Approach to Smart Cities Procurement

Finance Department,
Purchasing Division

December 6, 2018

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

What We Will Cover

- Finance's Response to IT Procurement Demand
- Innovative IT Procurement
- Customers' pain points
- What we're doing to help
- Commitment to Innovative Procurement
- Challenges

Finance's Response to IT Procurement Demand

- IT purchasing is centralized at the City with Finance-Purchasing, per the Municipal Code
- IT Procurement manager hired in September 2015
- Finance-Purchasing restructured in July 2018 so IT commodity is centralized with one team with responsibility for strategic projects (RFPs, contracts) and tactical purchasing (IT-related POs)
  - Advantages: Avoid project redundancies; consolidate spend; better able to leverage existing solicitations or agreements
- Finance-Purchasing IT Strategic Procurement team consists of 3 positions

Innovative IT Procurement

- Finance-Purchasing are proponents of utilizing the most effective tools for procurement, recognizing that there is no one-size fits-all approach.
- **Purchasing cooperatives currently utilized**
  - Cellular phone service (Sprint, Verizon, AT&T, since 2012)
  - Microsoft Office 365 Licensing (since May 2013)
  - Timeclocks (in progress)
- **Agile software contracting deployed**
  - Learning Management System Agreement (2015)
  - Modified Agile approach used DOT Traffic Incident Management System agreement (2016)
  - Business Tax Amnesty Request for Quote (in progress)
  - IPS , My San José 2.0 (upcoming)

Innovative IT Procurement

- **RFPs resulting into pool of prequalified vendors**
  - SharePoint Services RFP (2015)
  - Cybersecurity RFP (in development)
  - IT Citywide purchase orders
- **Providing creative, practical solutions**
  - Avoid purchasing redundancies (2016 - Assetworks)
  - Direct contract with public agencies for innovative software (in progress – DAHLIA)
- **Supporting other agencies**
  - Added piggyback language to all solicitation documents to allow other agencies to leverage our solicitations (Oct 2018)

"I'm frustrated!"

- Our customers' problem statements:
  - Challenging anecdotal experiences
  - "Procurements can be long, lengthy and don't produce what we need."
  - "Is there any way to do this faster?" or "I needed this yesterday."
  - "I want to directly contract. This is the only vendor in the market that can do this. How do we do this."

- Common root causes:
  - Finance not involved early on or did not have full information
  - Poor planning; challenges with specification development which happens at the department level
  - Lack of awareness on the City's procurement process and why such measures are in place

"How can we help you?"

In Process:

- Purchasing Basics Training
  - Online CSJ University course
  - In person trainings/Q&A: ESD, Housing, ITD, CMO
- Upgrade Purchasing module of FMS – streamline purchase order process
- Replace and upgrade e-Procurement System – streamline procurement documents and evaluation process

Commitment to Innovative Procurement

Horizon

- Develop Citywide Consultant RFP Training Course
- Work with CAO and ITD to update and standardize IT contract language in the City's systems agreement exemplar and regularly refresh

Innovation

- Seek new strategies to make procurements more efficient, while keeping with the tenants and best practices of public procurement
- Advise CMO on Project STIR (Startup in Residence) pilot and any suggested changes to the Demonstration Partnership Policy

Our Challenge

How to stay on top of the City's growing demand for procurement and contracting expertise and speed, without compromising the values and guiding principles of public procurement

- Accountability
- Ethics
- Impartiality
- Transparency
- Professionalism
- Service

