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MARCH 9, 2004

IGNACIO DE LA FUENTE, PRESIDENT
CITY COUNCIL
OAKLAND, CALIFORNIA

PRESIDENT DE LA FUENTE AND MEMBERS OF THE CITY COUNCIL

SUBJECT: A RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND A PROFESSIONAL SERVICES CONTRACT WITH INTERNATIONAL CONTACT, INCORPORATED IN AN AMOUNT NOT TO EXCEED FIVE HUNDRED THOUSAND DOLLARS (\$500,000), FOR TRANSLATION OF CITY OF OAKLAND'S WRITTEN MATERIALS AND VOICE RECORDINGS (CITYLINE) AND AUTHORIZING TO EXECUTE A TWO-YEAR EXTENSION TO THE CONTRACTED PERIOD TO JUNE 2005.

PURPOSE AND SCOPE

In accordance with the Measure H Charter Amendment, which was passed by the voters at the General election of November 5, 1996, we have made an impartial financial analysis of the accompanying Agenda Report and Proposed Resolution. We also discussed those documents with Agency staff.

Since the Measure H Charter Amendment specifies that our impartial financial analysis is for informational purposes only, we did not apply Generally Accepted Government Auditing Standards as issued by the Comptroller General of the United States. Moreover, the scope of our analysis was impaired by Administrative Instruction Number 137, effective May 21, 1997, which provides only one (1) week for us to plan, perform and report on our analysis.

SUMMARY

International Contact, Inc. has provided translated voice recordings for the City's 24-hour CITYLINE telephonic system since November 1, 2001. Because the City's Equal Access Office has no funding to create a full internal translation service operation, and continues to have City

translation projects open, the Proposed Resolution would extend the contract for twenty months—through June 30, 2005—at a cost not to exceed 500,000.

FISCAL IMPACT

With the approval of the Proposed Resolution, contracts totaling \$1,000,000 will have been awarded to International Contact, Inc., as summarized below:

<u>Period</u>	<u>Amount</u>
Original contract – Nov. 1, 2001 through Oct. 31, 2002	\$ 250,000
First extension – Nov. 1, 2002 through Oct. 31, 2003	250,000
Second extension – Nov. 1, 2003 through June 30, 2005	<u>500,000</u>
Total	\$ <u>1,000,000</u>

Funding for the proposed \$500,000 extension has been approved in the FY 2003-05 budget.

CONTRACTOR SELECTION PROCESS

According to Agency staff, the original contract, which covered the period November 1, 2002 through October 31, 2003, was awarded on a competitive-bid basis. Over a period of almost a year, staff reviewed proposals from approximately twenty suppliers and concluded that International Contact, Inc. would best meet the City’s needs. The first contract extension was awarded on a sole-source basis, since the Agency concluded that the competitive bid process would be time-consuming and would likely not produce a better supplier than International Contact, Inc. For these same reasons, the Agency proposes to award the two-year contract extension again to International Contact, Inc. on a sole-source basis.

CONCLUSION

Before approving the Proposed Resolution, the Council should bear in mind that the approval will result in a series of sole-source contracts with this provider for the same service to an aggregate amount of \$750,000.

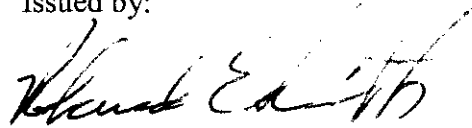
We wonder if the City would be better served by requesting bids from several service providers?

Prepared by:



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Issued by:



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City Auditor

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February 24, 2004