



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: March 30, 2015

Approved

D. D. S. L.

Date

4/8/15

SUBJECT: REPORT ON REQUEST FOR PROPOSAL FOR A CRIME AND MOBILE PREDICTIVE ANALYTICS SOFTWARE SYSTEM

RECOMMENDATION

- (a) Accept the report on the Request for Proposal (“RFP”) for a Crime and Mobile Predictive Analytics Software System;
- (b) Adopt a resolution authorizing the City Manager to:
 - (1) Negotiate and execute an Agreement with Advanced Public Safety, Inc., doing business as The Omega Group (Deerfield Beach, FL) for the purchase of a Crime and Mobile Predictive Analytics Software System, including software cloud subscription services, training and related professional services, for an initial five-year term ending February 2020, with a maximum compensation not-to-exceed \$121,954 for the initial twelve months of the Agreement, and an estimated \$443,554 for the five-year term, subject to the annual appropriation of funds;
 - (2) Execute change orders to cover any unanticipated changes or requirements, for a not-to-exceed contingency amount of \$20,000, subject to the appropriation of funds; and
 - (3) Execute ten one-year options to extend the term of the Agreement to provide ongoing cloud subscription and content services after the initial five-year term at an estimated annual cost of \$80,400 that may be adjusted each year up to 3% upon justification by vendor and acceptance by the City, subject to the annual appropriation of funds.
- (c) Approve a Second Amendment to the Agreement with Corona Solutions for “Ops Force: Discover” to extend the term for nine months, retroactive from April 1, 2015 through December 31, 2015, and to increase the maximum compensation in an amount not to exceed \$38,168 for the extended term, for a total contract amount not to exceed \$524,657, in order to allow time for the implementation and transition to the new predictive analysis system as recommended above.

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OUTCOME

Provide a new Crime and Mobile Predictive Analytics System (“System”) to replace the City’s current system. The new System will allow the San José Police Department (“SJPD”) to continue to have access to appropriate crime analysis software.

EXECUTIVE SUMMARY

This memorandum provides the City Council with a report on the RFP process for a new Crime and Mobile Predictive Analytics System. After a thorough and complete evaluation of proposals from six different companies, staff recommends award of contract for the purchase and implementation of a Crime and Mobile Predictive Analytics System to The Omega Group, who submitted the most advantageous proposal to the City, for a maximum compensation not-to-exceed amount of \$443,554 for the initial five-year term. The proposed System will replace the current software/services contract from Corona Solutions.

BACKGROUND

The SJPD’s Computer Aided Dispatch (CAD) System is a highly specialized application that allows for the coordinated communication, assignment and tracking of SJPD resources in response to calls-for-service. In October 2002, the SJPD first deployed an internet software solution in order to retrieve calls for service data from the CAD System. At the time, there were limited providers capable of CAD data mining services and SJPD staff conducted a limited comparative analysis study and selected Corona Software Inc., dba Corona Solutions for contract award. Their technology module, Ops Force: Discover (formerly CADMine), is an internet-based service that leverages data in existing CAD systems for crime and trend analysis, mapping, searching and reporting. The Ops Force: Discover solution provides on-line reporting on near real-time CAD data for enhancement of police service delivery.

The original agreement with Corona Solutions was executed on November 19, 2002. On September 23, 2003, the First Amendment was executed to restate the initial term from April 1, 2003 through March 31, 2004, and allow for additional extensions of additional one year periods based upon the same conditions as the Agreement.

On August 24, 2004, the SJPD received City Council approval to execute a renewal of the Corona Solutions service agreement through March 31, 2005, as well as the approval to exercise five one-year options without further City Council action other than the appropriation of funding. All five options to extend the agreement were executed ending on March 31, 2010. The SJPD continued to renew this service Agreement after 2010, and on March 4, 2014, the City Council approved a one-year extension¹ for the Corona Solutions service agreement in order to allow

¹ Link to 2014 Corona Memo: <http://sanjoseca.gov/DocumentCenter/View/27264>

time for the City to conduct a Request for Proposal process.

The Corona Agreement will expire on March 31, 2015. The SJPd requires an extension to the Agreement through December 31, 2015, to allow sufficient time to implement and transition to the new System.

