

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

558



Purchasing: *[Signature]*
Asst. Director

FROM: Riverside County Information Technology

SUBMITTAL DATE:
May 12, 2005

SUBJECT: Proposed purchase of consulting services from N. Dean Meyer and Associates Inc. (NDMA) to realign the department's pay-for-service rate structure with its lines of business and budget.

RECOMMENDED MOTION: That the Board of Supervisors approved the professional services agreement with NDMA for an amount not to exceed \$235,290.

BACKGROUND: Riverside County Information Technology (RCIT) has taken the initiative to realign its pay-for-service rate structure with its lines of business and budget. To that end, RCIT will embark on an aggressive project using consulting services of NDMA, an experienced and qualified company, to methodically guide, define, and document its lines of business; validate and assign all relevant and associated costs to each; build a credible and defensible rate structure; and restructure its budget as needed to plan and account for costs.

Through the competitive bidding process, an evaluation team from RCIT and the Executive Office reviewed responses from six vendors, and unanimously selected NDMA as the least cost and most responsive qualified bidder to meet the requirements of the scope of work and complete the project in time to prepare the RCIT budget for Fiscal Year 2006-2007.

Continued on Page 2

Departmental Concurrence

[Signature]
Matthew W. Frymire
Chief Information Officer

FINANCIAL DATA	Current F.Y. Total Cost:	\$235,290	In Current Year Budget:	NO
	Current F.Y. Net County Cost:	\$	Budget Adjustment:	
	Annual Net County Cost:	\$	For Fiscal Year:	2004/2005

SOURCE OF FUNDS: Riverside County Information Technology – Internal Service Fund (ISF) chargeback fund in current fiscal year	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: **APPROVE**

County Executive Office Signature *[Signature]*

FORM APPROVED COUNTY COUNSEL

MAY 13 2005

Dep't Recomm.: Policy Consent
Per Exec. Ofc.: Policy Consent

COUNTY OF RIVERSIDE
OFFICE OF THE CLERK
EXECUTIVE OFFICE

MAY 11 10 11 AM '05
RECEIVED RIVERSIDE COUNTY

Prev. Agn. Ref.: | District: ALL | Agenda Number:

**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

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Proposed purchase of consulting services from NDMA to realign the department's pay-for-service rate structure with its lines of business and budget.

Background (Continued)

During the past four years, RCIT rates have been capped to help offset the impact of State funding shortfalls. Costs continue to rise through pre-negotiated compensation and benefits, facilities, and escalation clauses in selected service agreements. Several major computing applications moved to State-run programs which severely impacted RCIT revenues. Mitigating factors to help contain costs included renegotiating service contracts, reviewing service alternatives, completed long-term lease-purchase agreements for computing systems, and the elimination of funding for vacated positions. With the pressures of changing service, rising costs, and capped rates, RCIT lines of business have become unclear and misaligned with the RCIT budget and rates.

To remain cost competitive within the industry and provide world-class service, RCIT determined it needed to redefine its lines of business, identify costs for each, and prepare a defensible budget that produces service rates that accurately reflect the lines of business. To be in a position to prepare an activity-based budget by October 2005, the project would have to start no later than June 2005.

During the five-month process, NDMA will use their industry expertise and proven modeling tools to accomplish the goals outlined in the bid document. Critical success factors for the project include proven consultant expertise and methods, and a well-defined project schedule. The process also assures the appropriate knowledge transfer is made to RCIT staff to ensure the process can continue in subsequent years without the assistance of the consultant services.

County Counsel reviewed the agreement and approves it as to form.

PRICE REASONABLENESS: The pricing for this project is considered competitive as a result of a formal Request for Proposal. On March 15, 2005, notice of RFP # ITARC0006 was sent to six vendors and advertised on the Internet. Six bid responses were received ranging from \$74,940 to \$833,040. Based on the evaluation criteria and requirements set forth in the RFP, three of the submittals were deemed non-responsive as they did not address the needs as outlined in the RFP, leaving a responsive and responsible bid range of \$220,290 to \$833,040. It was determined that N. Dean Meyers and Associates Inc. submitted the most responsive and responsible proposal and the lowest cost of the responsive and responsible bids at \$220,290. A \$15,000 contingency fund was added to the contract for a total project cost of \$235,290.