

CITY OF OAKLAND FILED
AGENDA REPORT OFFICE OF THE CITY CLERK
 OAKLAND

2008 OCT 30 PM 6:10

TO: Office of the City Administrator
 ATTN: Dan Lindheim
 FROM: Community and Economic Development Agency
 DATE: November 12, 2008

RE: 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

Staff requests that the City Council approve a resolution authorizing staff to enter into a professional services contract with Third Wave Consulting to implement Econ Wave; an economic development application of Salesforce.com's customer relationship management software in an amount not to exceed \$36,000. Under the terms of the proposed contract, Third Wave will configure this software for the Community and Economic Development Agency's Economic Development and Redevelopment Divisions.

FISCAL IMPACT

The one time set-up cost will not exceed \$36,000, which includes a one-time cost of \$10,000 for Third Wave Consulting's Econ Wave platform and \$26,000 for professional services that cannot be provide through DIT.

Fund	Organization	Project	Program	Amount
1710 (Recycling Program)	88559 (Business Development)	0000000 (Undetermined Project)	SC11 (Business Creation, Attraction, Retention & Expansion)	\$20,000
7780 (Oakland Redevelopment Agency Projects)	88559 (Business Development)	C82620 (Coliseum)	SC11 (Business Creation, Attraction, Retention & Expansion)	\$16,000

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The City will also need to pay an annual recurring subscription fee to Salesforce.com for 17 licenses. The annual subscription cost is \$12,750; this annual cost will be shared on a prorated basis by the Redevelopment and Economic Development Divisions from their operational budgets and is not part of this contract.

BACKGROUND

This proposed system will improve efficiency and greatly enhance economic development and business development efforts by strengthening staff capability in coordinating business client contact management, business development promotion, and report preparation. Current business contact lists in economic development and redevelopment include thousands of businesses and existing technology is insufficient to keep this list coordinated and updated across departments. Future efforts to connect with businesses through business retention and expansion programs, the business access center, and requirements of the State Enterprise Zone Program (EZ) will significantly increase the number of businesses and contacts in this system. Moreover, the City is required to assess its performance in identifying the number of businesses it has retained, expanded, and attracted under the Memorandum of Understanding with the State of California for reauthorization of the EZ program. Staff currently has insufficient capacity to meet the reporting requirements which must include data dating back to September 30, 2008.

CEDA staff received proposals from several other technology solutions, spoke with other public agencies, and worked with the Department of Information Technology (DIT) to arrive at this recommended solution. Third Wave Consulting has experience customizing Salesforce.com for economic development uses and has created a platform, Econ Wave, that will enable implementation within two months. Staff will have the ability to produce reports with specific and aggregate data about individual, sector, and citywide projects to help staff, managers, directors, and City officials make strategic decisions with the best available information. It will help measure the value and success of economic activity across industry sectors (retail, office/international, industrial, green) and lines of business (investment attraction, business retention and expansion, and business advisory). This will also help improve response time to inquiries, support trend analysis, and assist staff in gauging community needs and program effectiveness. Finally, it will help staff and managers evaluate outcomes against performance measures and overall goals as directed by the City Council and the Mayor.

KEY ISSUES AND IMPACTS

Staff researched applications that could meet the specialized nature of Economic Development and Redevelopment needs and discussed potential solutions with the DIT. The City currently uses software from Oracle and Lagan, some of which can be classified as Customer Relationship Management (CRM). Staff considered solutions from Oracle/AST, Lagan, and Salesforce/Third

Wave. Each potential solution was considered based on how well it fit with the business needs of the division, which would have quickest time-to-market, scalability to other divisions, would be the easiest to use, and compared favorably in terms of cost. Staff requested proposals from Oracle/AST, Lagan, and Salesforce/Third Wave.

- Oracle AST proposed \$77,000 which included \$60,000 for consulting services, \$13,000 for travel, and \$4,000 for sending a City staff member to Telesales training. The project timeline was estimated at 8 to 10 weeks.
- Lagan proposed a program with amounts divided equally between software and service for implementation that ranged from \$320,000 to \$900,000.
- Third Wave Consulting implementation of Salesforce.com proposed \$36,000 for the Econ Wave product and consulting services. The project timeline was estimated as six to eight weeks.

Salesforce.com, as implemented through Third Wave Consulting, was chosen based on its capabilities, the price of the consultant contract, the speed of implementation, and the ability of the final product to meet Economic Development's and Redevelopment's business process management needs. Staff interviewed a customer of Third Wave, Nova Scotia Business Inc., an economic development agency for a county with a population of 900,000 people and a city, Halifax, of about 400,000, similar in size to Oakland, which implemented Econ Wave with over 60 users and was highly positive about the experience. Salesforce.com is also used by Arlington Economic Development in Virginia and by the Minnesota Department of Employment and Economic Development. In addition, staff consulted with DIT staff about Salesforce.com's platform, Third Wave Consulting's product and experience, and the ability to potentially integrate this solution with other database projects currently in the pipeline for CEDA. Staff has also spoken with OBDC Small Business Finance about its experience as a current user of Salesforce.com and they were positive as well.