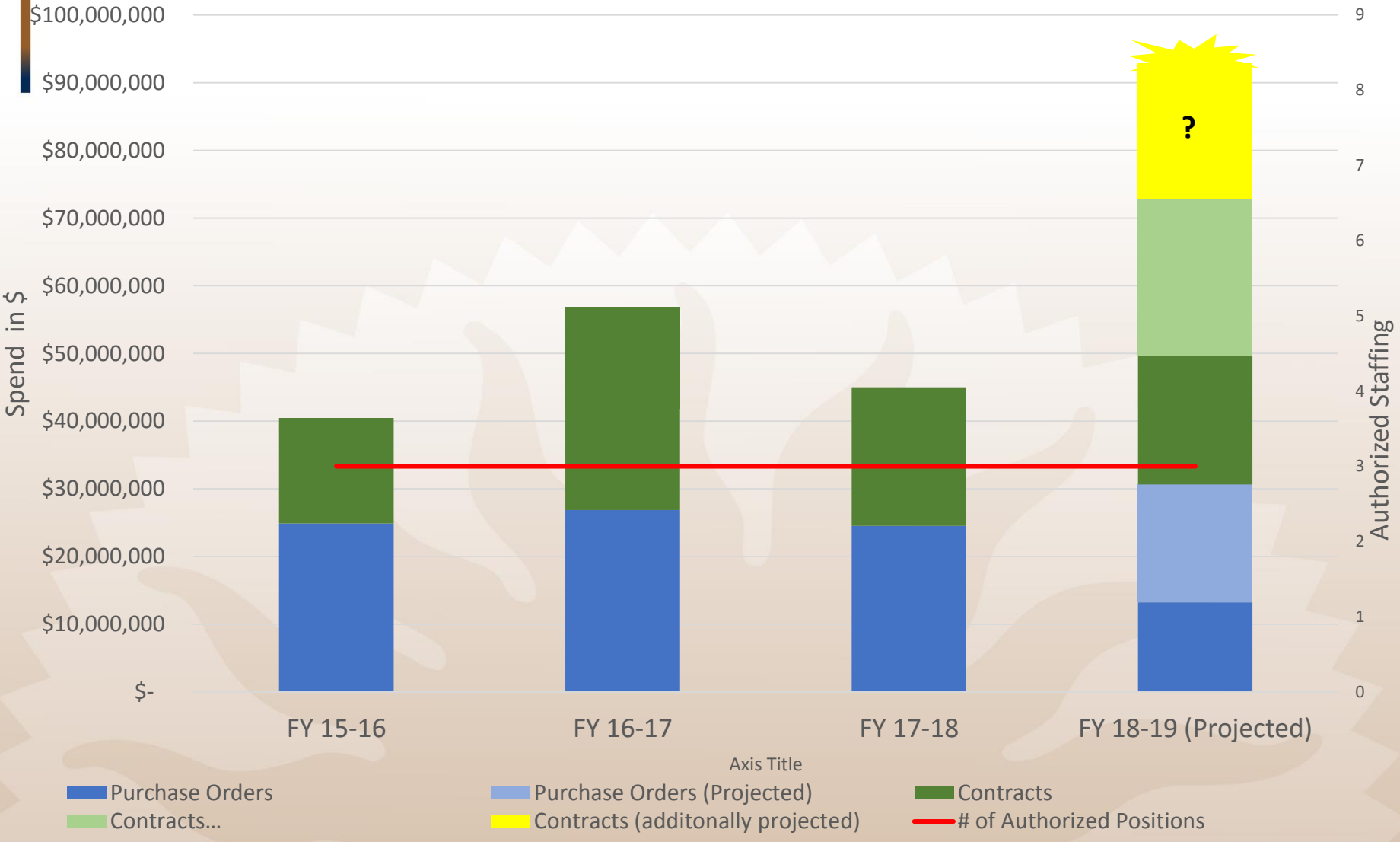
. . .while abiding by our governance structure

- Municipal Code
- City Administration Manual
- Council Policy
- City Auditor Recommendations

. . . and avoiding headline risk.

