

CITY OF OAKLAND

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2017 MAR -2 PM 1:39

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Katano Kasaine  
Interim CIO

**SUBJECT:** ITD Project Support

**DATE:** February 17, 2017

City Administrator Approval

Date:

*3/1/17*

## RECOMMENDATION

**Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator Or Designee To:**

- 1) **Enter Into Professional Services Agreements And/Or Purchase Agreements For Hardware Or Software To Support**
  - a. **Phase II Of The Oracle Reimplementation Project ("Oracle Project"),**
  - b. **Related Technology Upgrades For City Departments, And**
  - c. **The Final Implementation Phase Of The Performance, Reporting, Information and Metrics Environment ("PRIME") Project**

**In An Amount Not To Exceed One Million Two Hundred And Fifty Thousand Dollars (\$1,250,000) Without Return to Council; And**
- 2) **Waive The Multiple-Step Solicitation Process Requirements When Necessary.**

## EXECUTIVE SUMMARY

The Information Technology Department ("ITD") is currently leading the effort of modernizing the City's aging technology infrastructure. As part of that initiative, ITD is in the process of completing Phase II of the City's Oracle system reimplementation from 11i to R12; refreshing the many critical software and hardware systems used by City departments that are impacted by this effort; and conducting the final implementation stages of the PRIME project for the Oakland Police Department.

Staff recommends that Council approve a resolution to facilitate the ancillary professional services and software/hardware purchases that are necessary to (i) support Phase II of the Oracle Project, (ii) upgrade or address the various Citywide technology systems that have been impacted by the Projects, and (iii) complete the final stages of the PRIME implementation, while waiving the competitive bidding requirements when necessary.

Item: \_\_\_\_\_

Finance and Management Committee

March 14, 2017

**BACKGROUND/LEGISLATIVE HISTORY**

**Oracle Project**

In October 2015, Council approved Resolution No. 85825 C.M.S., which approved the IBM financing, which along with previously identified monies, funded the re-implementation of the City's Oracle systems from the outdated 11i version to the modern R12 version. Through remarkable cross-departmental cooperation led by ITD, the City successfully went live with Phase I of the Oracle Project in December 2016. The table below shows a quick snapshot of some of the key Phase I achievements and results.

*Table 1: Summary of Oracle Phase I Accomplishments*

<b>Accomplishments</b>	<b>Description</b>	<b>Operational Impact</b>
✓ <b>Oracle E-Business Suite ("EBS") R12 Reimplementation</b>	Full upgrade of core City business processes from Oracle EBS 11i to R12	Streamlines the City's core operations, creating efficiencies throughout the City's HR, Payroll and Financial functions (i.e., HR, Payroll, Benefits, Financials, Procure to Pay, Projects, and Grants).
✓ <b>Engineered System Reimplementation</b>	Implementation of Exadata, Exalogics, and Exalytics systems	Creates a more stable and reliable environment for City's core software systems (i.e., data load processing faster, higher performance for various applications, etc.).
✓ <b>Internet Explorer ("IE") 11 and Java V8 Deployment</b>	Deployment of IE11 web browser and Java V8 to Citywide staff	Enables operation of Oracle R12 and offers improvements to security features versus prior versions.
✓ <b>Point of Sale ("POS") in Amazon Cloud</b>	Collection of all citywide payments via the POS platform moved to Amazon Cloud Service	Creates significant cost savings for the City to operate the POS platform from physical servers to Amazon Cloud.
✓ <b>OBIA and OBIEE Implementation and Deployment</b>	Deployment of Oracle's business intelligence tools designed to retrieve, analyze, transform and report data	Substantially enhances City's ability to generate reports via streamlined data compilation and analyses; positively impacts ability for data visualization, informed decision making and information transparency to public.
✓ <b>Managed Attachments for WebCenter</b>	Integration of Managed Attachments functionality into various R12 modules	Provides key 1 <sup>st</sup> step in moving towards a "paperless City". Once fully deployed in Phase II, WebCenter will allow the City Clerk, for example, to better manage retention policies and respond to public records request in a more timely manner.
✓ <b>Dedicated Line Installation between DRT and Amazon Web Services ("AWS")</b>	A dedicated line specifically for Oracle applications was installed between the City's offsite secure data center, DRT, and the City's cloud	Creates performance reliability for all Oracle systems, decreasing risk of City services going offline due to system crashes.