The Economic Development and Redevelopment Divisions need a cost-effective solution to centralize information and foster collaboration across multiple business sectors and external partners. Current contact management systems prevent a consolidated view of communication touch-points with some clients expressing frustration over receiving multiple calls from the agency or infrequent calls. Improving contact management for a particular company or opportunity will improve the qualitative level of the service provided by the Community and Economic Development Agency. In addition, staff will be able to approach economic development activities more systematically. Salesforce.com as implemented by Third Wave Consulting was selected to resolve these challenges based on three criteria: function, cost, and time.

Function. This contract will provide a web-based solution using Salesforce software, which will allow multiple users to simultaneously access contacts, background information, diagrams, reports and incentives offered for each existing or potential project. Implementation of the proposed solution will save significant staff time and resources by providing comprehensive, real-time information across sectors that will promote effective management of multiple projects and allow more efficient project planning and management. The reporting functionality allows managers to be apprised of service issues, which helps them tailor service where it is most needed.

Cost. The cost of Salesforce, as implemented by Third Wave, was competitive with other hosted systems and significantly less than a server-based system. It will not require staff time or support from the DIT. The ease of use by staff will also limit the amount of time needed for training and allow smooth integration for future staff. With no programming and no database administration required, Salesforce costs a fraction of what it would have to build a homegrown product of the same caliber as evidenced by Lagan's proposal.

Timing. The speed of implementation, estimated at six to eight weeks, was another important consideration in evaluating solutions. There is an immediate need for this proposed contract because it will enable the City to assess its performance in identifying the number of businesses it has retained, expanded, and attracted as required by the reauthorization of the State Enterprise Zone Program. Under this agreement, the City must evaluate marketing activities and the effectiveness of its financial and job development plans back dated to September 30, 2008. The Econ Wave product is a key component to enable staff to meet this mandate. Also, this system will better enable Economic Development and Redevelopment to implement the City's economic development strategy.

PROJECT DESCRIPTION

The proposed configuration of Salesforce.com will initially include a number of integrated functions for Economic Development and Redevelopment staff with the planned expansion to include more Redevelopment staff in the near future. A project team will work with the consultant to define the scope of the project, customize sharing and access rules, design fields and page layouts, develop workflow requirements and rules, and identify data management and migration sources. As the solution is implemented, the consultant will train staff in system administration.

The system will consolidate all information from individual staff computers and servers into one web-based system. It will include automated task generation, alerting staff to follow-up or refer clients to services from other City agencies or partners. Management will be apprised of service issues through automated reporting, which will allow them to tailor service where it is most needed, and align it with the City's economic development strategy. This improved service and

contact management system will foster collaboration and lead to greater efficiencies in support of economic development activity in Oakland.

SUSTAINABLE OPPORTUNITIES

Economic: By improving service delivery to clients, Oakland will continue to improve as a good place to do business, encourage businesses to invest here, generate more jobs, and improve the quality of life for all residents. In addition, the system will significantly increase the efficiency of the Economic Development and Redevelopment divisions, which will improve the outcomes of business activity, facilitate access to detailed data for reports and analysis of the effectiveness of our economic development efforts, and maintain smooth project management.

Environmental: This proposed contract should help reduce the amount of paper used in project management.

Social Equity: The proposed system does not in itself provide opportunities to increase equity but it will promote improved client services.

DISABILITY AND SENIOR CITIZEN ACCESS

This project will have no impact on issues of disability and senior citizen access.

RECOMMENDATION AND RATIONALE


Staff requests that City Council approve the resolution authorizing 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.

Of the three CRM solutions evaluated, this is the best choice because its function fits best with the Agency's needs, the cost provides good value, and the speed to market will enable the City to track and provide required information, from September 30, 2008, for the Enterprise Zone Program. The Econ Wave product from Third Wave consulting is expandable to additional staff without purchasing additional copies. In addition, unlike other options, data hosting, protection and maintenance is included in the licensing fee from Salesforce.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that City Council approve the resolution authorizing 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,

for 


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:



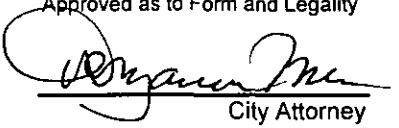
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OAKLAND CITY COUNCIL

Approved as to Form and Legality


City Attorney

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 \$20,000 from the RMDZ Fund (1710) 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 \$20,000 from the RMDZ Fund (1710) Business Development Org (88559) and in the amount of \$16,000 from Oakland Redevelopment Agency 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