- 2003-04 Cisco procurement scandal resulted into Santa Clara County Grand Jury investigation, internal audit recommendations, and Citywide purchasing reforms
- Procurement Study Session with Council on October 19, 2015:
  "Review of Procurement Processes and Procedures and Process Integrity Guidelines"

IT Procurement Workplan Challenge



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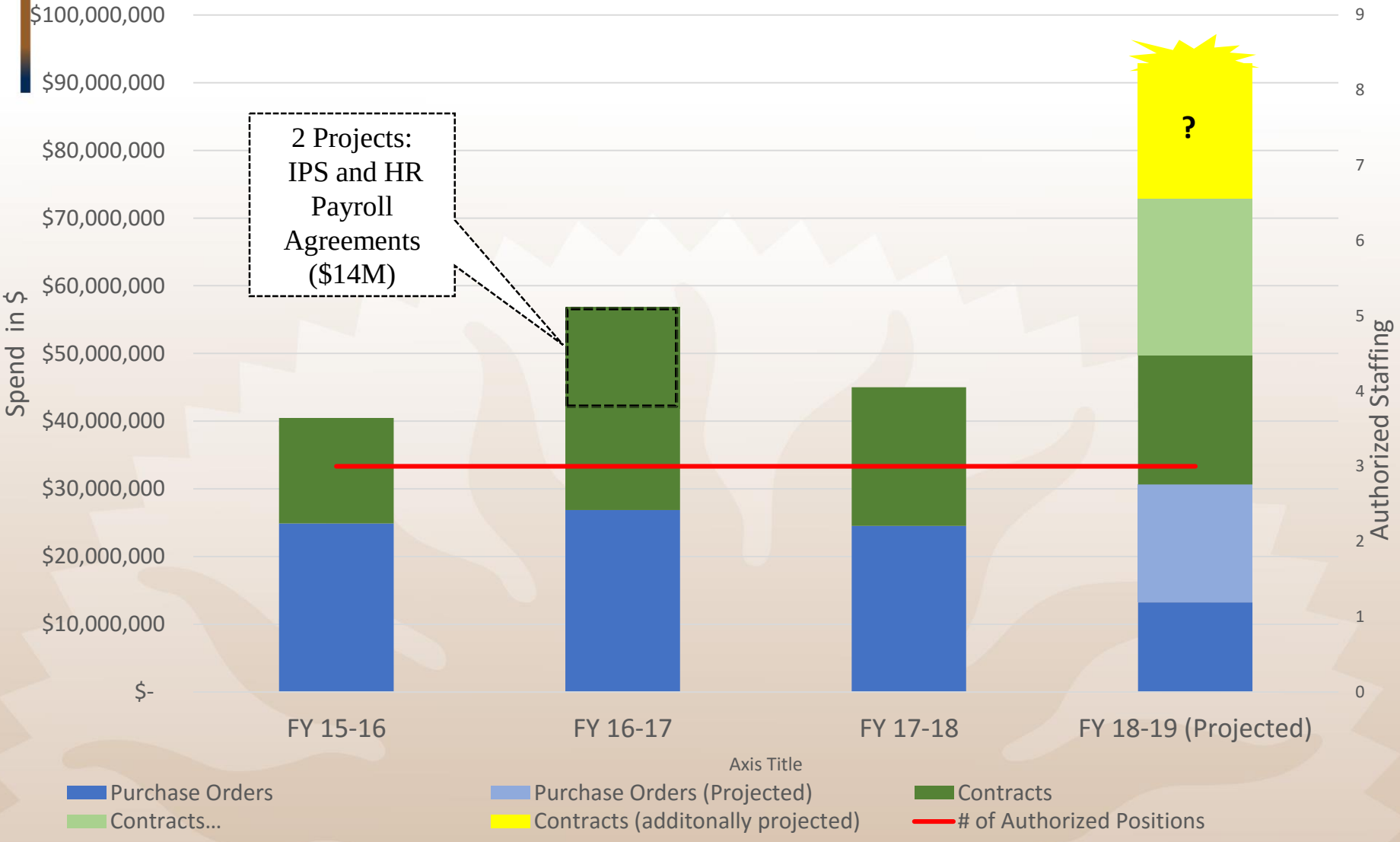
IT Procurement Workplan Challenge