ANALYSIS

In September 2014, the Finance Department released a Request for Proposal (RFP) for a Crime and Mobile Predictive Analytics Software Suite through the City's e-procurement system. A total of seventy companies viewed the RFP, and six proposals were received by the October 30, 2014 deadline as listed below:

- | | |
|--|------------|
| 1. Corona Solutions (Orlando, FL) | Responsive |
| 2. IBM (San José, CA) | Responsive |
| 3. Information Builders (San José, CA) | Responsive |
| 4. PredPol (Santa Cruz, CA) | Responsive |
| 5. Public Engines (Draper, UT) | Responsive |
| 6. The Omega Group (Deerfield, FL) | Responsive |

Evaluation Team: The proposals were evaluated by a four-member team with representatives from the Police Department. Each team member independently evaluated and scored the proposals and oral presentations. Proposals that met minimum qualifications were evaluated for Experience (25%), Technical Capabilities (40%), and Cost (25%).

Local and Small Business Preference: In accordance with City policy, ten percent of the total evaluation points were reserved for local and small business preference. One Proposer, Information Builders, requested and received consideration for the City's local and small business preference. The preference was not a factor in the final award recommendation.

Oral Presentations: The top three "finalists", PredPol, Public Engines, and The Omega Group, were invited to participate in the oral presentations to demonstrate their knowledge and understanding of the City's requirements, introduce key personnel that would be assigned to the project, and to present a comprehensive demonstration of their system. Presentations/System Demonstrations were conducted on January 8, and 12, 2015.

The evaluation scores for the three finalists are summarized below:

<u>Evaluation Criteria</u>	<u>Max Points</u>	<u>The Omega Group (Deerfield, FL)</u>	<u>Public Engines (Draper, UT)</u>	<u>PredPol (Santa Cruz, CA)</u>
Technical Capabilities	40	34	31	32
Experience	25	21	23	21
Cost	25	25	19	6
Local Business Preference	5	0	0	0
Small Business Preference	5	0	0	0
TOTAL	100	80	73	59

Protest Period: The RFP process included a ten day protest period that commenced when Proposers received the City's Notice of Intended Award on January 18, 2015. Subsequently, on January 26, 2015, PredPol submitted a protest contending that the City 1) incorrectly applied the evaluation criteria; 2) performed inadequate due diligence; and 3) the solicitation was defective.

The Chief Purchasing Officer reviewed the protest and determined that PredPol's contentions were not supported by the evaluation criteria or RFP process. PredPol was notified in writing that their protest was denied on February 20, 2015. PredPol was further advised of their right to appeal the decision of the Chief Purchasing Officer to the City Council. PredPol did not file an appeal.

PredPol's protest letter and the Purchasing Officer's response are attached to this memorandum.

Award Recommendation: Staff recommends award of contract to The Omega Group as the best value solution per the evaluation criteria as set forth in the RFP. The Omega Group's proposal scored the highest overall; meeting or exceeding all of the RFP specifications, and their solution was found to have the following key attributes:

- The Omega Group's user interface is the most intuitive. It requires minimal modification by beat officers and provides maximum flexibility in its ability to present a combination of geospatial (maps) and contextual tabular data in an actionable form.
- The product suite provides several tools that allow easy access to critical information. This includes standard thin-client interfaces that target various levels of police management.
- Documented application program interfaces (API's) are provided with the product suite that allow other applications to pull information from their data stores to provide seamless integration between applications in the Omega product suite and disparate application used throughout the department.
- Impressive track record of successful implementations, reliability of implemented systems and superior customer service as validated through reference checks.

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- Crimemapping.com website provides the public with valuable information about crime in their area.

References were checked with the Las Vegas (NV) Metropolitan Police Department, the Los Angeles (CA) Police Department and the New Castle County (DE) Police Department. The reference checks were very positive.

Summary of Agreement: Staff is requesting authority to negotiate and execute an Agreement with The Omega Group for crime reporting and predictive analytics software subscription services, cloud storage, training, and professional services including implementation, installation, data conversion, and system training. The initial term of the agreement is for five years with the option to extend the agreement annually for up to ten additional years to provide ongoing cloud subscription and maintenance & support services, subject to the appropriation of funds. The compensation schedule for the implementation shall include payments tied to the successful completion of key implementation project milestones. Compensation after the initial first year implementation for ongoing cloud subscription and maintenance & support services for years 2 through 5 are fixed amounts and shall be made on an annual basis.

