



CITY COUNCIL AGENDA REPORT

MEETING DATE: JULY 3, 2007

ITEM NUMBER:

SUBJECT: DOCUMENT IMAGING SOFTWARE AND SERVICES

DATE: MAY 23, 2007

FROM: FINANCE DEPARTMENT- FINANCIAL PLANNING DIVISION

PRESENTATION BY: MARC R. PUCKETT, DIRECTOR OF FINANCE

FOR FURTHER INFORMATION CONTACT: DEBBIE DOBROTT AT 714/754-5212

RECOMMENDATION:

1. Award RFP No. 1106 for a three-year contract for the purchase of document imaging software, licensing, and document imaging services to Matrix Imaging, 3151 Airway Avenue, Suite H-1, Costa Mesa, California, 92626.
2. Authorize the Mayor and the City Clerk to execute the Professional Services Agreement for the contract.

BACKGROUND:

In August 2005, the City began a pilot program for scanning documents with CSG Consulting. The pilot program allowed the Building Division and Engineering Division to have paper documents converted to a software format (TIFF) for automated retrieval and to reduce the storage space needed to maintain permanent records. Staff determined that due to the need of other departments to scan documents and the potential cost of the program a formal Request for Proposal (RFP) would be necessary.

Staff began the process of developing a Request for Proposal (RFP) for document imaging software and services in October 2006. The intent of the RFP was to acquire a software solution for the utilization of the scanned documents and to establish a three-year price agreement for scanning services with the emphasis on documents for the Building, Planning, Engineering Divisions, and the City Clerk's Office. The RFP was prepared with the long-term objective of converting the City's current, archived records, and future documents to digital storage.

As required by the City of Costa Mesa Municipal Code, the "Request for Proposals" was solicited from qualified suppliers whose names were on the bidders' list and other suppliers requesting copies of the RFP. A "Request for Proposal" was published in the Daily Pilot and posted on the public bulletin board in City Hall. The notice was also posted on the City's web site. Thirty prospective proposers were invited to submit proposals. A mandatory pre-proposal meeting was held on December 13, 2006 at 10:00 a.m. Nineteen prospective proposers were in attendance. The answers to the questions brought up at the pre-proposal meeting were addressed, information was provided to the proposers in attendance, and an addendum was issued changing the

due date from January 8, 2007, to January 29, 2007. The City received eight proposals on January 29, 2007.

ANALYSIS:

Purchasing staff conducted the RFP evaluation process. An evaluation team consisting of pertinent Department representatives performed independent evaluations of each proposal submitted. The three criteria used in the evaluations were: a) technical response, b) vendor's qualifications, and c) the proposed costs.

Upon submittal and ranking of the evaluations, the three highest ranking proposers were determined. The evaluation team requested to meet with the three highest ranking proposers for a demonstration of the software and to view samples of scanned documents.

The evaluation team concluded that Matrix Imaging provided the best overall document imaging solution for both software and imaging services. Matrix Imaging proposed the use of EMC ApplicationXtender 5 software. The price per image scanned is actually lower than the pricing paid during the pilot program. Additional information is provided in the attached Professional Services Agreement and the proposer's response to the request.

It is understood that there are hardware requirements to support this application. The hardware and database software are the repository for the electronic records generated by EMC's ApplicationXtender 5 software system. Funding for the hardware and database licenses will be provided from the existing budgetary dollars already approved in the FY 06-07 budget. This will reduce the amount of funding available by approximately \$20,000. The prior amount combined with the \$57,745.73 needed to purchase the software product and licenses leaves a remainder of \$2,254.27. This remaining amount will be utilized for the actual scanning of documents.

Attachment I provides the evaluation summary identifying the eight proposers, the highest ranking proposers, the proposal cost and how each vendor ranked relative to the evaluation criteria.

ALTERNATIVES CONSIDERED:

Staff has invested numerous hours determining the best solution for document imaging for the City with the direction of the MIS Manager. Due to the length of time involved in the RFP process, there is an immediate need to begin scanning services. No other alternatives were considered.

FISCAL REVIEW:

The initial cost of the software and maintenance for the first year is \$57,745.73. This cost is based on 25 concurrent users. Maintenance for the second and third year will be \$12,000.00 per year. The cost of scanning documents is \$.06 per image for documents up to 11" x 17" indexed with two fields, and \$0.83 per image for documents larger than 11" x 17" indexed with two fields. The amount of scanning that will be done each year during this contract will be predicated on the amount of funding made available through the budget process. The FY 2006-07 Budget provides \$80,000 in funding for the

document imaging project. The Proposed FY 2007-08 Budget provides \$150,000 for document imaging services.

LEGAL REVIEW:

The City Attorney's office has reviewed and approved the attached Professional Services agreements as to form.

CONCLUSION:

It is recommended that City Council award RFP No. 1106 for document imaging and software services to Matrix Imaging and to authorize the Mayor and the Deputy City Clerk to execute the Professional Services Agreement. The amount shall not exceed \$200,000.00 through June 30, 2008. Funding for years two and three will be predicated on the amount of money allocated through the budget process in each of the two subsequent years.

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Attachments: [Attachment I, Proposal Evaluation](#)
[Attachment II, Professional Services Agreement](#)

Distribution: M.I.S. Manager
Development Services Director
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