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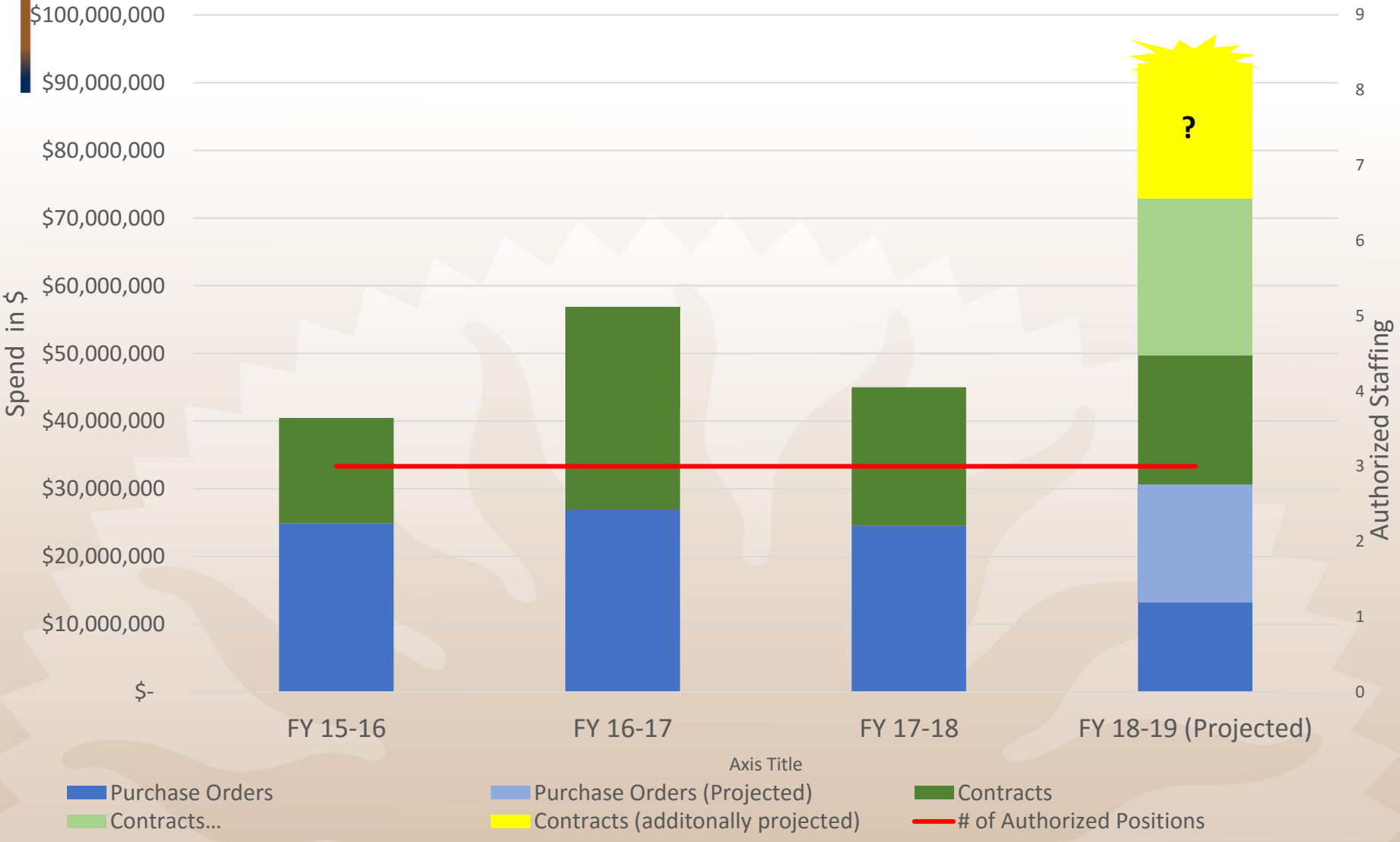

