



Staff Report

File #: REPORT 17-0620, Version: 1

**Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of October 10, 2017**

**APPROVE AN AGREEMENT WITH AMERICAN
MICROIMAGING, INC. (AMI) FOR DOCUMENT SCANNING
SERVICES AND IMPLEMENTATION OF AN ELECTRONIC
DOCUMENT MANAGEMENT SYSTEM**

(Assistant to the City Manager Nico De Anda-Scaia)

Recommended Action:

Staff recommends that the City Council authorize the City Manager to enter into an agreement with American MicroImaging Inc. for document scanning services and implementation of an electronic document management system for the City's various departments in the amount of \$263,942, based on a Request for Proposals from the City of Redlands, CA.

Background:

In line with the City's Strategic Plan Goal of being a "High Performing City Providing 1st Class Services", and in an effort to improve efficiencies and access to information across all departments, the City set forth the initiative of contracting for document scanning services and procuring an electronic document management system. This system can be used for the obvious benefits of scanning and document storage, but potential exists to gain efficiencies in actual workflow processes, records management, paper costs and sustainability, and disaster recovery efforts.

Currently, staff across most City departments face a number of challenges as a result of outdated, paper-based document management systems without disaster recovery or business continuity. Furthermore, because of the volume of files acquired and retained by departments over the past several decades, viable office space is often used for document storage. In order to address these issues, in March, 2016, a Digital Program Subcommittee comprised of members from each department was convened to determine the City's scanning needs and identify a suitable vendor capable of providing services to the City. At the time, three of the City's seven departments (PW, CD, and Clerk) had ongoing individual contracts with American MicroImaging Inc. for document scanning services and the Police Department had the Laserfiche document management system. The City first contracted with AMI in June 2011 when the Hermosa Beach Police Department solicited AMI's services to create efficiencies in staff time spent on filing, accessing and maintaining municipal

documents. After a comparison of vendors and costs across local cities, the Police Department utilized a Request for Proposal (RFP) created by the City of Arcadia and received the City Council's approval to purchase Laserfiche Avante document management software and technical/professional support services from AMI.

Analysis:

Whereas some cities may utilize multiple vendors to provide these services, the goal of this procurement is to secure a single document scanning provider and electronic document storage system that can be utilized Citywide at a competitive price. In light of the City's existing relationship and level of satisfaction with AMI's quality of work and competitive rates, the City stands to benefit from expanding its existing capabilities across all departments. Doing so would allow the City to maintain its already established document management system, continue current workflow without significant interruption, and ultimately avoid starting the entire process from the ground up.

City of Redlands

In 2014, the City of Redlands solicited an RFP to identify a vendor capable of providing document scanning and indexing services for its departments. The City reviewed four proposals from different vendors and utilized a "Best Value" evaluation method, ultimately selecting AMI as the vendor most capable of providing the lowest cost commensurate with the highest quality and scope of work (See Attachment 1). Criteria for determining the "best value" proposer included the following:

- 1) Ability, capacity and skill of the proposer to provide the goods, services or non-public project construction, as required by the City and within the time specified.
- 2) Character, integrity, reputation, judgement, experiences, and efficiency of the proposer.
- 3) Ability of the proposer to provide future maintenance, repair parts and services for the use of the goods purchased.
- 4) Performance by the proposer under past contracts with the City and with other public or private entities.
- 5) Listing of contractor as "debarred" or determination of other public agency that the proposer has submitted a fraudulent proposal or bid within the prior five years.
- 6) Possession of required licenses, permits or other governmental approvals, if any, to supply or provide the subject goods, services or non-public project construction.

Furthermore, in selecting AMI, the City of Redlands also considered the vendor's price, experience, references, locations and previous performance experience with the City. Upon review, staff determined that the City of Redlands goals, expectations and criteria for implementing a citywide document management system closely matched those of our own City. Due to this, and the fact that the City of Redlands is very satisfied with the resulting product, it is recommended that we "piggyback" on their proposal and approve the agreement with AMI. The City Council has the

discretion to award a contract to a vendor which it believes offers the best level of services and best value to the City.

Hermosa Beach Implementation Plan

Should the City move forward with this contract, the implementation plan - detailed in the attached Statement of Work (Attachment 3) - consists of the following stages:

- Stage 1: City Personnel Certification
- Stage 2: Requirements Gathering
- Stage 3: Infrastructure Setup
- Stage 4: Development and Solution Demonstrations
- Stage 5: User/Group Setup
- Stage 6: AMI Functionality Testing
- Stage 7: Hermosa Beach Functionality Testing
- Stage 8: User Training
- Stage 9: Piloting
- Stage 10: Project Acceptance and "Go Live"
- Stage 11: Stabilization, Knowledge Transfer, Hand Over, and Project Closeout
- Stage 12: Support Services

For a description of each stage, refer to pages 6-10 in Attachment 3. The initial estimated timeline for completion is 20 weeks, however this number may change following the critical assessment of department needs and requirements in Stage 2.

The implementation plan, data migration and training will take a collaborative effort between the vendor and designated City staff to ensure efficient implementation and effective organization of the system. Because this process is expected to be complex, the City will designate a project lead and one representative from each department. The City Manager's Office, in partnership with the City Clerk (and with assistance from the City's IT services provider) will work closely with AMI in facilitating the various stages of this project through completion.

Fiscal Implications:

The City Manager's budget (Equipment Replacement Fund) includes \$320,000 for this project in the current Fiscal Year 2017-2018. The total cost to purchase the Laserfiche Enterprise Content Management software and licenses, scanner hardware, document scanning services, professional services, software maintenance technical support for year one, training and consultant travel is \$263,942¹. For a cost breakdown of total services, refer to Attachment 2.

Of the remaining \$56,058, \$33,381 will be used to elevate the City's digital storage infrastructure to

meet our current and future needs citywide, with plenty of room to grow. This total covers server hardware, appropriate software, maintenance and support, and professional services for set up of new servers by Prosum, the City's IT services provider. Approximately \$22,677 in remaining funds will be available for any modification(s) following the completion of Stage 2 in the project implementation plan (requirements gathering and project plan scope assessment).

Attachments:

1. City of Redlands Staff Report, Vendor Ranking and Associated Materials
2. Project Cost Breakdown for Services
3. Scope of Services/Statement of Work
4. Draft Professional Services Agreement

Respectfully Submitted by: Nico De Anda-Scaia, Assistant to the City Manager

Noted for Fiscal Impact: Viki Copeland, Finance Director

Legal Review: Mike Jenkins, City Attorney

Approved: Sergio Gonzalez, City Manager

¹ This total includes a software discount of \$6,500 available until October 30, 2017.