Accomplishments	Description	Operational Impact
✓ <b>Oracle Business Intelligence Cloud Service ("BICS") deployment</b>	Deployment of BICS with integration to key City applications	Allows intuitive and powerful reporting capabilities, which support's the City's OpenCities goal; increases citizen access to clean and timely information (e.g., budgets, revenues, expenses, etc.).
✓ <b>Rent Adjustment Program ("RAP") System Interface for WebCenter</b>	Integration of the City's RAP system into WebCenter	Enables landlords and tenants to file disputes electronically, which is a tremendous shift from prior manual processes.

With the above completed, Phase II of the Oracle Project is currently underway with the expectation that it will be completed by May 2017. During Phase II of the Oracle Project, Staff is working towards the following goals:

*Table 2: Summary of Oracle Phase II Goals*

Goals	Description	Operational Impact
✓ <b>WebCenter Implementation</b>	Full implementation of WebCenter functionality for City Departments	Creates efficiency across citywide business application and optimizes how users are able to share information. One of the key goals will be to allow Planning and Building Department to properly consolidate all records into the system, and record all future documents into an electronic format.
✓ <b>Oracle Advanced Benefits ("OAB") Implementation</b>	Implementation of OAB for citywide staff	Enables improved benefits support and analysis for greater management of HR and payroll functions; allows employees to electronically manage annual enrollment to family or work-related changes, thereby minimizing need for manual input by HR or Payroll staff, streamlining operations.
✓ <b>iExpense Deployment</b>	Deployment of the iExpense solution for travel and related expenses	Streamlines and automates travel spend management, dramatically reducing the amount of time and effort required to submit, approve, process and pay expense reports.
✓ <b>Invoice Automation</b>	Automation of invoice processing by capturing images of invoices electronically and storing corresponding data	Reduces citywide reliance on paper forms, faxes, and/or documents; decreases the time it takes for data entry, exception handling and approvals, while strengthening financial controls with complete content management for financial documents, including retention and records.
✓ <b>eBTax Implementation</b>	Implementation of Oracle E-Business Tax product, which provides the infrastructure for tax knowledge management	Further streamlines operations by reducing current manual processes in place to address tax accruals and enhancing tax compliance and accounting efforts.

Item: \_\_\_\_\_  
 Finance and Management Committee  
 March 14, 2017

**PRIME Project**

In October 2014, Council approved Resolution No. 85221 and 85222 C.M.S., which authorized the City Administrator to award contracts to Sierra-Cedar, Inc. and Microsoft Corporation, respectively, for the project management, design, development and implementation of a next-generation early-warning system for the Oakland Police Department ("OPD"). The PRIME Project is now almost complete and is entering the final phase of implementation and roll-out. Staff needs and expects to accomplish the following in this last stage:

*Table 3: Summary of PRIME Final Phase Implementation Goals*

Goals	Description	Operational Impact
✓ <b>Training Plan and Associated Assets</b>	Develop learning objectives for 12 training modules to address the needs of 22 different OPD audiences. Develop detailed 5 week training schedule and all related training material and online training & support assets including a User Guide, business process documentation and on-demand training videos	When rolled out, PRIME will be used by every sworn member of OPD and by most of the civilian employees. A comprehensive training curriculum and delivery plan – including "on-demand", online training resources – will help ensure that OPD user has the skills and knowledge to use PRIME starting the first day it is rolled out.
✓ <b>Testing Plan &amp; Execution</b>	Develop and executive detailed testing plan to test a) the PRIME application functionality, b) the integrity and completeness of the data migration from the current systems, c) the performance of PRIME under load, and d) the accuracy of the key algorithms for determining peer groups, thresholds and exclusion criteria critical to the PAS program	It is critical to the success of the project that every aspect of PRIME – from the software to the underlying data to the overall performance – be thoroughly tested prior to roll-out so that OPD, ITD and the developer have sufficient time to address any issues that arise prior to roll-out. Testing and remediation of any found issues are critical to a smooth and uneventful roll-out to OPD.
✓ <b>Report Writing</b>	Develop and get end-user sign-off on the almost 90 different required reports PRIME stakeholders have identified as being critical to their normal business processes.	Many of these reports are currently developed using manual processes and taking data from many disparate data sources. Implementing them in PRIME will help automate the process and ensure that everyone is using the same data source. This will increase productivity and accuracy tremendously.
✓ <b>Data Clean-Up</b>	During data testing, it is becoming apparent that refinements to the data and to the data migration process will be required for PRIME to meet the operational needs of OPD	Bringing over the correct data elements from the various legacy data sources – and making sure that those elements are valid and accurate – is crucial to the integrity of the PRIME system.

Item: \_\_\_\_\_  
 Finance and Management Committee  
 March 14, 2017

## ANALYSIS AND POLICY ALTERNATIVES

The broad nature of the Oracle Project and PRIME Project requires complex technology support, not only in terms of standing up those individual systems with its numerous components, but also integrating those platforms with overall City operations. And as with projects of this size, there are ongoing support needs that were not contemplated at the onset of the projects, as listed below.

### **Oracle Project (Phase II)**

The work towards realizing the goals of Oracle Phase II (see *Table 2: Summary of Phase II Goals*) is well underway. It is the current expectation that the crux of Phase II, which is the WebCenter application implementation, will be completed by May 2017. However, as this Project has progressed, it has become evident that there are a number of ancillary factors that must be addressed in order for the Oracle Project as a whole to be successful. The following are some of the identified "gaps" that were neither anticipated nor scoped during the original Oracle Project planning phase:

- **Planning and Building Department ("PBD").** It has become increasingly clear that the current document scanning infrastructure, which is so vital to PBD's operations, is failing. Currently, PBD servers, which support the scanning functionalities, must be rebooted daily. In addition, PBD's Stellent, which is the solution that supports PBD's document and records management, goes down frequently and is no longer supported by the vendor. As a result, PBD must migrate to WebCenter as fast as possible to stay further disruptions to its operations. Moreover, as part of this effort, PBD's Accela system must be interfaced with WebCenter with the corresponding documents migrated. Staff is currently working towards an accelerated timeframe for PBD's Phase II deployment, with estimated "Go-Live" to be mid-April 2017 – well in advance of other departments' Go-Lives. The accelerated schedule and infrastructure deficiencies were not contemplated at the onset of the Oracle Project. As such, Staff will require additional professional services in the form of project management support from Horizon Projects Consulting Corp. ("Horizon") and software support and professional services from Accela, Inc..
- **Additional Reports and Training.** While there were original best guesses as to how many reports needed to be created in R12, it has been determined that the complex and numerous reporting needs of the City will necessitate additional professional services. In addition, it is our view that the technical improvements realized as part of this upgrade will only be as effective as the willingness to adopt and use the new processes and functionalities. Additional training will tremendously improve the outcome of the Oracle Project by providing the crucial conceptual scaffolding for City employees to embrace the re-tooled workflows and processes. As a result, Staff recommends that the City contract with Vings Technologies Limited to provide the additional report development and training capabilities.

- **On-Going Technical/Incident Support and Ancillary Mini-Projects.** Staff will need additional professional services to provide technical support, incident support and problem management support as it works through the implementation of Phase II. We expect that the project management contract with Horizon, currently set to expire in May 2017, will need to be extended another month through June 2017.