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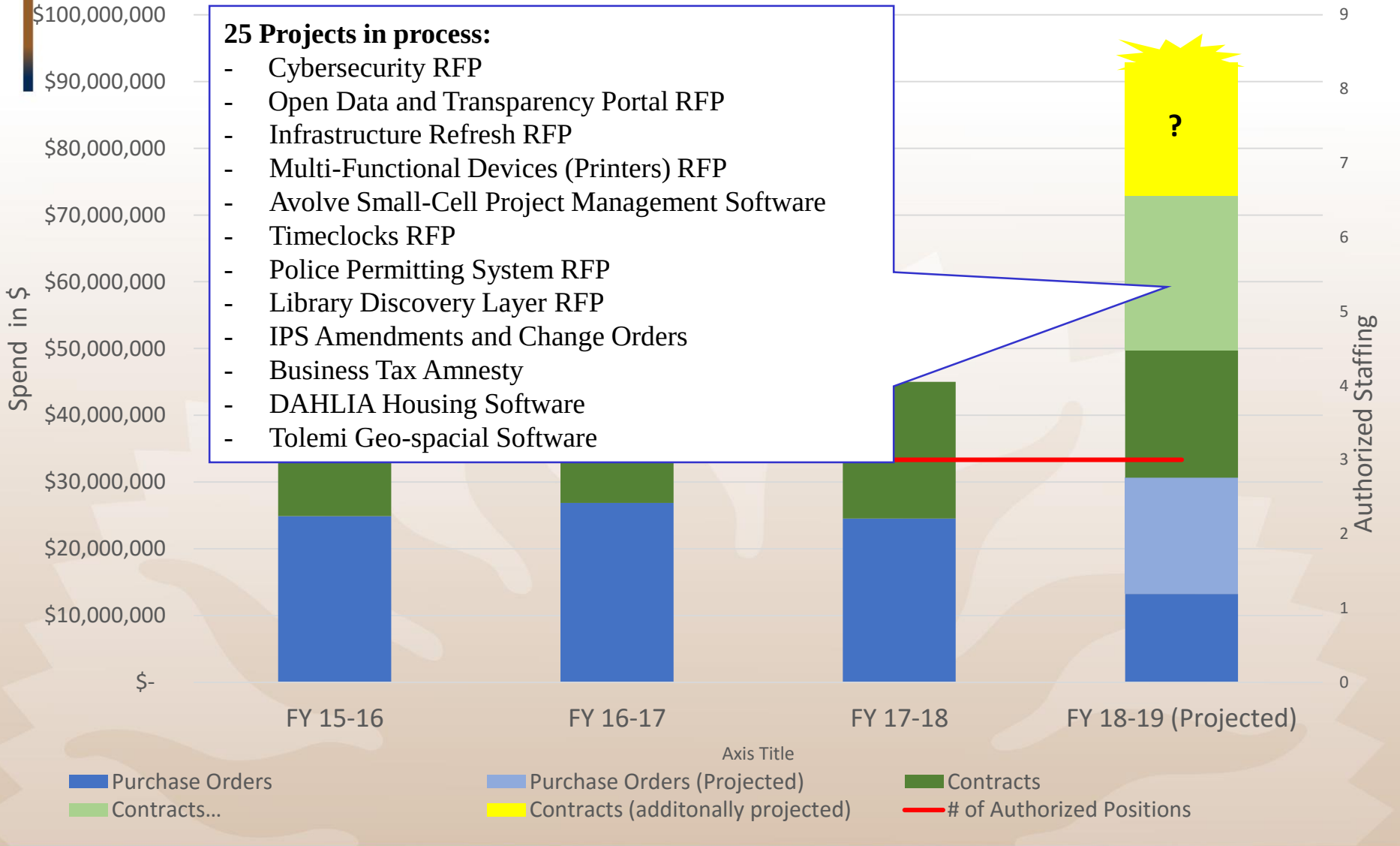
IT Procurement Workplan Challenge

25 Projects in process:

- Cybersecurity RFP
- Open Data and Transparency Portal RFP
- Infrastructure Refresh RFP
- Multi-Functional Devices (Printers) RFP
- Avolve Small-Cell Project Management Software
- Timeclocks RFP
- Police Permitting System RFP
- Library Discovery Layer RFP
- IPS Amendments and Change Orders
- Business Tax Amnesty
- DAHLIA Housing Software
- Tolemi Geo-spacial Software



