



CITY COUNCIL AGENDA REPORT

MEETING DATE: MAY 5, 2015

ITEM NUMBER: CC-12

SUBJECT: AWARD PROFESSIONAL SERVICE AGREEMENT TO FTOG, INC. FOR PURCHASING PERFORMANCE PLAN

DATE: APRIL 21, 2015

FROM: FINANCE DEPARTMENT/PURCHASING DIVISION

PRESENTATION BY: STEPHEN DUNIVENT, INTERIM FINANCE DIRECTOR

**FOR FURTHER INFORMATION CONTACT: KATHLEEN OROZCO, PURCHASING SUPERVISOR
714-754-5062**

RECOMMENDED ACTION:

1. Award Professional Services Agreement to FTOG, Inc. for procurement consulting services for a six (6) month period in the amount not to exceed \$50,600.00 commencing on the date of execution.
2. Authorize the Mayor and the City Clerk to execute the Professional Services Agreement.

BACKGROUND:

The City entered into a Professional Services Agreement with FTOG, Inc. on December 10, 2013 through June 2, 2014 with the option to extend the contract in two six-month periods to provide interim support to the Purchasing Division. In August 2014, the first amendment to extend this Agreement was approved by City Council, effective July 1, 2014 through January 2, 2015. On January 2, 2015, the second amendment to extend this Agreement was executed commencing on January 2, 2015 through April 3, 2015.

FTOG, Inc. has provided professional procurement services to supplement the Purchasing Division due to limited staffing over the last several years. During this time, the vendor has become intricately involved in the processing of Purchase Requisitions to Purchase Orders (P.O.), obtaining bids, quotes and assisting with Request for Proposals (RFPs), budget validations and adherence to the City's Purchasing Policy and Municipal Code.

ANALYSIS:

The Purchasing Division has identified the following objectives to be implemented to streamline and simplify the procurement process:

- Implementation of an Electronic Requisition Process (ERP) to allow for electronic routing and approval of requisitions, improved tracking of project status, and creating a more 'green' system eliminating the use of paper requisitions.

- Training to be coordinated and conducted once the ERP is implemented.
- Development and implementation a comprehensive Master Contract list that will allow for Purchasing Division Staff to identify contracts that will require a renewal or will be expiring.
- Reorganization of the City's warehouse to serve the various departments within the City and include surplus procedures.

FTOG's professional services are required to ensure implementation of these critical objectives, as this firm possesses significant institutional knowledge of the City's procurement policies and procedures. In addition, in order to meet the expedited target implementation date for these objectives (September 1, 2015), the Purchasing Division will require FTOG, Inc.'s services and support.

ALTERNATIVES:

City Council may choose not to approve award of the Agreement, however this would impact implementation of critical Procurement Division objectives that will significantly streamline the City's purchasing practices.

FISCAL REVIEW:

The FY 14-15 budget provides funding for this service.

LEGAL REVIEW:

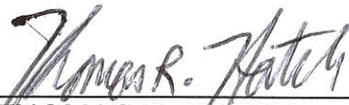
The City Attorney has reviewed the documents and approved them as to form.

CONCLUSION:

Staff recommends approval of the Professional Services Agreement with FTOG, Inc. for procurement consulting services, for a six (6) month term in an amount not to exceed \$50,600 and to authorize the Mayor and the City Clerk to execute the Professional Services Agreement.



STEPHEN DUNIVENT
Interim Finance Director



THOMAS R. HATCH
Chief Executive Officer



TOM DUARTE
City Attorney

Attachment 1: [FTOG, Inc. Professional Services Agreement](#)