The cost for the ten option years after the initial five-year term shall be based on renewal quotes from The Omega Group and any requests for compensation increases must be justified by the contractor and are subject to approval by the City. Increases shall not exceed 3% annually.

EVALUATION AND FOLLOW-UP

This memorandum will not require any follow-up from staff.

PUBLIC OUTREACH

This item will be posted on the City's website for the April 21, 2014 City Council Agenda.

COORDINATION

This memorandum has been coordinated with the San José Police Department, the City Attorney's Office and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

This action is consistent with The City's 2014-2015 Operating Budget City Service Areas Delivery Framework for Performance-Driven Government for Operational Services: 1) front line service delivery, 2) make improvements, and Strategic Support's Effective Use of Technology.

COST SUMMARY/IMPLICATIONS

The following outlines the elements of the contract.

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT (5 year term): \$443,554

2. COST ELEMENTS OF AGREEMENT/CONTRACT (Year 1)

- CAD Integration	\$ 3,524
- NEARme Mobile	8,620
- Predictive Missions	17,740
- Advanced Reporting	5,670
Training	6,000

Annual Subscriptions

- NEARme Mobile	\$14,000
- Predictive Missions	40,000
- Advanced Reporting	12,800
Enhanced Maintenance & Support (optional)	13,600

Subtotal (Year 1) \$121,954

Ongoing Annual Software Subscription and Enhanced Maintenance & Support

- Year 2 (\$66,800 software subscription + \$13,600 (options))	\$ 80,400
- Year 3 (\$66,800 software subscription + \$13,600 (options))	80,400
- Year 4 (\$66,800 software subscription + \$13,600 (options))	80,400
- Year 5 (\$66,800 software subscription + \$13,600 (options))	80,400

Subtotal (Years 2-5) \$321,600

Total (Years 1-5) \$443,554

Contingency \$20,000

GRAND TOTAL \$463,554

3. SOURCE OF FUNDING: Police Department Non-Personal/Equipment General Fund appropriation

4. FISCAL IMPACT: The Non-Personal/Equipment budget within the Police Department for crime analysis software is approximately \$80,000, which is sufficient to address the estimated expenditure level. The additional approximately \$42,000 for Year 1 implementation will be absorbed by the Police Department.

After the initial five-year term, the ongoing subscription and maintenance & support costs are estimated at \$90,400 per year. Future price adjustments must be justified by the vendor, approved by the City, and are subject to the annual appropriation of funds. Increases shall not exceed 3% annually.

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BUDGET REFERENCE

The table below identifies the fund and appropriations proposed to fund the contract and contingency recommended as part of this memorandum.

Fund #	Appn #	Appn. Name	Total Appn.	Amount of costs for Contract	2014-2015 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	0502	Police Non-Personal/Equipment	\$25,297,093	\$121,954	VIII - 267	2/10/2015 Ord. No. 29533
YEAR 1 TOTAL				\$121,954		

CEQA

Not a Project, File No. PP10-066(a), Agreements and Contracts.

/s/
JULIA H. COOPER
Director of Finance

For questions, please contact Mark Giovannetti, Deputy Director, Finance at (408) 535-7052.

Attachments: 1) Protest letter from PredPol dated January 26, 2015
2) Letter from Mark Giovannetti to PredPol dated February 20, 2015

ATTACHMENT 1



THE PREDICTIVE POLICING COMPANY.™

Jamil (Jay) Coleman, MBA
Senior Analyst
City of San Jose- Finance/ Purchasing
200 E. Santa Clara Street, 14th Floor
San Jose, CA 95113

26 January 2015

Dear Jay,

On behalf of PredPol, Inc. ("Predpol"), we are respectfully submitting this letter to the City of San Jose ("the City") to protest your notice of award of the contract for the Crime and Mobile Predictive Analytics Software Suite (RFP 14-15-07, issued 23 September 2014) to The Omega Group. As one of the companies responding to the original RFP, and as one of the three companies selected as finalists on 16 December 2014, PredPol has standing as an Interested Party with a direct economic interest in the outcome of this award.

