



COUNCIL AGENDA: 1/9/24
FILE: 24-67004
ITEM: 2.8

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Rick Bruneau
Chris Burton
Jim Shannon

SUBJECT: SEE BELOW

DATE: December 13, 2023

Approved

Date

12/15/23

**SUBJECT: REPORT ON REQUEST FOR PROPOSALS FOR A CODE
ENFORCEMENT SOFTWARE SOLUTION**

RECOMMENDATION

- (a) Accept this report on the Request for Proposals and adopt a resolution authorizing the City Manager or her designee to:
 - (1) Negotiate and execute an agreement with Infinite Solutions Inc. (Roseville, CA) for a Code Enforcement Software Solution with an initial three-year term beginning on or about January 15, 2024, and ending on or about January 14, 2027, or as may be adjusted to align with the software renewal term, with a maximum compensation not to exceed \$222,000;
 - (2) Negotiate and execute amendments and change orders for unanticipated changes in requirements for a contingency amount not to exceed \$100,000 during the initial term; and
 - (3) Exercise up to four one-year options to extend the term of the agreement for a possible maximum term of seven years, subject to the appropriation of funds.
- (b) Adopt the following 2023-2024 Appropriation Ordinance amendments in the General Fund:
 - (1) Increase the Non-Personal/Equipment appropriation to the Planning, Building and Code Enforcement Department by \$322,000; and
 - (2) Decrease the Code Enforcement Permit System Reserve by \$322,000.

SUMMARY AND OUTCOME

Authorizing the City Manager or her designee to take these actions provides City staff with a new code enforcement system to manage code enforcement services and compliance to (1) address blight, building code violations, zoning violations, substandard housing, and other conditions and (2) encourage a safe, healthy, and attractive community.

BACKGROUND

The Planning, Building, and Code Enforcement Department (PBCE) provides citywide code enforcement services for reported concerns and violations relating to residential, commercial, and industrial private properties. These include, but are not limited to, reports of blight, building code violations, zoning violations, substandard housing, and other conditions. PBCE utilizes code enforcement software for case creation, case management, data analytics, and reporting of code enforcement services. The current software was implemented in 1999 and is now obsolete. PBCE is seeking to replace the obsolete software so it can continue to provide services as efficient and effectively as possible.

ANALYSIS

In February 2023, the Finance Department released a Request for Proposals (RFP) on behalf of the Code Enforcement Division of PBCE for a Code Enforcement Solution through the City's e-procurement system, Biddingo. Over 8,728 vendors were notified by Biddingo of the bid opportunity in their daily bid notifications, and 20 companies viewed the RFP. Ten vendors submitted proposals prior to the submittal deadline, one of which was disqualified as non-responsive prior to evaluation.

Evaluation Process: The submitted proposals were independently evaluated and scored, in accordance with the evaluation criteria set forth in the RFP, by a four-member evaluation team comprised of representatives from PBCE's Code Enforcement Division and the Information Technology Department. Following initial scoring of proposal responses by the evaluation team, staff conducted oral interviews/system demonstrations with the four highest-ranked respondents. The two highest scoring vendors after oral interviews/system demonstrations participated in a best and final offer process. The City then conducted a technology, security, and privacy review with the highest scoring finalist. Evaluation results for the finalists are summarized below.

| Evaluation Criteria | Points Available | Infinite Solutions Inc. | Comcate |
|--|-------------------------|--------------------------------|----------------|
| Proposal Responsiveness | Pass/Fail | Pass | Pass |
| Technology, Security, and Privacy Review | Pass/Fail | Pass | N/A |
| General Requirements | 10 | 8 | 9 |

| | | | |
|---|------------|-----------|-----------|
| Experience and Qualifications | 15 | 10 | 10 |
| Project Approach / Schedule | 10 | 6 | 6 |
| Technical Capabilities | 15 | 10 | 10 |
| Cost Proposal (Second best and final offer) | 20 | 20 | 16 |
| Oral Interview / System Demonstration | 20 | 14 | 14 |
| Local Business Enterprise | 5 | 0 | 0 |
| Small Business Enterprise | 5 | 0 | 0 |
| TOTAL SCORE | 100 | 68 | 65 |

Local and Small Business Enterprise Preferences: In accordance with [City of San José Municipal Code, Section 4.12.320](#), 10 percent of the total evaluation points were reserved for the local and small business preferences. No proposers requested the local or small business preference.

Protest: The City RFP process included a 10-day protest period that began when the City issued the Notice of Intended Award on October 4, 2023. No protests were received.

Award Recommendations: Based on the results of the RFP, staff recommends award of contract to Infinite Solutions Inc., whose proposal was scored as the best value proposal per the evaluation criteria and specifications set forth in the RFP. The vendor's proposal was rated highly in the following key areas:

- Lowest total cost of ownership, including software, support, and maintenance;
- Extensive experience, knowledge, and expertise in providing the same or similar solution for other public agencies; and
- Utilizes current technology.

