

**AGENDA ITEM EXECUTIVE SUMMARY**

Agenda Item number: 5b

Title:

Recommendation to Award a 5 year Contract for Procurement Software to Negometrix

Presenter:

Joan M Schouten; Procurement Division Manager

Meeting: Government Operations Committee

Date: October 7, 2019

Proposed Cost:

\$8,200/yr x5yrs = \$41,000 contract

Budgeted Amount: \$17,500 FY19/20

and \$92,500 for 5 years thru April 2024

Not Budgeted:

☐**Executive Summary** *(if not budgeted please explain):*

St Charles has recently committed to revitalizing their purchasing process. The loudest requests from stakeholders have been the need for: consistency of processes, clarity of thresholds, and a means to assure the continued use of quality vendors.

Trends in government procurement include: the recognition of Best Value Purchasing (replacing low bid), an increase in cooperative procurement (soliciting for more than 1 agency), increased transparency (visibility) and promoting sustainability (consideration of the economic, environmental and social impacts of the procurement).

Procurement/Contract Management software is the instrument that will position the city to deliver in all these areas. Software facilitates the implementation of strategy and provides a means to audit procedures and measure progress. The new Procurement policy will standardize processes across city departments and thresholds. Software will provide the quantitative tools to track Best Value, provide the planning and outreach to promote cooperative procurement, and increase transparency while providing a means to enhance economic analysis, reduce paper, and track key quality indicators. Additionally, procurement software will promote fair, impartial and ethical sourcing.

A survey of professional peers was conducted through the NIGP (The Institute for Public Procurement) national, state, and local list servers. Nine (9) stock software platforms were identified. A list of desired functionality was developed. The optimal solution, if available, is the required functionality integrated in a single, proven platform that has been in use over the years.

A formal RFP was published. Notices were sent to all 9 firms as well as posted on 2 government broadcast sites. Four submittals were received. Three were invited to demonstrate. Two were considered finalists and scrutinized for functionality.

The city's clear desire for a well proven integrated system with specified functionality was best demonstrated by Negometrix. Negometrix has built their business for the future of government procurement - intentionally designing one holistic integrated system with a focus on driving best value procurement. Their integrated modules have been in use since 2015 and their references utilized modules demonstrating a seamless progression. Intended to be a paperless process, and equipped with supportive planning tools, vendor quality/Best Value is emphasized throughout the process more than price.

While cost was not a criterion for evaluation, the cost for Negometrix is **39%** of the cost of its nearest competitor.

Attachments *(please list):*

Memo from Joan M Schouten, Procurement Division Manager to Chris Minick, Finance Director detailing the solicitation process, required functionality and the conclusions from the evaluation.

Recommendation/Suggested Action *(briefly explain):*

Recommendation to Award a 5 year Contract for Procurement Software to Negometrix in the amount of \$41,000.



Date: July 25, 2019
To: Chris Minick Director Finance
From: Joan M. Schouten Procurement Division Manager
CC: Chris Adesso Assistant Director Public Works
Mike Drake Senior Systems Analyst

Re: Recommendation to Award a 5 year Contract for Procurement Software to Negometrix

Budget: 100221-56301 Capitalized Software			FN1002 Procurement/Contract Management Software			
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	TOTAL
Budget	\$ 17,500	\$ 18,000	\$ 18,500	\$ 19,000	\$ 19,500	\$92,500
Request	<u>\$ 8,200</u>	<u>\$ 8,200</u>	<u>\$ 8,200</u>	<u>\$ 8,200</u>	<u>\$ 8,200</u>	<u>\$41,000</u>
Savings	\$ 9,300	\$ 9,800	\$ 10,300	\$ 10,800	\$ 11,300	\$51,500

St Charles has recently committed to revitalizing their purchasing process. The loudest requests from stakeholders have been the need for: consistency of processes, clarity of thresholds, and a means to assure the continued use of quality vendors. Trends in government procurement include: the recognition of Best Value Purchasing (replacing low bid), an increase in cooperative procurement (soliciting for more than 1 agency), increased transparency (visibility) and promoting sustainability (consideration of the economic, environmental and social impacts of the procurement).

Procurement/Contract Management software is the instrument that will position the city to deliver in all these areas. While the new policy will standardize processes across city departments and thresholds, software will provide the quantitative tools to track Best Value, provide the planning and outreach to promote cooperative procurement, and increase transparency while providing a means to enhance economic analysis, reduce paper, and track key indicators. Additionally, procurement software will promote fair, impartial and ethical sourcing.

Change Management: Change management can be difficult and frustrating. Difficult and frustrating often leads to non-compliance. Technology facilitates the development and delivery of a good strategy and offers a means to audit procedures and measure progress.

➤ **The purpose of this memo is to:**

1. Recommend the award of a 5 year contract for procurement software to Negometrix.
2. Explain the process utilized to research, evaluate and select this particular procurement software.

