



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 7, 2016

TO: Mayor and Councilmembers

FROM: General Services Division, Finance Department

SUBJECT: Award Of Agreement For Electronic Bidding And Reverse Auction System

RECOMMENDATION:

That Council award a contract in an amount not to exceed \$52,475 to PlanetBids for their proposal to provide and host an electronic bidding and reverse auction system.

DISCUSSION:

Purchasing is pursuing an electronic bidding solution to improve efficiencies by automating processes, which will reduce errors associated with manual processes and provide easier access to bidding opportunities for vendors. After determining that the Munis bid management module offered by Tyler Technologies did not meet the City's needs, a request for proposal (RFP) for electronic bidding and reverse auction systems was sent to five potential software providers.

Three proposals were received. One proposal was rejected as being non-responsive to the RFP requirements. The two remaining proposals submitted by PlanetBids and Periscope Holdings were evaluated by staff, which included demonstrations of the systems. The highest ranked proposal was submitted by PlanetBids. Staff ranked their proposal highest for features and ease of use. Their references spoke highly of the company and their software. We also received unsolicited positive comments from vendors that have used their system. Their software is used by numerous public agencies in California and elsewhere.

PlanetBids was founded in 2000 and is a web-based software company that provides a modular suite of eProcurement solutions. There is no cost for vendors wishing to do business with the City or for registering as a vendor with PlanetBids. Once registered, vendors can maintain their own profiles and have immediate access to bid opportunities. Bid opportunities and results will be available through the software.

Because some vendors may not be prepared for, or comfortable with, submitting bids electronically, the City will have a transition period where we will continue to accept hardcopy as well as electronic bids.

BUDGET/FINANCIAL INFORMATION:

The total contract amount to purchase the software licenses and professional services for the PlanetBids' Electronic Bidding and Reverse Auction system is \$52,475 with \$17,475 fixed and a not-to-exceed amount of \$35,000 depending on the level of use of the reverse auction module.

One of the objectives of the Munis financial management system project was to implement a bid management system and there are sufficient funds in the Munis financial system project budget to cover the setup, training, and licensing cost. Only the initial setup, training, and license fees would be paid from the project budget. The reverse auction cost would be paid as part of the acquisition cost by the departments.

FY 2016 Setup/Licenses/Training/Year 1:	\$17,475
FY 2017:	\$ 9,759
FY 2018:	\$10,052
FY 2019:	\$10,534
FY 2020:	\$10,664

SUSTAINABILITY IMPACT:

Electronic bidding will reduce paper consumption by issuing and receiving bids and bid addenda electronically, and reduce or eliminate the need for vendors to drive to the Purchasing Office to attend bid openings since bids can be electronically opened and the results made immediately available.

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SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office