



City of Rialto

Legislation Text

File #: CC-19-990, **Version:** 1

For City Council Meeting [October 22, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Rod Foster, City Administrator

FROM: Sean Grayson, Acting Public Works Director

Request City Council to Hear a Status Update Report from International Business Machines (IBM) Corporation on the City's Data Analytics, Logistics, Surveillance, Innovation & Incubator Center (DALSIIC) Plan and the Traffic Signal Communication System (TSCS) Plan; and either: 1) Direct Staff to Proceed with the Project As Currently Planned or with any Desired Amendments; 2) Terminate the Professional Services Agreement with IBM; or 3) Provide Any Other Direction as Determined by the City Council.

(ACTION)

BACKGROUND:

On May 14, 2019 the City Council awarded a Professional Services Agreement to International Business Machines (IBM) Corporation to develop the City's Data Analytics, Logistics, Surveillance, Innovation & Incubator Center (DALSIIC) and the Traffic Signal Communication System (TSCS) Plan based upon their response to the Request for Proposal (RFP) No. 19-061. As part of the award, it was determined that IBM would provide a status update with the City Council prior to completion of the contract scope of work.

ANALYSIS/DISCUSSION:

The original proposal from IBM (**attached**) included the use of sub-contractors. Since the award of the contract, one (1) or more sub-contractors have left or have been on-boarded to the project. The concerns raised by the sub-contractor supporting termination of its sub-contract with IBM include working on a project with a consultant representative who is debarred from federal procurements. As a result, the timeline and schedule for milestones and project completion has been revised. In order to address the changes in the project and provide the update identified in the City Council award action, a public presentation is required with an opportunity for subsequent action of the City Council related to the contract.

The City Council has four (4) primary options with regard to the disposition of the IBM contract:

- Continue the contract with IBM accepting any provided changes
- Amend the contract to address any changes desired by Council
- Terminate the contract (requires 30 days' notice for without cause termination)
- Provide any other direction as determined by the City Council

The original contract amount was not to exceed \$499,492. As of October 16, 2019 the City has paid

one invoice and two additional invoices are being processed for work by IBM for a total amount of \$249,746.01. Work performed in October 2019 will be presented in an additional invoice for \$83,248.67 making the total to be paid amount of \$332,994.68. This leaves an anticipated remainder of \$166,497.32 of the authorized contract amount not spent to date. The City has received updates, draft reports and other work product but has not received any completed deliverables to date.

The awarded contract uses funds secured by Assembly Member Eloise Gomez Reyes, District 47, for the City to develop a proposed master plan of the City's Traffic Signal Communication System. On June 15, 2018, the Governor's Office of Emergency Services (Cal OES) notified the City of an award in the total amount of \$1,705,000; including \$525,000 for Traffic Management System upgrade plan.

Staff requests that the City Council provide direction regarding the disposition of the IBM contract in order to prioritize work assignments and future budget requests that would be required to implement any components of the plan, including the Traffic Management System upgrade.

ENVIRONMENTAL IMPACT:

The request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA). A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Pursuant to Section 15378 (b)(5) a project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney has reviewed and supports this staff report.

FINANCIAL IMPACT:

Operating Budget Impact

There is no operating budget impact.

Capital Improvement Budget Impact

There is no capital improvement budget impact from this action.

Should the Traffic Management System upgrade not be completed the City would be required to use other funds to offset the cost incurred with the IBM contract that did not provide the result specified in the Cal OES funding up to the full amount of the contract \$499,492.

Licensing

There is no licensing required for this action.

RECOMMENDATION:

Staff recommends that the City Council:

- Hear a status update report from International Business Machines (IBM) Corporation on the City's Data Analytics, Logistics, Surveillance, Innovation & Incubator Center (DALSIIC) Plan and the Traffic Signal Communication System (TSCS) Plan
- Either:
 - 1) Direct Staff to Proceed with the Project As Currently Planned or with any Desired Amendments;
 - 2) Terminate the Professional Services Agreement with IBM; or
 - 3) Provide Any Other Direction as Determined by the City Council.