

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2008 NOV 24 PM 4:31

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: December 2, 2008

RE: A Supplemental Report and Resolution Authorizing a Professional Services Contract with Third Wave Consulting in an Amount not to Exceed \$36,000, for the Design, Configuration, and Implementation of a Customer Relationship Management Application of Salesforce.com to be Partially Paid for with Redevelopment Agency Funds

SUMMARY

At the November 12th CED Committee, Council requested that staff address the possibility of funding sources other than Recycling Market Development Zone (RMDZ) funds and provide an estimate of the maximum recurring, annual cost for licensing.

FISCAL IMPACT

The November 12, 2008, report recommends the use of \$20,000 in RMDZ funding. As requested by CED Committee, staff looked at alternative funding sources to support this project. Staff has identified \$10,000 from the Community Development Block Grant (CDBG) fund and reduced the contribution from the RMDZ fund by the same amount. The following chart indicates the new sources of funding if CDBG funds are utilized.

Fund	Organization	Project	Program	Amount
1710 (Recycling Program)	88559 (Business Development)	000000 (Undetermined Project)	SC11 (Business Creation, Attraction, Retention & Expansion)	\$10,000
2108 (Community Development Block Grant)	88559 (Business Development)	G00800 (Project Development Delivery Costs)	SC11 (Business Creation, Attraction, Retention & Expansion)	\$10,000
7780 (Oakland Redevelopment Agency Projects)	88559 (Business Development)	C82620 (Coliseum)	SC11 (Business Creation, Attraction, Retention & Expansion)	\$16,000

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Community and Economic Development Committee
December 2, 2008

KEY ISSUES AND IMPACTS

This project places no obligation on the City to expand the number of licenses beyond the initial scope. It is anticipated, however, that the efficiency of the platform configuration will strongly support expansion. Staff will propose funding sources to support a license expansion plan as part of the upcoming 2009-2011 Budget discussions.

The action requested of the City Council is to authorize a contract with a consultant and this action will require the City to pay an annual, recurring subscription fee to Salesforce for each license. The 2008 list price for one license is \$1,500 per year although it is likely that the City would be able to negotiate a discount.

To respond to the Committee's question regarding the maximum number of licenses and annual recurring costs. There are 67 budgeted positions in the Economic Development and Redevelopment Divisions. All of these positions are not filled, and some would not need licenses. It is envisioned that the first phase licenses will be designated to staff conducting economic development activities. The cost could range between \$13,000 and \$20,000. In the second year, the project may expand to include additional Redevelopment staff that directly interact with businesses; it is estimated that the total annual cost for second year licenses could range from \$32,000 to \$48,000. In year three, should the project expand to include remaining Redevelopment or Economic Development staff, the estimated total cost would be \$58,000 to \$70,000 annually. *These costs are estimates based on a recent discussion with the City's account representative at Salesforce.*

As requested at the November 12th CED Committee, staff has drafted a new resolution with funding partial from CDBG to lessen the amount spent from the RMDZ funds. If the Council directs the use of CDBG funds, this will reduce staff's retail development capabilities in non-redevelopment areas, particularly in merchant organizing and commercial corridor programming such as the Oakland Merchant Association Assistance Grant Program (MAAP), which funds merchant association activities and the Oakland Merchant Leadership Forum professional services contract.

RECOMMENDATION AND RATIONALE

Staff recommends that the City Council approves the original resolution with the RMDZ funding. Staff has verified that RMDZ funds have been used in other cases to support general economic development activities and that the proposed use of funds (\$20,000) is consistent and allowable under RMDZ Program requirements.


ALTERNATIVE RECOMMENDATION

The City Council could approve the new resolution that partially funds the contract with CDBG funds.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that City Council either: (1) approve the original resolution with funding from RMDZ and Coliseum Redevelopment or (2) approve the new resolution with funding from RMDZ, CBDG, and Coliseum Redevelopment. Either action will authorize the City Administrator, or designee, to enter into a professional services contract in an amount not to exceed thirty-six thousand dollars (\$36,000), with Third Wave Consulting for the design, configuration, and implementation of a customer relationship management application using Salesforce.com.

