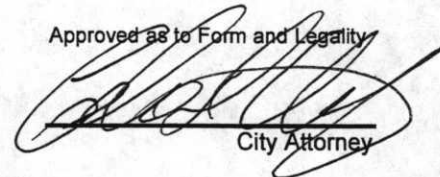


FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

**OAKLAND CITY COUNCIL**

Approved as to Form and Legality



City Attorney

2014 MAY 29 AM 9:46

RESOLUTION No.

85069

C.M.S.

**RESOLUTION WAIVING REQUEST FOR PROPOSALS ("RFP"), COMPETITIVE SELECTION ADVERTISING AND COMPETITIVE BIDDING REQUIREMENTS, AND AUTHORIZING THE CITY ADMINISTRATOR TO: (i) AMEND THE AGREEMENT WITH PROGRESSIVE SOLUTIONS, INC., BY INCREASING THE AGREEMENT COMPENSATION BY ONE MILLION, SIX HUNDRED ELEVEN THOUSAND, TEN DOLLARS (\$1,611,010) FOR A TOTAL AMOUNT NOT TO EXCEED TWO MILLION, TWO HUNDRED TWENTY-EIGHT THOUSAND, TEN DOLLARS (\$2,228,010); FOR SYSTEM MAINTENANCE AND SUPPORT SERVICES, HARDWARE (NEW AND REPLACEMENT), TRAINING/PAYMENT CARD SECURITY COMPLIANCE SERVICES ("PCI COMPLIANCE"), CERTIFICATES, FORMS, LETTERS AND MAILING, AND WEBHOSTING SERVICES; AND (ii) EXECUTING ONE OPTIONAL ANNUAL EXTENSION FOR FISCAL YEAR 2014-15 WITH ONE REMAINING OPTIONAL ANNUAL EXTENSION IN AN AMOUNT NOT TO EXCEED THREE HUNDRED THIRTY-EIGHT THOUSAND, NINE HUNDRED SIXTY-THREE DOLLARS (\$338,963) FOR FISCAL YEAR 2015-16.**

**WHEREAS**, on July 18, 2006, the City Council approved Resolution No. 80045 authorizing the City Administrator to enter into a negotiated Contract with Progressive Solutions Inc. ("PSI"), for an automated local tax system software, and maintenance and support services for a period of three years, in an amount not to exceed six hundred seventeen thousand dollars (\$617,000); and

**WHEREAS**, on May 17, 2007, the City executed an Agreement for License of Software, Purchase of Equipment, Information Technology Services, and for Maintenance and Support Services ("Agreement") with Progressive Solutions, Inc.; and

**WHEREAS**, on October 4, 2011, the City Council approved Resolution No. 83574, authorizing the City Administrator to extend the term of the Agreement for a period of three years in an amount not to exceed one hundred thousand dollars (\$100,000) per year, with two optional annual extensions for an amount not to exceed ten percent (10%) of the prior year's maintenance and support services cost; and

**WHEREAS**, at the June 27, 2013 special meeting of the Oakland City Council, the Council approved Resolution 84466 adopting the FY2013-15 Policy Budget ("Budget") and, as part of the Budget, appropriated funds in the amount of one hundred seventy-six thousand dollars (\$176,000) in FY2013-14 and sixteen thousand dollars (\$16,000) in FY2014-15 for an online business tax renewal software application; and

**WHEREAS**, a First Amendment to the Agreement was not executed with the approval of

either Resolution No. 83574 in 2011 or Resolution No.84466 in 2013, and the original Agreement expired on June 30, 2010; and

**WHEREAS**, while the Council actions established spending authority in a total amount not to exceed one million, three hundred forty thousand dollars (\$1,340,000) through FY2015-16, there is no contractual authority between the City and PSI in excess of the original contracted amount of six hundred seventeen thousand dollars (\$617,000) and original scope of work; and

**WHEREAS**, since implementation of the Agreement, the scope of work has expanded to include, not only the online renewal system, but also printing and mailing of associated forms, letters and certificates, replacement hardware and necessary training and PCI compliance services; and

**WHEREAS**, upon the reviewing the expenditures against the Agreement, it was noted that expenditures have exceeded spending authority from FY2007-08 through FY2013-14 by approximately seven hundred fifty-five thousand, six hundred thirty-five dollars (\$755,635) and exceeded contract authority for the same period by one million, two hundred thirty-one thousand, six hundred thirty-five dollars (\$1,231,635); and

**WHEREAS**, there is a need to execute a First Amendment to the Agreement with PSI,(i) in the amount of one million, six hundred eleven thousand, ten dollars (\$1,611,010) for a total Agreement amount not to exceed two million, two hundred twenty-eight thousand, ten dollars (\$2,228,010) and, (ii) amend the scope of work to include maintenance, form, letter certificates and mailing, Web applications and support, a contingency for replacement hardware, and training and PCI compliance services, and (iii) exercise an optional annual extension for July 1, 2014 through June 30, 2015; and