The purpose of this letter is to request that the City take one of the following actions:

- Set aside the existing award, reject all bids, and have staff perform an effective, fair and efficient rebidding process that addresses the issues noted below; or
- Divide the RFP into at least two separate awards and evaluate and award the Predictive Policing element separately.

We are filing this protest based on the following general points. These are addressed in more detail below.

1. Incorrect application of evaluation criteria
2. Inadequate due diligence
3. Defective solicitation

1. Incorrect application of evaluation criteria

PredPol contends that the two finalists, Public Engines and Omega, received higher scores than can be justified on the Technical Approach and Experience sections of the award evaluation due to incorrect application of evaluation criteria for the Predictive Policing section of the RFP. The evaluation of the three parts of the Crime and Mobile Predictive Analytics Software Suite of the RFP are unequal in capabilities and functionality; therefore the evaluation of each component should have been conducted separately.

Public crime mapping and the internal crime data analysis rely on available historical data recorded on crimes that have occurred in the past. This data is easily accessible from databases via standard queries and search functions. The construction, analysis and presentation of the data into usable information are functions of the type of queries made.

ATTACHMENT 1



PREDPOL*

THE PREDICTIVE POLICING COMPANY.™

Predictive analysis requires the use of back end mathematical and statistical algorithms to forecast where and when specific crimes are likely to occur in the future. The accuracy and effectiveness of these predictions is highly dependent on the use of an appropriate algorithm to derive them. Similar to medical trials for new drugs, predictive software should go through extensive, iterative testing to prove their accuracy by both law enforcement and statisticians.

Querying a CAD database for crime analytics does not require a mathematical algorithm to search for data, yet the RFP technical capabilities evaluation in section 15.6 weights a reporting tool and a predictive algorithm the same. We contend that the RFP technical evaluation did not take into consideration the underlying differences in the technologies for each software component proposed, and therefore the predictive solution should be rebid.

2. Inadequate due diligence

In section 5.2 the experience requirement states:

5.2 Submit three different customer references from Police Departments or other Law Enforcement Agencies, using Attachment D- Previous Customer Reference Form. The three different customer references shall be for contracts where the same or similar proposed solution has been implemented.

5.2.1 At least two of the three references must be from Police Departments or other Law Enforcement Agencies organizations similar in size to the City of San José Police Department, with a minimum of 1,000 Police/Law Enforcement Agency employees and specifically described in each Customer Reference.

This requirement reflects that a vendor has had business experience dealing with large law enforcement agencies only. It does not establish that all software components represented in the RFP were effectively deployed. Hence this requirement weights a vendor whose experience in public crime mapping equal to predictive policing without having evaluated experience and deployments.

Effectively the San Jose Police Department may gain a well-functioning Public Crime Mapping and Crime analytic tool while the predictive policing software from the same vendor is neither proven nor works effectively.

Hence the lack of clarity in defining the type of experience vendors have within the specific software suite is flawed and therefore is grounds for dismissal for the predictive portion of this RFP.

ATTACHMENT 1



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3. Defective solicitation

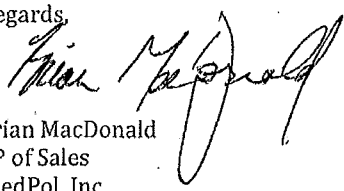
If the City intends to address the issues noted above addressed by applying the criteria to either Predictive Policing or Crime Analysis, then we would hold that the solicitation itself is defective. The technical approach, experience, and reference accounts for Crime Analysis should not be substituted for technical approach, experience, and reference accounts in Predictive Policing for the reasons set out below:

- The Crime Analysis element of the solicitation uses data from the computer-aided dispatch (CAD) system. It is intended to be used by detectives and crime analysts to solve crimes that have already occurred. It is a backward-looking system and its value is transactional in nature that views events and incidents that have already occurred. The power of Crime Analysis software lies in its ability to search volumes of transactions and return data recorded by the CAD system during previous events.
- The Predictive Policing is intended to be used by command staff and patrol officers to proactively predict and prevent crime. It is a forward-looking system and its value is algorithmic in nature which makes predictions based on proprietary mathematical formulas. The power of Predictive Policing forecasts where and when an event "will" occur in the future and represents a quantum step forward in policing.