Research: A survey of professional peers was conducted through the NIGP national, state, and local list servers. Nine (9) stock software platforms were identified. Based on list server correspondence and discussion boards, a list of desired functionality was developed. The optimal solution, if available, is the required functionality integrated in a single, proven platform that has been in use over the years.

Evaluate: All 9 software platforms were contacted and 7 offered on-line demos. Of the 7 platforms: 2 were eliminated due to limited functionality; 3 were eliminated because they were a combination of 2 or more distinct modules that were not yet integrated and were very expensive; and 2 offered hopeful functionality with 1 doing so at extremely favorable pricing. The last 2 platforms were invited to perform a live demo for the Procurement Task force. Based on feedback from these 2 demos, it was decided that a more formal approach, with documented weighted requirements and service levels was needed.

A formal RFP was published. Notices were sent to all 9 firms as well as posted on 2 government broadcast sites. Four submittals were received. Three were from platforms that had not been previewed. Three were invited to demonstrate. Two were considered finalists and scrutinized for functionality.

Selection: The 2 finalists, Negometrix and GoBonfire were comparable in their ability to satisfy the majority of our basic needs; however Negometrix was able to offer a more robust and extremely integrated platform including additional proven functionality at a fraction of the cost. Specifics:

- A Procurement Plan;
 - Negometrix includes a specific module designed to plan future solicitations. This functionality assists in notifying bidders when future solicitations within their commodity code are targeted to be bid. It also allows entities to plan cooperative purchasing opportunities. Details entered in this view prepopulate the actual solicitation documents. Functionality allows us to measure the workflow and workload of stakeholders, and plan workflow approval.
 - GoBonfire does not have a specific planning module. They recommended a work-around by initiating the start of a solicitation well in advance of completion.

- Electronic Notification Of Solicitation Status; Both platforms met this requirement.
- Vendor Registrations Via Commodity Code; Both platforms met this requirement.
- Documented E-Mail Communications Linked To Its Respective Solicitation;
 - While both platforms offered this functionality, Negometrix included a robust index and history of communications that also featured document version tracking.
- Electronic Submittal Of Offers Preferably In A Digital Format To Support On-Line Analysis;
 - While both platforms offered this functionality, each offered different strengths.
 - Negometrix promotes digitized solicitations, with a minimum of pdf attachments, thus allowing an immediate tracking and comparison of responses to questions. i.e. the use of survey questions with weighted points assigned to drop down answers assists in quantifying the quality of responses. They also offered bid analysis of line item prices.
 - GoBonfire also offers digitized solicitations, however their clients primarily utilize pdf documents resulting in a lengthy list of assorted documents to manage. While use of digitized application was not viewed on their client sites, it was presumed this application would be possible.
 - GoBonfire offers a significantly robust price analysis tool facilitating side by side analysis of pricing and the impact of multiple awards. This was by far the most attractive piece of their solution. Despite viewing only a few examples of this powerful tool in various stages of use at client sites, it was presumed this would satisfy our price analysis requirements.
- A Method To Facilitate An Electronic Review Of Proposal Narratives;
 - While both platforms met this requirement, Negometrix offered an extensive tracking feature to audit the ongoing real-time status of an evaluation. A variety of analytic tools illustrated graphed comparisons between evaluators, or criteria, or both.
- The Ability To Translate Evaluator Scores With Appropriate Weights Into A Concise Evaluation Summary; Both platforms met this requirement.
- Automatically Transition Solicitation And Proposal Documents Into A Contract With Built In Contract Management Functionality;
 - Negometrix's integrated modules allow the automatic pre-population of contract fields with 1 click.
 - GoBonfire's modules are not integrated thus requiring manual population for all contract fields.
- A Method For Documenting Vendor Performance;
 - Negometrix offers a robust sophisticated method to evaluate contractors in a number of customized areas throughout the duration of the agreement. This functionality facilitates vendor renewal criteria, quantifies evaluating vendors when used as a reference, and illustrates trends in performance if contract compliance becomes an issue. This key functionality is fundamental when pursuing Best Value Procurement.
 - GoBonfire does not offer vendor performance.
- Document Management;
 - Negometrix stores all related solicitation documents in one consistently organized zip file. Utilization of digitized questions and answers, as opposed to pdf files, facilitates streamlined record retention and facilitates locating isolated language.
- Observation from references websites;
 - Negometrix client websites displayed multiple solicitations and contracts utilizing the majority of the modules over an extended period of time.
 - GoBonfire client websites displayed a few solicitations utilizing 1 or 2 modules in the very recent/current timeframe. Contract modules were not visible.

Recommendation: The city's clear desire for a well proven integrated system with specified functionality was best demonstrated by Negometrix. Negometrix has built their business for the future of government procurement - intentionally designing one holistic integrated system with a focus on driving best value procurement. Their integrated modules have been in use since 2015 and their references utilized modules demonstrating a seamless progression. Intended to be a paperless process, and equipped with supportive planning tools, vendor quality/Best Value is emphasized throughout the process more than price.

Note: While cost was not a criterion for evaluation, the cost for Negometrix is **39%** the cost for GoBonfire.