**WHEREAS**, the Amendment includes a true-up of fiscal and contractual authority in the amount of one million, nine thousand, ten dollars (\$1,009,010) for Fiscal Years 2008-2015 of which six hundred seventy-eight thousand, five hundred seventy-one dollars (\$678,571) was expended in previous fiscal years and has no impact on Fiscal Years 2013-14 or 2014-15; and

**WHEREAS**, the fiscal impact for the remainder of FY 2013-14 is seven thousand, four hundred eighteen dollars (\$7,418) and funds are available in the Finance Department operating budget, General Purpose Fund (1010), Revenue Management Bureau, Business Tax Customer Service Unit (08431); and

**WHEREAS**, funds in the amount of sixty-three thousand, five hundred thirty-eight dollars (\$63,538) are available for the continued implementation of the online business tax renewal software application in the Finance Department operating budget, General Purpose Fund (1010), Revenue Management Bureau Business Tax Customer Service Unit (08431), Account (549191), Project (A468510), Program (IP59); and

**WHEREAS**, FY 2014-15, budgeted costs are three hundred seventy-nine thousand, three hundred seventy-five dollars (\$379,375); of that amount forty-nine thousand, nine hundred dollars (\$49,900) is encumbered and available in General Purpose Fund (1010), Revenue Management Bureau, Business Tax Customer Service Unit (08431), Account 52213; for the remaining three hundred twenty-nine thousand, four hundred seventy-five dollars (\$329,475) sufficient funds are available in the Finance Department's FY 2014-15 adopted Operating Budget, General Purpose Fund (1010), Revenue Management Bureau, Business Tax Customer Service Unit (08431);



**WHEREAS**, Oakland Municipal Code section 2.04.050.A requires the City Administrator to conduct advertising and bidding and award to the lowest responsible, responsive bidder for the purchase of products or goods, and Oakland Municipal Code section 2.04.050.I.5 allows Council to waive advertising and bidding requirements upon a finding by the Council that it is in the best interest of the City to do so; and

**WHEREAS**, Oakland Municipal Code section 2.04.051.A requires the City Administrator to conduct a request for proposals/qualifications (RFP/Q) process for professional services contracts in excess of \$25,000 and Oakland Municipal Code section 2.04.051.B allows Council to waive the RFP/Q requirements upon a finding by the Council that it is in the best interest of the City to do so; and

**WHEREAS**, City staff recommends waiving the RFP, advertising and bidding requirements for this contract because it is in the best interests of the City to do so since (a) the requested Council action is authorization to execute a First Amendment to the Contract as was previously authorized by Resolution 83574 C.M.S.; (b) PSI is the existing contractor that has the requisite experience and knowledge of the City's business tax information technology system; and (c) conducting an RFP would take several months and cause delay and disruption in the City's business tax operations due to the need to select and transition the system to another contractor; and

**WHEREAS**, the City Administrator has determined that this contract is of a professional and temporary nature and shall not result in the loss of employment or salary by any person having permanent status in the competitive civil service; and

**WHEREAS**, Oakland Municipal Code section 2.04.020.B requires Council approval of contracts for technology-related professional products or goods in excess of \$50,000: now, therefore, be it

**RESOLVED:** That pursuant to OMC 2.04.050.I.5 and the for the reasons stated above and in the City Administrator's report accompanying this item, the City Council finds that it is in the best interests of the City to waive advertising and bidding requirements for this contract and so waives the requirements; and be it

**FURTHER RESOLVED:** That pursuant to OMC 2.04.051.B and the for the reasons stated above and in the City Administrator's report accompanying this item, the City Council finds that it is in the best interests of the City to waive the Request for Proposals/Qualifications (RFP/Q) requirements for this contract and so waives the requirements; and be it

**FURTHER RESOLVED:** That based on information provided by the City Administrator, the Council finds that this contract is of a professional and temporary nature and shall not result in the loss of employment or salary by any person having permanent status in the competitive civil service; and be it

**FURTHER RESOLVED:** That the City Council of the City of Oakland hereby authorizes (i) the City Administrator to execute a First Amendment to the Agreement with Progressive Solutions, Inc., increasing Agreement compensation one million six hundred eleven thousand ten dollars (\$1,611,010) for a total Agreement compensation not to exceed two million, two hundred twenty-eight thousand, ten dollars (\$2,228,110); and (ii) amends the scope of work to include system maintenance and support services, hardware (new and replacement), training/payment card security compliance services, certificates, forms, letters and mailing, and

webhosting services, and (iii) executes one optional annual extension for Fiscal Year 2014-15 with one remaining optional annual in an amount not to exceed three hundred thirty-eight thousand, nine hundred sixty-three dollars (\$338,963) for Fiscal Year 2015-16.

**FURTHER RESOLVED:** That the contract shall be reviewed and approved by the City Attorney for form and legality prior to execution and placed on file in the Office of the City Clerk.

JUN 17 2014

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

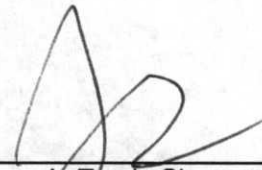
AYES - ~~BROOKS~~, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF and PRESIDENT KERNIGHAN

NOES - 0

ABSENT - 1 - Brooks

ABSTENTION - 0

ATTEST: \_\_\_\_\_



LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California