through a demo and due diligence review process. The specific tasks to be included by SoftResources in this phase are identified as follows:

1. Create a list of ERP software vendors (probably less than 10) that should be considered for the City based on SoftResources' experience evaluating software for other city clients. Please note that not all possible ERP vendors will be considered due to the City's request to streamline this process.
2. Conduct research on the list of ERP software alternatives using the Differentiating Criteria to identify a Short-List of approximately 2-4 viable systems. Conduct phone calls with the software vendors to clarify how the software can support the City's requirements.
3. Provide a Short-List Comparison Chart that compares the Short-List vendor's fit to the City's Differentiating Criteria.
4. Present the ERP Short-List to the City and answer any questions.

Deliverable: Short-List Report that includes a Short-List Comparison Chart and other information.

Phase III – Demos. SoftResources will provide a draft ERP software Demo Script for the City to review, modify, and issue. The City will conduct the software demos. The specific tasks to be included by SoftResources in this phase are identified as follows:

1. Create a draft customized Demo Script and Request for Demo Letter based on the information gathered in the requirements interviews. The City will finalize and issue to the Short List vendors.
2. Coach the City on creation of any Business Case Scenarios they would like in the Demo Script. (The actual scenarios will be created by the City.)

Deliverable: Customized Demo Script draft.

Phase IV – Decision. Provide evaluation materials and coach the City through the analysis of the final decision for ERP software on an as needed basis. The final ERP software decision will be made by City of Belmont personnel.

1. Coach the City through the final due diligence review of the vendors on an as-needed basis.
2. Prepare for and attend the final project team decision meeting via conference phone.
3. Prepare for and attend the City Council meeting.

Deliverable: Final decision support materials.

Phase V – Strategic Systems Plan. When the City makes the final decision of the ERP system to be implemented, SoftResources will evaluate the functionality offered by the ERP vendor and compare that to the functional footprint required at the City of Belmont. We will then create a high-level 5-Year Strategic Systems Plan. The contents of the Strategic Systems Plan will be dependent on the unique situation of the City of Belmont, but at this time, we expect the report to include the following analysis:

1. City of Belmont functional systems footprint chart that compares functionality covered by ERP system vs. other systems in place at the City.
2. Hardware requirements to accommodate new ERP software. (Will work with selected vendor for specs)
3. A few key high-level software and technology requirements for the ancillary systems at City of Belmont and recommendations for maintaining current systems vs. selection and implementation of new systems. (Please note that we will not be able to provide more detailed requirements due to the brief on-site requirements analysis.)
4. Executive level 5-year replacement schedule for systems at the City. Including: a) Recommended timing for phased implementation of various modules of ERP system. (Detailed implementation plan will be completed by selected vendor's implementation team.); and b) Recommended timing for replacement of ancillary systems.
5. Integration issues that the IT department at the City may face and recommendations to mitigate the integration impact.
6. Recommended planning & management requirements to implement ERP and ancillary systems at the City.
7. Recommended training and support requirements for implementation and maintenance of systems at Belmont.
8. New technology and functionality ideas that could be implemented at the City of Belmont to improve service to constituents. (ie. workflow, automated approvals, online payment transactions, Citizen Relationship Management, kiosks, handheld devices, etc.)
9. Other system observations and recommendations.

Deliverable: High-Level Strategic Systems Plan. (5-15 pages)

Phase VI – Contract Review. The City will probably have three contracts to negotiate: 1) Software License, 2) Software Maintenance, and 3) Implementation Services. SoftResources will support the City through the Contract Review and Negotiation process. However, SoftResources is not a law firm, so the City will need to have its legal counsel review the final contracts. Our contract review focuses on the business aspects of a contract and complements the attorney's legal expertise. Contract Review and Negotiation services are usually billed on a Time & Materials basis at \$200/hour. We have included up to 40 hours of contract review in this engagement letter for the fixed fee. SoftResources will advise the City if we approach the total hours budgeted for the contract review portion of this engagement letter.

The City may elect to use SoftResources for any or all of the following services:

1. Discuss contract negotiation strategies based on SoftResources' extensive experience negotiating software license, maintenance, support, and implementation services contracts.