### **PRIME Project (Final Implementation and Roll-Out Phase)**

The complexity and full scope of certain project related efforts were only partially anticipated and scoped during the original project planning of PRIME. Given the mission-critical nature of the project, Staff needs to further augment OPD and ITD project resources with resources from Sierra-Cedar, Inc. and possibly, Microsoft Corporation, to assist in comprehensive planning and execution of the remaining training, testing, report writing and data clean-up workstreams as described above in Table 3.

### **Waiver of RFP/Q Competitive Selection Requirements**

Oakland Municipal Code "OMC" Section 2.04.042 requires a multiple-step solicitation process for contracts for the combines purchase of products and professional services. OMC Section 2.04.042 D. provides an exception to the multiple-step solicitation requirements of the OMC upon a finding and determination by the City Council that it is in the best interests of the City to do so.

Staff recommends that the Council find and determine that it is in the best interest of the City to waive the multiple-step solicitation process requirements for the additional purchases and professional services required for the Oracle Project and PRIME Project.

We make this recommendation for the projects based on the following factors:

- **Timing/Urgency.** There is an increasing urgency to address some of the gaps as this project moves forward. By requiring RFPs for the ancillary work, it would delay the tight timeframe the City has already put in place to complete Phase II. Further delays in timing will result in expensive change orders for the current Contractors, such as Horizon and Vings Technologies, who are already working on Phase II as well as the high opportunity cost of City staff time. In addition, as in the case of PBD's Accela system, by waiving the competitive bidding requirement, it would allow Staff to start mitigating some of that department's risks immediately. PRIME is the next generation early warning system for OPD that, in addition to its early warning/risk management components, also contains modules essential to the operations of the Department – from Internal Affairs case tracking to use of force reporting. It is an absolutely mission-critical system for the Department and it is urgent that the project not lose momentum or experience any additional delays.
- **RFPs/Qualification Canvassing Already Conducted During Prior Phases/Efficiencies:** Oracle Project's Phase II's scope is relatively modest compared

Item: \_\_\_\_\_  
Finance and Management Committee  
March 14, 2017

to Phase I. Contractors, namely Horizon, Vings Technologies and Accela, that are recommended for Phase II were properly and thoroughly vetted during Phase I. In terms of PRIME, two of the three contractors, namely Sierra-Cedar and Microsoft, needed for the final implementation stage of PRIME were properly and thoroughly vetted via an RFP/Q process during the procurement phase of the project and are already deeply familiar with PRIME. The third contractor, Vings Technologies, has been used with great success as part of the Oracle Project and thus was also vetted and is able to come up to speed quickly on PRIME.

- **Efficiencies.** Related to the above, there are unique efficiencies for the City by contracting with the consultants who are already on site and well-versed in the City's technology infrastructure.

**FISCAL IMPACT**

There will be no fiscal impact for the above projects as monies to fund the above will be from funds that have already been budgeted as part of normal biennial departmental operations and maintenance. Shown below is a chart of the estimated costs as well as the expected Contractors:

*Table 4: Estimate of Costs*

Project Need	Recommended Contractor	Estimated Amount
<b>ORACLE PROJECT</b>		
PBD Scanning Infrastructure Project Management	Horizon	110,000
PBD Accela-WebCenter Integration	Accela	70,000
Additional Reports & Training	Vings Technologies	250,000
Oracle Project Management Extension	Horizon	65,000
Network Hardware & Software	Various Contractors	100,000
Project Contingency	Various Contractors	155,000
<b>Subtotal</b>		<b>\$ 750,000</b>
<b>PRIME PROJECT</b>		
PRIME Training & Testing Workstreams	Sierra-Cedar	180,000
PRIME Report Writing Workstream	Vings Technologies	170,000
PRIME Data Clean-Up	Microsoft	150,000
<b>Subtotal</b>		<b>\$ 500,000</b>
<b>TOTAL</b>		<b>\$ 1,250,000</b>

Total one-time cost will not exceed one million two hundred and twenty five thousand dollars (\$1,250,000), and is available as part of already budgeted funds in Fund 4600 and in Fund 2415's fund balance.

