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## Memorandum

**TO: HONORABLE MAYOR &  
CITY COUNCIL**

**FROM: Mark Linder**

**SUBJECT: Report on the New Converged  
Network Request For Proposals**

**DATE: October 18, 2004**

### INFORMATION

On August 31, 2004, the City Council approved a reporting schedule for the City Manager to report on various items related to the new Converged Network Request for Proposals (RFP). This information memo responds to Council's direction and complies with the approved schedule.

### ANALYSIS

Staff has continued to make significant progress on a number of items, and more activity will be before the City Council before the end of the year. For example, the first ethics training session was offered, which was led by the Western Director of the International City/County Management Association (ICMA), and valuable input was obtained for issuing, in mid-November, the Request for Qualifications (RFQ) for a city-wide ethics training module. The Office of Employee Relations overhauled its on-line Intranet services and "re-advertised and re-emphasized" its services for *safe spaces* for employees. City Council awarded a contract to Gartner, Inc. for professional and technical services for the Converged Network RFP, putting in place a complete team of external and internal resources to draft the new RFP. Some members of the RFP Validation Committee were introduced to the City Council and are engaged in actively reviewing work in progress and advising the City Manager.

Following is discussion on the status of various topics related to the Converged Network RFP:

***Management Reforms Audit***— Over the past weeks, City Auditor's Office held numerous meetings with key staff members that are leading management reforms, including an interview with City Manager Del D. Borgsdorf. Deputy City Manager Kay Winer and Assistant to the City Manager Deanna Santana provided staff support to the City Auditor's Office to facilitate their review of reforms and compiled a matrix summarizing all of the management reforms stemming from the two recent audits on RFPs<sup>1</sup>, RFP process improvements, and management changes in line with the recent investigations.

<sup>1</sup> The two referenced audits refer to Review of the CUSP RFP Process (June 2004) authored by the City Auditor and Review of the RFP for the New Civic Center Converged Network System (August 2004) authored by the City Attorney and City Auditor.

**HONORABLE MAYOR AND CITY COUNCIL**

**Re: City Manager's Report on New Converged Network RFP**

October 18, 2004

Page 2 of 6

To provide context of these management reforms, along with more detail on the reporting relationships between City Service Areas (CSAs) and the Deputy City Managers/Assistant City Manager, I issued an Information Memo on October 8, 2004 outlining the new reporting structure. The Information Memo spoke to the organizational structure needed to enable strategic policy priorities and organizational performance, and the structure needed to uphold accountability and department performance through CSAs.

***Ethics Training for Staff***— David Childs, Western Director of the ICMA, presented ethics training at the Art and Practice of Leadership on September 24. Mr. Childs reviewed with attendees the issue of legal versus ethical behavior; making ethical decisions in the public service sector, and the ethics environment in the City, both positive qualities and current challenges.

Attendees were largely management staff aspiring to hold positions as executive or senior management, and the input from the discussion will be used to inform the upcoming issuance of a RFQ for city-wide ethics training. For example, an important part of the discussion and training was the elements of an ethics training that would be successful in a large organization, like the City's. There was consensus on emphasizing the importance of setting positive examples by leaders; training for all employees, including elected officials, appointed officials, and Civil Service employees; use of department and work unit specific examples; and, creation and implementation of an on-going dialogue, not a one-time event.

Employee Services Department, Training and Development Division is currently setting up focus groups of City employees to gather additional input to shape the City's ethics training. It is anticipated that an ethics training Request for Qualifications will be drafted by mid-November and will be based on a comprehensive train-the-trainer program.

***Safe Spaces***— To immediately respond to the Council directive to ensure "safe spaces" for staff, the Office of Employee Relations enhanced the City's intranet site to provide employees with information about the options that are available for reporting concerns, filing complaints, and raising questions. The updated information includes a listing of the various issues that may arise during the course of employment with the City, in addition to applicable City policies and other useful resources. Employees are encouraged to promptly raise questions and concerns with an immediate supervisor or other management employee within the department, and are given a variety of other avenues for addressing concerns within the City, including making anonymous complaints.