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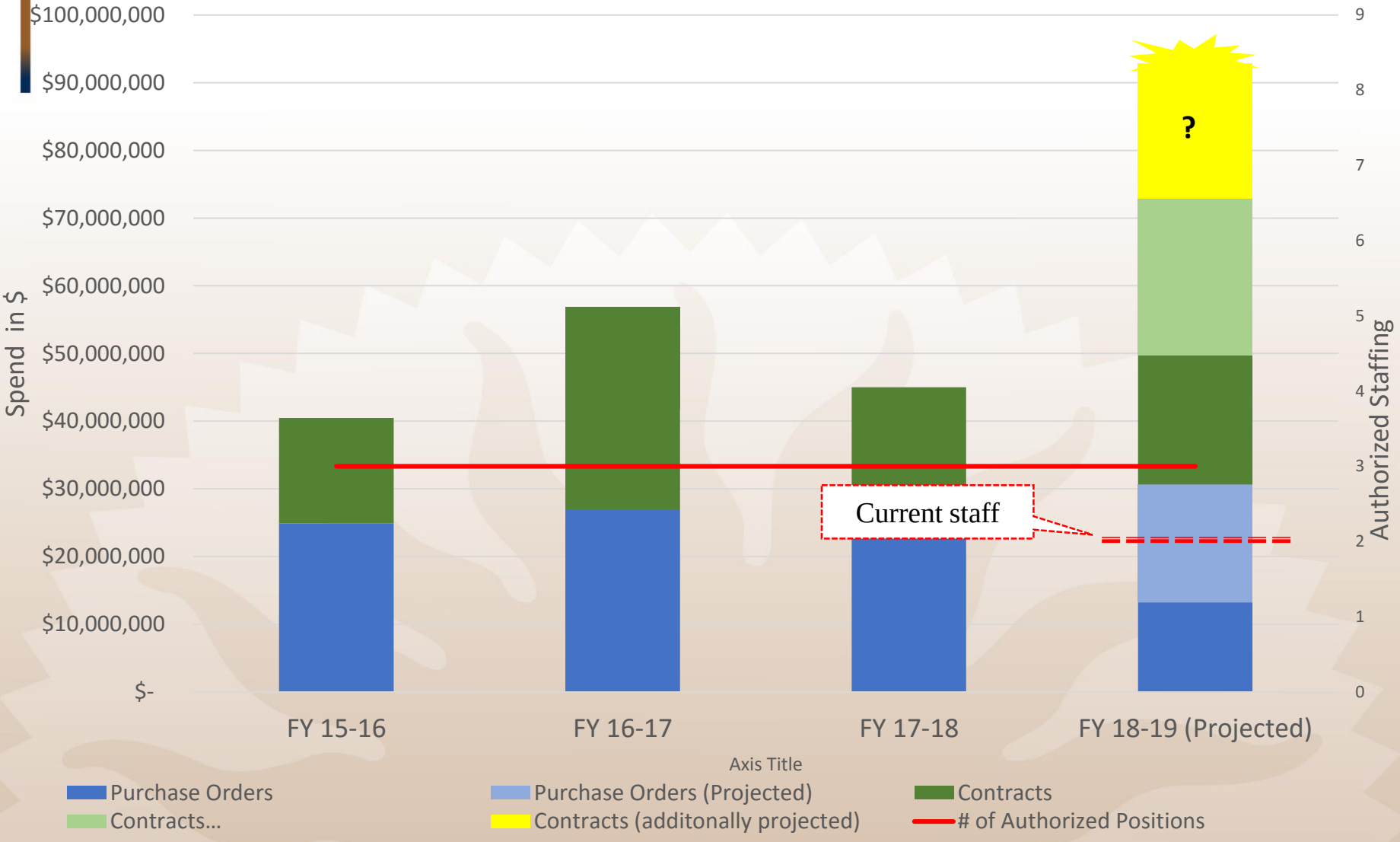

