



## Legislation Text

File #: 18-842, Version: 1

Approve an amendment to the Information Technology Service Agreement (ITSA) with Avenu Insights & Analytics Inc. for \$6,190,686 for the term of January 1, 2019 through December 31, 2019; Authorize the Chief Information Officer (CIO) to execute the agreement and to negotiate and execute change orders with Avenu, not to exceed 10% of the contract amount and within departmental appropriations for IT contract services

Published Notice Required? Yes ☐ No ☒  
Public Hearing Required? Yes ☐ No ☒

### **DEPARTMENTAL RECOMMENDATION:**

The Department of Information Technology recommends that the Board:

- 1) Approve an amendment to the Information Technology Service Agreement (ITSA) with Avenu Insights & Analytics Inc. for \$6,190,686 for the term of January 1, 2019 through December 31, 2019; and,
- 2) Authorize the Chief Information Officer (CIO) to execute the agreement and to negotiate and execute change orders with Avenu, not to exceed 10% of the contract amount and within departmental appropriations for IT contract services.

### **SUMMARY:**

The information technology support services contract the County has with Conduent Inc. expires on December 31, 2018. Conduent recently sold its IT outsourcing business to Avenu Insights & Analytics Inc. The County issued a Request for Proposal (RFP) for IT services but Avenu was not able to fully participate in the process due to the status of the sale transaction with Conduent. Additionally, the RFP process yielded only three bidders. In the best interests of the RFP process, and in the interest of providing more choice for the County, the Department suspended the process with the intent of re-issuing the RFP in the new calendar year. Since the current agreement has been assigned to Avenu but expires on December 31, 2018, the Department recommends that the Board approve a 1 year contract extension.

### **FINANCIAL IMPACT:**

The cost of a 12-month extension of the ITSA with Avenu is \$6,190,686. The contract's cost from January 1, 2019 through June 30, 2019 is \$3,049,599 and is included in the Department's budget appropriation for FY2018/19. The cost of extending the ITSA from July 1, 2019 to December 31, 2019 is \$3,141,087 and will be included in the requested budget for FY2019/20. These amounts include base services and current, active work orders that were previously approved this year. These amounts are consistent with previous contract amendments and include a COLA as outlined in provisions of the ITSA.

The costs associated with preparing this agenda item are nominal and absorbed by the department's FY2018/19 Adopted Budget.

### **DISCUSSION:**

The County's Information Technology Services Agreement (ITSA) with Conduent Inc. expires on December 31,

2018. The Department issued a Request for Proposal to the IT services marketplace on August 22, 2018. Over 2,000 vendors received notification of the RFP through Public Purchase and over 270 vendors downloaded the RFP documents that were posted to the Public Purchase website. Department staff conducted a pre-proposal bidders conference on September 4, 2018 and nine vendors submitted "Intent to Propose" letters by the September 7<sup>th</sup> deadline. Proposals were due September 27<sup>th</sup>.

Although 270 vendors downloaded the RFP documents and nine submitted an intent to propose, only three vendors submitted proposals. In addition, during the RFP process, Conduent was in negotiations to sell its IT services and software business to Avenu Insights & Analytics Inc (which includes services provided under the current agreement). Due to the timing of the sale and the pending RFP, Conduent submitted its proposal on the September 27<sup>th</sup> deadline and closed the sale of the business to Avenu on September 29<sup>th</sup>. Subsequent to the sale, the County's agreement with Conduent has been assigned to Avenu. Although the sale was in process for many weeks, Avenu did not participate in formulating the proposal that was submitted by Conduent and it is doubtful that Conduent would now be positioned to fulfill the work outlined in its proposal.

Given the situation with the incumbent service provider, the limited response received from other potential providers, and with concurrence from the County Administrator and County Counsel's Office, the Department suspended the process and withdrew the RFP with the intent to re-issue it as soon as practical.

Given the length of time required by the RFP process, the time required for potential provider transition and the impending retirement of the CIO the Department is recommending that restarting the process wait until the new CIO is in place to manage the process, be involved in the vendor selection, and direct any necessary transition activities.

So that there is not a disruption of service to customers, the Department recommends that the County extend its current ITSA with Avenu for one year.

#### **ALTERNATIVES:**

The Board could choose to not approve a 1 year renewal of the ITSA with Avenue, however this is not recommended. The current ITSA expires December 31<sup>st</sup> and not renewing it would cause disruption to IT service delivery.

The Board could choose to approve an extension to the ITSA for less than one year, however, that is not recommended. Department staff have developed a timeline for restarting the RFP process and estimates that the procurement process would take approximately six months. If the result of the RFP process awards the work to a new provider, an additional six months would be required to affect an orderly transition of services. Additionally, provisions of the ITSA allow the County to off-ramp work or otherwise reduce contractor staffing with only thirty days' notice.

#### **OTHER AGENCY INVOLVEMENT:**

The County Administrator's Office and County Counsel's Office have been involved in the decision to suspend the RFP process and renew the ITSA with Avenu for one year. County Counsel's Office has also been involved in the negotiation of ITSA Amendment 10.

#### **CAO RECOMMENDATION:**

### **APPROVE DEPARTMENTAL RECOMMENDATION**