We are continuing to develop a communication plan to increase the awareness of resources available to employees. We continue to work toward our goal of fostering an environment where employees can feel comfortable voicing concerns and can actively participate in working towards solutions.

***Process Integrity Guidelines***—The development of process integrity guidelines for the Converged Network RFP has proceeded in two areas. First, the interim Conflict of Interest

**HONORABLE MAYOR AND CITY COUNCIL**

**Re: City Manager's Report on New Converged Network RFP**

October 18, 2004

Page 3 of 6

questionnaires, implemented as a result of the City Auditor's CUSP RFP recommendations, and review processes were applied to the RFQ process for external resources that led to the selection of Gartner, Inc. The implementation of these questionnaires demonstrated that conflict checks can be a valuable component of the selection process, and provides direct input on the usability of the interim forms and areas that need further evaluation for the larger effort to improve the City's current RFP process. This input will be incorporated into the larger effort to finalize a Conflict of Interest Statement of Policy and Procedures for Procurements, which will be discussed at this week's Making Government Work Better Committee.

The second area of progress has been in the development of overall procurement process integrity guidelines. As previously reported to the City Council, these guidelines are expected to include:

Protocols for communication between prospective proposers and the City, during various phases of the procurement;

Conflict of Interest screening for individuals involved in the RFP development and evaluation process; and,

A Code of Conduct for prospective proposers.

The objectives of this effort, including similar examples from other procurement codes, were discussed with the Validation Committee on October 6. The Committee affirmed the value of establishing the guidelines and offered specific suggestions on various elements. These suggestions are being incorporated into draft Procurement Process Integrity Guidelines to be presented to the City Council within the next few weeks.

***Information Technology Planning Board (ITPB)***— The ITPB's Standards Validation Subcommittee completed its review of the 2002 adopted technology standards and have submitted some of the standards to the City Attorney's Office and Purchasing Division for review and validation. During this effort, the Subcommittee decided that fewer technology products needed to be purchased by standardization and under the "sole-source" methodology described in the Municipal Code, rather than was the case in 2002. This is largely the result of evolving technologies and how proprietary products may become over time commonly used "technologies" or "commodities."

The next phase of the ITPB's work will be to complete a revised ITPB Charter for review and, ultimately, Council consideration. Completion of the draft ITPB Charter is scheduled for late October, with a proposal to Council on the IT Governance Plan tentatively scheduled in late November.

***Standardization***— The Standardization Task Force, comprised of staff from the City Manager's Office, the Attorney's Office, and Purchasing continues to meet on a weekly basis to discuss amendments to Municipal Code Section 4.12.149 as well as revisions to the Administrative Manual. Staff recently reviewed draft documents of both the Municipal Code and the Administrative Manual and those drafts are being circulated to key customers within to

**HONORABLE MAYOR AND CITY COUNCIL**

**Re: City Manager's Report on New Converged Network RFP**

October 18, 2004

Page 4 of 6

organization for additional input. Amendments to the Municipal Code, and implementation of the Administrative Procedures, will be before Council in the upcoming weeks.

***Converged Network RFP***— At the October 12, 2004 City Council meeting, Council approved award of a contract to Gartner, Inc. to assist the RFP Team in the development of the Converged Network RFP. Gartner and the RFP team have already begun work on data gathering and project scheduling. A detailed project schedule will be completed by November 1 and the Gartner team will begin onsite work the week of October 25.

Throughout the RFQ process to obtain external resources to support the development of the Converged Network RFP, staff moved forward with drafting the functional specifications for the RFP with the goal of putting together as much information as feasible for the technical and procurement experts to review upon initiation of consultant services. Two focus groups were held to revalidate telephony and network requirements and needs, and a significant amount of work has transpired to verify the system requirements for Call Center Operations at the New City Hall. The RFP Team is in the process of refining the functional specifications for telephony and network requirements and, in the next weeks, Gartner will review and provide input and recommendations on the functional specifications.

**RFP Validation Committee**— Gen. Norman Thorpe, RFP Validation Committee Chair, and Dr. John Miller, Vice-Chair, and Dr. John Lundin, RFP Validation Committee member, were introduced at the October 5 City Council meeting.