Item: \_\_\_\_\_  
 Finance and Management Committee  
 March 14, 2017

### **PUBLIC OUTREACH/INTEREST**

This item did not require any additional public outreach other than the required posting on the City's website.

### **COORDINATION**

This report was developed in consultation with staff in the Treasury Bureau, Budget Office, the Office of the City Attorney, Planning and Building Department and the Controller's Bureau.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** There are no economic opportunities associated with this report.

**Environmental:** There are no environmental opportunities associated with this report.

**Social Equity:** Approval of this resolution will help to ensure the City's ability to complete these mission critical upgrades to the technology platforms, which once completed, will provide better services and information access for Oakland residents.

### **ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that the City Council adopt a resolution authorizing the City Administrator or designee to:

- 1) Enter into Professional Services Agreements and/or Purchase Agreements for hardware or software to support
  - a. Phase II Of the Oracle Reimplementation Project ("Oracle Project"),
  - b. related technology upgrades for City departments, and
  - c. the final implementation phase of the Performance, Reporting, Information and Metrics Environment ("PRIME") Projectin an amount not to exceed one million two hundred and fifty thousand dollars (\$1,250,000) without return to Council; and
- 2) Waive the multiple-step solicitation requirements when necessary.

Item: \_\_\_\_\_  
Finance and Management Committee  
March 14, 2017



For questions regarding this report, please contact Janet Salisbury, Project Manager, at (510) 238-6545 or at jsalisbury@oaklandnet.com.

Respectfully submitted,



**KATANO KASAINÉ**  
Interim Chief Information Officer  
Information Technology Department

Reviewed by:

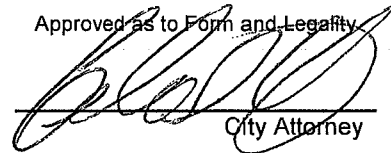
**AHSAN BAIG**  
Deputy CIO  
Information Technology Department

**MYRON LAI**  
Deputy CIO  
Information Technology Department

Prepared by:

**JANET SALISBURY**  
Project Manager II  
Information Technology Department

Item: \_\_\_\_\_  
Finance and Management Committee  
March 14, 2017

  
City Attorney

**FILED**  
OFFICE OF THE CITY CLERK  
OAKLAND

2017 MAR -2 PM 1:39

# OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

**RESOLUTION:**

1. **AUTHORIZING THE CITY ADMINISTRATOR OR DESIGNEE TO ENTER INTO PROFESSIONAL SERVICES AGREEMENTS AND/OR PURCHASE AGREEMENTS FOR HARDWARE OR SOFTWARE TO SUPPORT**
  - A. **PHASE II OF THE ORACLE REIMPLEMENTATION PROJECT ("ORACLE PROJECT"),**
  - B. **RELATED TECHNOLOGY UPGRADES FOR CITY DEPARTMENTS, AND**
  - C. **THE FINAL IMPLEMENTATION PHASE OF THE PERFORMANCE, REPORTING, INFORMATION AND METRICS ENVIRONMENT (PRIME) PROJECT**

**IN AN AMOUNT NOT TO EXCEED ONE MILLION TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$1,250,000) WITHOUT RETURN TO COUNCIL; AND**
  
2. **WAIVE THE MULTIPLE-STEP SOLICITATION PROCESS REQUIREMENTS WHEN NECESSARY.**

**WHEREAS,** the City's information technology infrastructure is the underlying foundation that ties multiple departments and agencies together and that provides mission-critical tools to the City workforce; and

**WHEREAS,** the City has completed Phase I of the Oracle Reimplementation Project in December 2016, and Phase II of the Oracle Project is currently underway; and

**WHEREAS,** additional hardware and/or software purchases are required to complete Phase II; and

**WHEREAS,** additional specialized professional services from contractor(s) are required to address infrastructure inadequacies in the Planning and Building Department; and

