REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Honorable Mayor and
Members of the City Council

Title: Contract Authorization: (Sacramento Employment and Training Agency) SETA for Customer Tracking System

Location/Council District: District 2

Recommendation: Adopt a **Resolution** authorizing SETA to contract with Geographic Solutions in an amount not to exceed $110,000 for a customer tracking system.

Contact: Edward Proctor, Information Technology Chief, (916) 263-4020

Presenters: Edward Proctor, Information Technology Chief, (916) 263-4020

Department: Sacramento Employment and Training Agency

Division: N/A

Organization No: N/A

Description/Analysis

Issue: The SETA Governing Board has approved an action that requires the review and approval of the Sacramento City Council. Section 21 (a) (4) of the Joint Exercise of Powers Agreement states that contracts for goods or services the cost of which exceeds $100,000 must be approved by the signatories to the Agreement before the goods or services may be obtained.

SETA, along with the Sacramento Works, Inc., operate 12 One Stop Career Centers throughout Sacramento County. The Career Center system is a cooperative effort of government and community agencies, school districts, and employers to integrate academic, vocational, and social services with job training and employment. Services are provided for both job seekers and employers seeking applicants.

In 1999, SETA implemented the SMARTware Customer Tracking and Case Management System ("SMARTware"). Originally developed by the Shasta County Private Industry Council, SETA purchased SMARTware in 2003 and began licensing its use to those Workforce Investment Boards that were using SMARTware at that time

(Napa, Golden Sierra, Yolo, Riverside and East Bay Works). Mendocino was subsequently added as a licensed user in 2007. The purchase of SMARTware required that SETA also contract with a Systems Administrator who had developed the original system and who also supported the other SMARTware users with the provision of high level technical support and development. In 2007, this contractual relationship ceased and SETA I.T. staff became responsible to all of the licensed users for support of their SMARTware systems. At this same time, it became apparent that the Platform under which SMARTware was built was outdated and could no longer be supported by SETA. SETA hired a Contract Developer to complete the conversion to a new platform. The Developer continues to develop new functionality required by changes that have been implemented due to SETA's participation as a Learning Lab for integrated service delivery. In 2008, Riverside County conducted a procurement for a new Tracking system that would better support its One Stop System and its Boards selected Geographic Solutions' Virtual One Stop System (VOS). Riverside has completed its conversion to the VOS and is no longer a SETA SMARTware Licensee. In 2009 SETA began hosting all remaining SMARTware licensed users at its Del Paso facility.

The current SMARTware program and operational environment has a number of shortcomings:

1. SMARTware does not have a functioning financial module or employer services module.

2. SMARTware does not have job spidering or job matching capability. Job spidering is a term used to describe a daily on-line search of the internet for new job listings, which then adds them to the jobs database for matching and labor market evaluation.

3. SETA's physical Information Technology environment does not contain any disaster recovery services other than off-site storage of data.

4. Significant staff time is required to support the current user base in hosting, technical and functional support.

5. SETA's core business is workforce development, not software applications development and significant investment has been and continues to be needed for software applications development in order for SMARTware to meet the needs of the users.

In 2009-10, SETA staff spent approximately $272,000 in enhancing and supporting SMARTware and its user community. SETA currently receives $90,000 per year in offsetting license and hosting fees from other SMARTware users. An estimated $325,000 will be required over a two-year period to enhance SMARTware with needed functionality and disaster recovery capability.

Given Riverside County's success in transitioning to the new VOS system, in mid-2009

SETA staff began looking at options to either upgrade the SMARTware system or replace it with a system offering the missing functionality and disaster recovery capability. Additional requirements of a replacement system include: being hosted and supported (technically and functionally) by the vendor; interfacing with the State of California's State Job Training Automation (JTA) System; and providing enhancements at no additional cost for a "short application" data input form, real time display of customer JTA information, and real time retrieval of Selective Service information. Additional factors affecting a "purchase versus build" decision included elimination of the development lag time and the enhanced functionality of providing customers and employers with direct access to the system while tracking their activities.

As part of its investigation, staff became aware that, on June 30, 2009, the County of Santa Barbara Department of Social Services released an RFP for a customer tracking system. Two vendors submitted proposals: iTrain and Geographic Solutions. Santa Barbara has given SETA permission to piggy-back on its procurement, which concluded that "The County of Santa Barbara selected Geographic Solutions, Inc. based on scoring the highest on the scorecard utilized in the selection process."

In conjunction with all existing SMARTware users, SETA evaluated four computer systems being used and available in California: SMARTware, iTrain, LA Works and VOS. Of the four, only VOS offers all the required functionality and it is also the least expensive of the group. All SMARTware users have agreed to piggy-back on Santa Barbara's procurement and to convert to VOS by entering into separate agreements with the vendor, Geographic Solutions.

Geographic Solutions has proposed a price for the entire user group of $438,100 per year for the first two years with a maximum 3% annual increase thereafter. This price includes the required enhancements, data conversion, installation, hosting, technical support and maintenance. Each Local Workforce Investment Area will pay a share of the negotiated price based upon their percentage of total group population. In SETA's case, this would amount to $109,834 per year. Upon Council approval, SETA will commence a conversion and implementation plan targeting late 2010 or early 2011 for implementation of VOS at SETA's twelve One Stop Career Centers.

Policy Considerations: None.

Environmental Considerations: N/A

Rationale for Recommendation: City Council approval is needed due to contract amount exceeding $100,000.

Financial Considerations: Approval of this recommendation will have no fiscal impact on the City budget.

Emerging Small Business Development (ESBD): N/A

Respectfully Submitted by:

Edward Proctor
Information Technology Chief
SETA

Recommendation Approved:

Gus Vina
Acting City Manager

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Attachment A

RESOLUTION NO.

Adopted by the Sacramento City Council

AUTHORIZING SACRAMENTO EMPLOYMENT AND TRAINING AGENCY (SETA) TO ENTER INTO AN AGREEMENT WITH GRAPHIC SOLUTIONS FOR AN AMOUNT NOT TO EXCEED $100,000.

BACKGROUND

A. In 1999, SETA implemented the SMARTware Customer Tracking and Case Management System ("SMARTware")

B. The current SMARTware program and operational environment has a number of shortcomings:

   1. SMARTware does not have a functioning financial module or employer services module.

   2. SMARTware does not have job spidering or job matching capability. Job spidering is a term used to describe a daily on-line search of the internet for new job listings, which then adds them to the jobs database for matching and labor market evaluation.

   3. SETA's physical Information Technology environment does not contain any disaster recovery services other than off-site storage of data.

   4. Significant staff time is required to support the current user base in hosting, technical and functional support.

   5. SETA's core business is workforce development, not software applications development and significant investment has been and continues to be needed for software applications development in order for SMARTware to meet the needs of the users.

C. In conjunction with all existing SMARTware users, SETA evaluated four computer systems being used and available in California: SMARTware, iTrain, LA Works and VOS. Of the four, only VOS offers all the required functionality and it is also the least expensive of the group. All SMARTware users have agreed to piggy-back on Santa Barbara's procurement and to convert to VOS by entering into separate agreements with the vendor, Geographic Solutions.

D. Geographic Solutions has proposed a price for the entire user group of $438,100 per year for the first two years with a maximum 3% annual increase thereafter. This price includes the required enhancements, data conversion, installation, hosting, technical support and maintenance. Each Local Workforce Investment Area will pay a share of the negotiated price based upon their percentage of total group population. In SETA's case, this would amount to $109,834 per year.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1   The Sacramento Employment and Training Agency is authorized to enter into an agreement with Geographic Solutions for an amount not to exceed $110,000.