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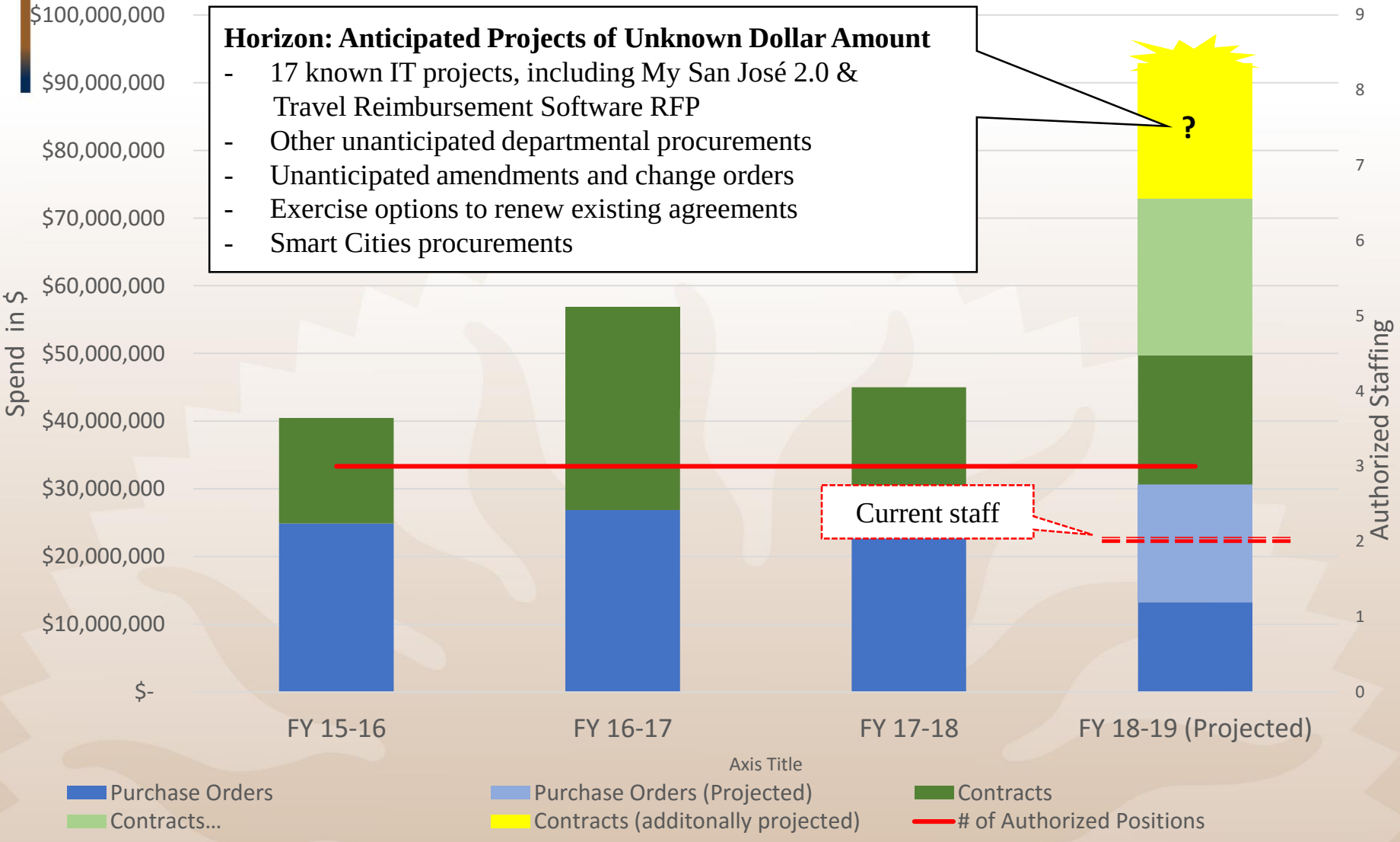
IT Procurement Workplan Challenge