Respectfully submitted,



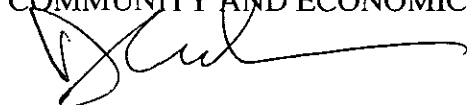
Dan Lindheim, Director
Community and Economic Development Agency

Reviewed by:
Gregory Hunter, Deputy Director
Economic Development and Redevelopment

Aliza Gallo, Coordinator
Business Development Services Unit
Economic Development Division

Prepared by:
Benjamin Weber, Urban Economic Analyst

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the City Administrator

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Community and Economic Development Committee
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Approved as to Form and Legality
[Signature]
City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES CONTRACT WITH THIRD WAVE CONSULTING IN AN AMOUNT NOT TO EXCEED \$36,000.00 FOR THE DESIGN, CONFIGURATION AND IMPLEMENTATION OF A CUSTOMER RELATIONSHIP MANAGEMENT APPLICATION OF SALESFORCE.COM TO BE PARTIALLY PAID FOR WITH REDEVELOPMENT AGENCY FUNDS

WHEREAS, the Community and Economic Development Agency is planning an organizational framework to expand and maintain a robust, diverse economy in Oakland; and

WHEREAS, the City of Oakland seeks to promote Oakland as friendly place to do business through coordinating business attraction, retention, expansion, and advisory services; and

WHEREAS, the City of Oakland has recently entered into a Memorandum of Understanding with the State of California for re-designation of Oakland as State Enterprise Zone for a period of 15 years, which requires the City of Oakland to assess its performance in identifying the number of businesses it has retained, expanded and attracted and to evaluate marketing activities and the effectiveness of its financial and job development plans back dated to September 30, 2008; and

WHEREAS, the Agency must be able to provide required information to the State and seeks to more efficiently create reports with current and accurate data to help the City make strategic decisions about projects and programs; and

WHEREAS, staff requested and reviewed proposals from three vendors and determined that Third Wave Consulting offers the best solution and approach for the City at a competitive price; and

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

WHEREAS, funding for this contract is available in the amount of \$2010,000 from the RMDZ Fund (1710), in the amount of \$10,000 from the CBDG Fund (2108) and in the amount of \$16,000 from Oakland Redevelopment Agency Projects – Coliseum Fund (C82620); and

WHEREAS, Oakland Municipal Code Section 2.04.020.B.2.b requires Council approval of professional service contracts when more than \$15,000 of Redevelopment Agency funds will be used to pay for the contracts; now, therefore be it

RESOLVED: That the City Council hereby authorizes the City Administrator or designee to enter into a contract with Third Wave Consulting in an amount not to exceed thirty six thousand dollars (\$36,000.00) for the design, configuration, and implementation of a Salesforce.com customer relationship management program; and be it

FURTHER RESOLVED: That this contract is to be paid with funds in the amount of \$2010,000 from the RMDZ Fund (1710) Business Development Org (88559), in the amount of \$10,000 from the CBDG Fund (2108) and in the amount of \$16,000 from Oakland Redevelopment Agency Projects—Coliseum Fund (7780), Business Development Org (88559), Coliseum Redevelopment Project (C82620); and be it

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

FURTHER RESOVLED: That a copy of the contract shall be approved for form and legality by the City Attorney and placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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

OFFICE OF THE CITY CLERK
OAKLAND
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OAKLAND CITY COUNCIL

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WHEREAS, the Community and Economic Development Agency is planning an organizational framework to expand and maintain a robust, diverse economy in Oakland; and

WHEREAS, the City of Oakland seeks to promote Oakland as friendly place to do business through coordinating business attraction, retention, expansion, and advisory services; and

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WHEREAS, the Agency must be able to provide required information to the State and seeks to more efficiently create reports with current and accurate data to help the City make strategic decisions about projects and programs; and

WHEREAS, staff requested and reviewed proposals from three vendors and determined that Third Wave Consulting offers the best solution and approach for the City at a competitive price; and

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

WHEREAS, funding for this contract is available in the amount of \$10,000 from the RMDZ Fund (1710), in the amount of \$10,000 from the CBDG Fund (2108) and in the amount of \$16,000 from Oakland Redevelopment Agency Projects – Coliseum Fund (C82620); and

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

FURTHER RESOVLED: That a copy of the contract shall be approved for form and legality by the City Attorney and placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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