2. Review and evaluate the final selected vendor's contracts and discuss via conference call. This includes pointing out issues with the terms and conditions, discussing the potential risks, and providing input on pricing, fees, and statement of work (SOW).
3. Prepare a detailed contract evaluation document with identification of contract issues including clauses which need to be modified, added, or deleted before signing the contract (typically 20-50 issues are raised). Discuss the contract evaluation document via conference call.
4. Participate with the City in contract negotiations with the final selected vendor.
5. Participate with the City's legal counsel in contract negotiations with the final selected vendor.

Deliverable: Depends on the services that the City requests.

Additional Optional Services

At the City's option, SoftResources may attend and facilitate the software vendor demos. SoftResources will manage the demos to keep the vendors and attendees on track and gather feedback from City personnel. Following the demos, SoftResources will lead a meeting reviewing the feedback from the Demos and discuss next steps in the software evaluation and decision process. Because we do not know at this time how many days of demos will be necessary, this service is usually billed on a Time & Materials basis. Typically, cities conduct 3 2-day demos plus a follow-up day following the last demo. The cost for this usually ends up in the \$12,500 range.

Also, the City may elect to have SoftResources attend and facilitate the vendor user reference checks in the decision phase of the project. This is also billed on a Time & Materials basis due to the fact that we do not know how much time will be required for this step or if travel will be required.

Project Fees & Estimated Expenses

The fees for this project will be billed on a Fixed Fee Basis with additional services requested on a Time & Materials basis. SoftResources assigns two people to the project for efficiency, and are assigned for the duration of the project. We have attached an initial estimate spreadsheet of the hours, fees, and expenses for the project.

Phase	Description	Fees
I	Requirements	\$ 11,120
II	Research	\$ 18,200
III	Demos	\$ 6,075
IV	Decision	\$ 9,130
V	Strategic Systems Plan	\$ 13,840
VI	Contract Review (Up to 40 Hours)	\$ 8,000
	Total Fixed Fees	\$ 66,365
	Estimated Expenses	\$ 3,480
	TOTAL PROJECT ESTIMATE	\$ 69,845

The following chart itemizes the hourly rates for the personnel assigned to the project Please note that for Time & Materials services, SoftResources will charge a minimum of 8 hours for each day on site at the City of Belmont's location.

Position	Hourly Rate
Principal/Director	\$185
Senior Consultant	\$165
Contract Review	\$200

Expenses

Expenses for items such as travel, telephone, postage, equipment shipment and reproduction of reports will be added to the fee quotes above. Expenses are billed for reimbursement as incurred plus 2.5% of expenses for state and local tax costs.

Trips

The following trips are included in this fixed fee engagement, and out of pocket expenses will be added to the billing. Additional trips are outside the scope of this agreement.

Requirements Interviews	2 Days
Short List Presentation	1 Day
City Council Meeting	1 Day

Estimated Project Schedule

Please note that this is an estimated project schedule at this time and may change based on availability of City personnel for meetings, availability of software vendor resources, and other factors.

Phase	Description	Timing
I	Requirements	1-2 Weeks
II	Research	4-5 Weeks
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V	Strategic Systems Plan	2-3 Weeks
VI	Contract Review	2-3 Weeks
Total Project Estimate		14-20 Weeks

Billing

Fees and expenses will be billed on a monthly basis based on work completed. Terms are net 15 days.

City of Belmont Participation and Responsibilities

In order to successfully complete the engagement it is expected that the City will:

1. Put together a Project Team and coordinate roles and responsibilities.
2. Make available the criteria considered important to this project.
3. Ensure employees are available for interviews or phone calls if necessary.
4. Review and approve the Differentiating Criteria and Demo Script.
5. Review and approve the Short List vendors.
6. Conduct software demonstrations with the software vendor finalists.
7. Make the final ERP software decision.
8. Be responsible for all the other phases of the project not specifically assigned to SoftResources in this engagement letter.

Scope Control

If there are services performed at your request, which are outside of those listed in the "Approach and Work Plan" section of this letter, an amendment to this engagement letter, or a new letter of understanding will be drafted for the City's approval before the services are performed.

Termination/Deferral

If the client decides to defer or terminate the contract, SoftResources will cease work and calculate the actual fees to the point of termination or deferral and bill you the additional amount due.

Staffing

The SoftResources personnel involved in the engagement will be assigned upon signature of this engagement letter.

Sincerely,

Spencer Arnesen
Principal
SoftResources LLC