Given the above, PredPol contends that using a common and interchangeable set of criteria for determining the Technical Approach and the Experience elements of the award for two systems with completely different data sources, users, and use cases represents a fundamental defect in the solicitation.

Our goal, as is yours, is to provide the City of San Jose with the best tools available to keep their citizens safe. We will also be open to revising our pricing proposal to match your budgetary requirements more closely. We thank you for your consideration on this matter and hope you can address the issues listed above without prejudice to PredPol as the protesting party.

Regards



Brian MacDonald
VP of Sales
PredPol, Inc.
brian@predpol.com
831-295-9000 cell

ATTACHMENT 2



Finance Department
Purchasing Division

February 20, 2015

Brian MacDonald, VP of Sales
PredPol, Inc.
2801 Mission Street, Suite 2803
Santa Cruz, CA 95060

Dear Mr. MacDonald,

Subject: City of San José RFP 14-15-07, Crime and Mobile Predictive Analytics Software
Reference: Letter from PredPol to the City of San José (dated 1/26/15) protesting award of contract for the subject RFP

This letter is in response to PredPol, Inc.'s ("PredPol") referenced letter protesting the City's recommendation of award of the subject RFP to The Omega Group.

Your letter raises three areas of concern: 1) Incorrect application of the evaluation criteria, 2) Inadequate due diligence, and 3) Defective solicitation.

1) *Incorrect application of the evaluation criteria:* In your letter you state that the City incorrectly applied the evaluation criteria. PredPol contends that the evaluation criteria for crime data analysis and predictive analysis should have been evaluated separately and with higher weight for the criteria that PredPol feels are more important.

PredPol's contention that the City incorrectly applied the evaluation criteria is not supported by the facts. The Technical category evaluation included all the system component requirements: 1) public crime mapping, 2) internal crime data analysis, and 3) predictive analysis. As such, the weight for the Technical category represents a total score based on how proposers addressed all of the requirements in their technical response for each component which were reviewed and scored separately and which make up the aggregate total for the Technical category. Further, the City invited the top three finalists to demonstrate their proposed solution's functionality and features for City staff to validate that the required modules meet the City's stated requirements.

2) *Inadequate due diligence.* The second concern raised in the protest letter contends that the City performed inadequate due diligence regarding the RFP requirement to submit three customer references from law enforcement agencies of which two must be from large agencies similar in size to the San José Police Department with at least 1,000 law enforcement employees. Instead, PredPol states that the City should have defined the type of experience vendors have within the software suite and that this lack of clarity or specificity in the RFP document represents inadequate due diligence on the part of the City.

The RFP stated that each reference was to be from a customer "where the same or similar solution (as the proposed solution) has been implemented". The RFP further stated that the City would score references under the "experience" criteria and that "each reference be as complete and descriptive of the work that was done, and as close as possible to the City's requirements as described in the RFP." In evaluating references, the City was looking for experience implementing the proposed solution, and effectiveness of the solution.

The final score for the Experience criteria was not based solely on references. As stated in RFP Sections 14.1-14.3 "Response Documents / Submission Requirements", the overall Experience score was based on the collective evaluation of the following: references, cover letter, type of solution proposed, number of years providing the proposed solution, and profiles/biographies of key staff members, and project approach.

ATTACHMENT 2

3) *Defective solicitation.* Your final concern, that this was a defective solicitation, is predicated on the first two issues raised above.

PredPol earned high scores in the evaluation criteria (technical and experience) to advance to the final phase of the evaluation process. The primary reason that PredPol did not receive the highest overall score is due to its high cost which resulted in a commensurate low score (i.e. receiving a score of six out of a possible 25 total points for Cost).

After careful review, I have determined that the City's RFP process was followed, and uphold Staff's recommendation of award to The Omega Group. You may appeal this decision to the San José City Council by filing a written appeal with the City Clerk within ten days from the date of this letter.

Thank you for your interest and participation in this process. If you would like to discuss this matter further, please contact Maria Contreras-Tamori at 408-535-7099.

Sincerely,

Mark Giovannetti
Deputy Director, Finance