**WHEREAS**, additional specialized professional services from contractor(s) are required for training, report creation, and other ancillary projects related to Phase II; and

**WHEREAS**, the City is in the final implementation phase of the PRIME project for the Oakland Police Department (“OPD”) to provide a next generation early warning system critical to the functioning of the Department; and

**WHEREAS**, additional specialized professional services from contractor(s) are required to complete the training, testing, report writing and data clean-up stages of the project; and

**WHEREAS**, OMC Section 2.04.042 requires a multiple-step solicitation process for the combined purchase of products and professional services by soliciting proposals, requiring vendor demonstrations when appropriate and feasible, and evaluating and rating proposals and performance in demonstrations on the basis of uniform criteria to be determined by the City Administrator on a case-by-case basis, for the purchase of supplies, equipment, and computer software; and

**WHEREAS**, OMC sections 2.04.042 D permits the City Council to waive the multiple-step solicitation process upon a recommendation of the City Administrator and a finding and determination that it is in the City’s best interest to do so; and

**WHEREAS**, the City Administrator recommends that the Council make a finding and determination to waive the the requirements of OMC section 2.04.042 and authorize the City Administrator to enter into a hardware and/or software purchase agreement; and

**WHEREAS**, staff requestss that the Council authorize the City Administrator to execute all necessary contracts to successfully complete all of the projects above; and

**WHEREAS**, requests for qualifications, both formal and informal, were conducted with the recommended universe of contractors during earlier phases Oracle Project and PRIME Project; and

**WHEREAS**, the Agenda Report accompanying this Resolution, staff has set forth the facts supporting waiver of the multiple-step solicitation process requirements of OMC section 2.04.042, especially related to the time sensitivities and mission critical nature of both projects; and now, therefore be it

**RESOLVED**, that the City Council finds and determines the forgoing recitals to be true and correct and hereby adopts and incorporates them into this Resolution; and be it

**FURTHER RESOLVED**, that pursuant to the Oakland Municipal Code Section 2.04.042 D, the City Council hereby finds and determines that it is in the best interests of the City to waive the multiple-step solicitation process requirements for the combines purchase of products and professional services; and be it

**FURTHER RESOLVED**, that based on the recommendations of the City Administrator, the City Council authorizes the City Administrator or designee to negotiate and enter into purchase contracts and/or professional services contracts as shown in the accompanying Staff Report; and be it

**FURTHER RESOLVED**, that, consistent with standard procedure, should the City and selected firms not be able to reach an agreement as to contract terms within a reasonable timeframe, Council authorizes the City Administrator or designee to negotiate and enter into contracts with qualified firms without return to Council, while waiving the multiple-step solicitation process requirements when necessary; and be it

**FURTHER RESOLVED**, that the City Council finds and determines based on the above determinations of the City Administrator, that the goods and services provided pursuant to the agreements authorized hereunder are of a professional, scientific, or technical and temporary in nature, and shall not result in a loss of employment or salary by any person having permanent status in the competitive service process; and be it

**FURTHER RESOLVED**, that \$570,000 of the costs associated with some of the agreements hereunder related will be from already budgeted monies in Fund 4600; and

**FURTHER RESOLVED**, that \$180,000 of the costs related to upgrading its scanning infrastructure and WebCenter interface from the Planning and Building Department will be appropriated from fund balance (Fund 2415), bringing total appropriation for the Oracle related projects from fund balance (Fund 2415) to \$2,380,000; and

**FURTHER RESOLVED**, that \$500,000 of the costs related to PRIME project will be from already budgeted monies in Fund 4600; and

**FURTHER RESOLVED**, that the Office of the City Attorney will approve the contracts as to form and legality and copies will be on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2016

**PASSED BY THE FOLLOWING VOTE:**

AYES – BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY

GUILLEN, KALB, KAPLAN, AND PRESIDENT REID

NOES –

ABSENT –

ABSTENTION –

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

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