

City of Sacramento

Legislation Text

File #: 2019-00275, **Version:** 1

Title:

Supplemental Agreement to Extend Citywide Web-Based Bidding Portal Contract (Two-Thirds Vote Required)

File ID: 2019-00275

Location: Citywide

Recommendation:

Pass a Motion authorizing the City Manager or the City Manager's designee to: 1) suspend competitive bidding in the best interest of the City; and 2) execute an extension to contract 2016-0439 with PlanetBids for the City's web-based bidding portal through October 31, 2019, and increase the original not-to-exceed amount of \$85,000 by \$43,000, for a total not-to-exceed amount of \$128,000.

Contact: Ashley Petralli, Program Analyst, (916) 808-5749, Department of Finance, Procurement Division

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Contract - PlanetBids 2016-0439
- 3-Contract Supplement 2016-0439-1
- 4-Proposed Contract Supplement 2016-0439-2

Description/Analysis

Issue Detail: The City posts public bids on a web-based procurement portal. This portal is currently supported by PlanetBids. PlanetBids was originally selected as the City's web-based bidding portal by Procurement Services and Information Technology staff in 2011. In 2016, PlanetBids was awarded the existing contract 2016-0439 to fulfill the City's need for continued service. Competition was suspended based upon the changeover costs associated with changing platforms, implementation, and training for employees and external vendors. The potential for cost savings was outweighed by

the costs that would have been associated with the transition to another platform. These same factors support the suspension of competitive bidding in the best interest of the City at this time.

The Procurement Division is currently working internally to implement a new platform for solicitation events, contract development, and management: Automated Bids, Contracts, and Digital Signatures (ABCDs). The current go-live date for ABCDs is May 2019. ABCDs will encompass a new procurement portal which will replace our current need for the bidding portal provided by PlanetBids.

The current contract with PlanetBids is set to expire April 28, 2019, which is prior to implementation of ABCDs. To maintain the City's bidding process, it is in the best interest of the City to extend the current contract through October 31, 2019. Staff is seeking authorization to execute a supplemental agreement increasing the overall contract value and extending the contract service terms. It is in the best interest of the City that we maintain PlanetBids through the implementation of ABCDs, after which, PlanetBids will no longer be needed.

Policy Considerations: City Council approval is required for service and supply contracts in amounts of \$100,000 or more.

Economic Impacts: None.

Environmental Considerations: None.

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Given the short-term continued need for this service, coupled with the potential for disruption resulting from a transition to a new vendor, staff is recommending the extension of the contract with the current vendor pending the implementation of ABCDs. Extending the expiration date to October 31, 2019, and increasing the not-to-exceed amount by \$43,000, will ensure the City's employees and vendors will continue to receive seamless web-based bidding portal service while the City transitions to the new Procurement portal as part of the ABCDs implementation.

Financial Considerations: Annual fees for PlanetBids include \$3,875 for an Emergency Operations Module which provides the City with additional resources in sourcing items and services in the event of an emergency, and individual licenses at \$2,163 per user for any user who requires access to post sourcing events to PlanetBids. Currently the city has 18 active licenses with PlanetBids. The total annual cost for PlanetBids including the Emergency Operations Module and all license fees is approximately \$43,000.

The cost for the Emergency Operations Module will be charged to the Procurement Division's operating budget, and there is sufficient funding available. Divisions throughout the City use their operating budgets to purchase licenses for their users to post and manage bids. PlanetBids has agreed to pro-rate license fees and the fee for the Emergency Operations Module for the termination of the contract in October. The requested \$43,000 will cover the fees for the 6-month extension as well as an additional six months should unforeseen circumstances require the delay of ABCDs implementation.

Local Business Enterprise (LBE): PlanetBids, Inc. is not an LBE. The minimum LBE participation requirement has been waived because staff is recommending that the City suspend competitive bidding.