In October, the RFP Validation Committee held two meetings, one on October 5 and another on October 6, which included a tour of the New City Hall. The Committee reviewed, and discussed with staff, several issues including the City's Voice over Internet Protocol cost comparison analysis, proposed amendments on standardization to the Municipal Code, RFQ process for obtaining external technical and procurement services, and the City's draft process integrity guidelines.

Key recommendations were:

- Agreement that the City's VoIP cost comparison analysis should elaborate on the added customer service and functionality benefits of the technology.  
Recommendation that the proposed amendments to the City's Municipal Code address the: element of fairness, commitment to local business, special issues of IT standardization, the issues of rapid change in technology, and provide a sunset for IT standards.  
Concurrence with the City's decision to engage a qualified research and consulting organization to supplement and provide expertise in areas of SAN and VoIP technologies and procurement processes, where the City has inadequate expertise and staff, as a result of the exclusion of employees who assisted in the previous Converged Network RFP process.  
Identification of several critical steps in the Converged Network RFP process to ensure quality proposals from vendors, best practices by the City, and effective utilization of the external consultant.

**HONORABLE MAYOR AND CITY COUNCIL**

**Re: City Manager's Report on New Converged Network RFP**

October 18, 2004

Page 5 of 6

- Suggestion that the language of the draft Process Integrity Guidelines support rather than prevent vital communication that is needed for companies to have access to the City's internal resources that have first hand knowledge of a particular procurement, and facilitate the City's ability to understand what company's may have to offer. The Committee suggested several detailed revisions, including strongly recommending against elected officials interacting with proposers during the evaluation process, and provided references to Federal procurements regulations to substantiate its recommendation.

Staff is attending to several information requests that the RFP Validation Committee made to prepare for its meeting in early November 2004.

***Construction Costs and Schedule Impacts***— The NCH construction project is moving ahead on schedule. Everything is being done to prepare for and accommodate the converged network installation and to avoid any additional costs as it comes on line.

The vertical and horizontal cabling installation is well underway providing the infrastructure for the network. The Network Operational Center (NOC) in the Council Wing and the various cabling and equipment distribution closets are also moving forward on schedule and are about 40% complete, with completion scheduled for mid- to late-January.

Completing the cabling, NOC, and closet work early will actually facilitate the network installation because all of the base work, including facilities for conditioned space, will be complete and ready for the network equipment. With all other contractors' work complete in these areas, the network can proceed unimpeded by other workers, thereby reducing installation time.

As indicated in previous reports, construction costs associated with any network delays cannot be determined until a more precise schedule and scope for the network is finalized (See Converged Network RFP for discussion on schedule). Now that the technical and procurement consultant is on board, this information should be forthcoming shortly. However, with the work proceeding as indicated above, we believe any costs will be minimized.

In any case, proceeding with the building construction on schedule, with a focus on preparing the infrastructure and space to be ready for the network, continues to be the best way to avoid potential construction cost increases for both network installation and existing construction contracts.

Deputy City Manager Terry Roberts will continue to work with staff, the JV, and our new consultants to develop a plan to stay as close as possible to the original schedule for converged network installation. Everything possible is being done to coordinate building construction and the converged network installation in a manner that is the most cost effective. Once the converged network schedule has been finalized, we will be able to give the City Council more accurate estimates of any associated costs.

**HONORABLE MAYOR AND CITY COUNCIL**

**Re: City Manager's Report on New Converged Network RFP**

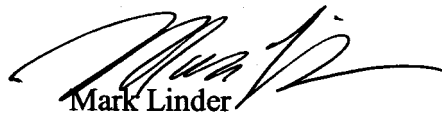
October 18, 2004

Page 6 of 6

***Reporting Schedule***—Reporting of the second Converged Network RFP will be included in the monthly New City Hall status reports. Other items are well underway, and are at various stages of either reporting to Council in the next month or before the end of the year.

**COORDINATION**

This report has been provided in advance to the City Attorney for discussion and comment.



Mark Linder  
Assistant City Manager