Staff conducted reference checks with the California Department of Financial Protection and Innovation (CA) and California Department of Water Resources (CA). All references provided positive feedback.

Summary of Agreement: The agreement with Infinite Solutions Inc. will be in accordance with the City's standard terms and conditions and include the following provisions:

- Detailed scope of work to ensure the provided services comply with City requirements;
- Project implementation plan/schedule;
- Fixed, not-to-exceed pricing for the initial three-year term; and
- Four one-year options to extend the agreement through January 14, 2031, or as may be adjusted to align with the software renewal term, with vendor requests for pricing adjustments during the option terms to be considered by the City in accordance with the Producer Price Index, but not to exceed three percent over the previous year.

EVALUATION AND FOLLOW-UP

This memorandum will not require any follow-up from staff.

COST SUMMARY/IMPLICATIONS

The agreement recommended in this memorandum will be funded in the General Fund from the Code Enforcement Permit System Reserve which has a budget of \$2.8 million. Costs are provided below for implementation of the Code Enforcement Solution and software subscription fees for the initial three-year term. A recommendation is included in this memorandum to increase the PBCE Department's Non-Personal/Equipment appropriation by \$322,000, offset by a decrease to the Code Enforcement Permit System Reserve, which was set up to help fund the Code Enforcement Program for future software upgrades of the City's Code Enforcement Permit System. This request includes a \$100,000 contingency due to the longer initial contract term of three years and an anticipated need for additional, currently unknown customizations to enhance and modify the new solution for City use. Contingency may also be used for additional licensing, upgrades, etc. Use of contingency will require an executed contract amendment or change order. The software is anticipated to be ready for use in the fall of 2024. Ongoing costs following the initial three-year term are estimated to be \$49,000 per year, with any increases subject to vendor request in accordance with the Producer Price Index but not to exceed 3% of the previous year's fees, and will be subject to the appropriation of funds through the annual budget process. If additional funds are required for upgrades, staffing, etc., budget actions related to the use of the reserve will be brought forward through future budget processes.

| | |
|--|------------------|
| 1. AMOUNT OF RECOMMENDATION (Three-Year Initial Term) | \$222,000 |
|--|------------------|

2. COST ELEMENTS:**Three-Year Initial Term**

| | |
|---|----------|
| - One-Time Implementation Services | \$75,000 |
| - 1 st Year Software Subscription* | 49,000 |
| - 2 nd Year Software Subscription* | 49,000 |
| - 3 rd Year Software Subscription* | 49,000 |

| | |
|---|------------------|
| CONTRACT NOT-TO-EXCEED TOTAL (Three-Year Initial Term) | \$222,000 |
|---|------------------|

| | |
|--|---------|
| Contingency (subject to an executed change order or amendment) | 100,000 |
|--|---------|

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|--|------------------|
| GRAND TOTAL NOT-TO-EXCEED TOTAL (Three-Year Initial Term) | \$322,000 |
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*(Includes unlimited software licenses, 500 GB data storage, technical support, and maintenance.)

BUDGET REFERENCE

The table below identifies the funds and appropriations to fund the contract recommended as part of this memorandum.

| Fund # | Appn. # | Appn. Name | Current Total Appn. | Rec. Budget Action | 2023-2024 Adopted Operating Budget Page | Last Budget Action (Date, Ord. No.) |
|---------------|----------------|--|----------------------------|---------------------------|--|--|
| 001 | 0582 | Non-Personal / Equipment | \$1,217,061 | \$322,000 | 745 | 10/17/2023 30966 |
| 001 | 8562 | Code Enforcement Permit System Reserve | \$2,758,000 | (\$322,000) | 959 | 6/20/2023 30933 |

COORDINATION

This memorandum has been coordinated with the City Attorney's Office.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the January 9, 2024 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

HONORABLE MAYOR AND CITY COUNCIL

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PUBLIC SUBSIDY REPORTING

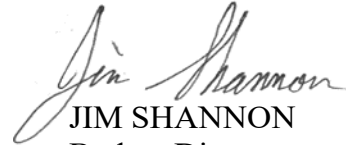
This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

RICK BRUNEAU
Director of Finance

/s/

CHRIS BURTON
Director of Planning,
Building, and Code Enforcement



JIM SHANNON
Budget Director

For procurement- and contract-related questions, please contact Albie Udom, Deputy Director of Finance – Purchasing and Risk Management, at albie.udom@sanjoseca.gov. For program-related questions, please contact Rachel Roberts, Deputy Director – Code Enforcement Division, at rachel.roberts@sanjoseca.gov. For budget-related questions, please contact Jim Shannon, Budget Director, at jim.shannon@sanjoseca.gov.