

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: 10/23/2020

Please mark one: ☐ Bill Request or ☒ Resolution Request

1. Type of Request:

- ☒ Contract/Grant Agreement ☐ Intergovernmental Agreement (IGA) ☐ Rezoning/Text Amendment
- ☐ Dedication/Vacation ☐ Appropriation/Supplemental ☐ DRMC Change
- ☐ Other:

2. Title: (Start with *approves*, *amends*, *dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Amends a contract with Q-Matic Corporation by adding \$231,711.35 for a new total of \$1,231,711.35 and three years for a new end date of 10/31/2023 for continual use and support of the Q-Matic queuing software and hardware supporting multiple City Agencies

3. Requesting Agency: Technology Services

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Joe Saporito	Name: Joe Saporito
Email: joseph.saporito@denvergov.org	Email: joseph.saporito@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

The Office of the Clerk and Recorder (OCR) entered into an agreement with Q-Matic Corporation in 2013 as result of a competitive RFP process conducted by Purchasing. Since the RFP process, Clerk and Recorder, Excise and License, Community Planning and Development, Motor Vehicle, Elections, Denver Animal Shelter and Treasury have used this contract to implement Q-Matic queueing systems and are now all on the same Enterprise system. The contract was originally managed by OCR but as more Agencies adopted these technologies, the contract is now managed by Technology Services.

Along with the need for ongoing maintenance and support for all using Agencies through 10/31/2023, the catalogue of available products and services related to the queueing system has been amended and updated. There is also contingency built into the amended dollar amount for additional Agencies that may benefit from a customer queueing solution in the future. The benefits gained from using this system include, but are not limited to:

- Increase customer service by directing customers to the appropriate customer service representatives
- Online capability to schedule appointments
- Immediate insight into customer satisfaction through survey units
- Ability to run performance reports including reports on customer wait time, transaction time, number of customers served, and summary data of ratings received from customers

Technology Services has been successful in providing a contractual vehicle for Agencies to continue to migrate from their disparate queueing solutions onto the enterprise solution by Q-Matic and to have Technology Services provide technical oversight.

Term exceeding more than 3 - 5 years per Executive Order 8.

To be completed by Mayor's Legislative Team:

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Per Executive Order 8: "Agencies should limit the duration of contracts to three to five years at which time a new solicitation should be initiated absent special circumstances." For most software/hardware applications, they cannot be simply unplugged and replaced with a new application; therefore, there will be several special circumstances that would provide for a justification to deviate from this policy. For this request, the information below provides examples of special circumstances directly related to the Q-Matic contract amendment request.

The special circumstances that justify a contract term that exceeds three to five years are listed below:

- Situations where standardization of equipment or continuity of service is required;
- Situations where competition does not exist;
- Situations where economic factors make it unfavorable for the City to re-bid a contract.

Continuity of Service:

The Q-Matic systems have been specifically configured and are in use by multiple City Agencies. For each Agency that uses the Q-Matic products, there are several employees that have been trained on and are efficient with the products. The continual use will allow these Agencies to provide continuity in their internal business functions as well external services available to citizens. The queuing systems have been successful and these Agencies wish to maintain that level of customer service.

Competition does not exist:

As the City has already purchased, configured, implemented, has been trained on and intends on using the Q-Matic products for the foreseeable future, continual support from Q-Matic is needed to ensure the software and hardware are functioning at their maximum performance. This service is proprietary and can only come from Q-Matic so an opportunity for competition does not necessarily exist. There are other queuing products on the market but if the City were to start working with another provider, it would be replacing a working product that it already fully owns and would essentially be starting over again to create a new enterprise queuing system.

Economic factors make it unfavorable for the City to re-bid a contract:

The cost to fully implement this software/hardware solution for all using Agencies was several hundred thousand dollars. The City would incur these costs every time a new system is implemented. This is a substantial investment by the City and it would result in an unnecessary negative financial impact on the citizens of Denver if this type of system was replaced every three to five years. The City and Q-Matic underwent a time-consuming process which included multiple phases from the time of purchase to having a fully implemented system. These include conducting an RFP process, negotiating a Statement of Work, negotiating a contract, analysis of the City's current state, planning for the new system, designing the new system to meet the City's objectives, implementing the new system, configuring (fine tuning) the new system, testing the new system and training employees on the new system. This process has been ongoing since its inception as more Agencies are adding queuing systems to provide superior customer service. For the City to re-bid this every three to five years would mean the opportunity for any type of return on our investment would be minimized and the City would be in a perpetual cycle of bidding, implementing, retraining and decommissioning of previous systems. With the multiple Agencies using the enterprise solution, it would be a disservice to them and their customers to constantly change how they provide queuing services. In addition, several Agencies have implemented their system within the last 5 years, including Motor Vehicle, CPD, and Animal Shelter. Animal Shelter being installed just this year.

Analysis of Market

Although there are other queuing system providers, the City has already paid for and owns its entire system with Q-Matic, meaning, the only costs it incurs are for annual maintenance (support) or if additional products are added, for example, if another Agency wishes to use these products. As long as the City has these products, it will continue to pay the minimal costs for annual maintenance. If it were to move to another vendor, a costly RFP would need to be conducted and all of the software/hardware would need to be purchased again and it would still need to pay for the annual maintenance for the new products.

The City has made a substantial investment in the Q-Matic products, both monetarily and time commitment. It has expanded that investment into multiple Agencies and at this point replacing it would be a very challenging effort. Motor Vehicle, Clerk and Recorder, CPD, Excise and License, Treasury, Elections, and Animal Shelter all are working from the same Enterprise system. They each have unique workflows, configurations, hardware, and use cases. A lot of time and effort has gone into shaping that Enterprise Solution across the City and it has already been paid for. Q-Matic not only understands the unique needs of each Agency but is still adding features to improve on services each of them provide. Recent additions for COVID-19 workflows have been put in place to allow for safer interactions for customers and staff. Short Message Service (SMS/texting) has also been added to a few Agencies with the potential of adding more.

6. City Attorney assigned to this request (if applicable): Steve Hahn

7. City Council District: N/A - Citywide

8. **For all contracts, fill out and submit accompanying Key Contract Terms worksheet**

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Revised 03/02/18

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):

Standard Expenditure contract exceeding \$500,000

Vendor/Contractor Name: Q-Matic Corporation

Contract control number: TECHS-202056143

Location: Citywide

Is this a new contract? ☐ Yes ☒ No **Is this an Amendment?** ☒ Yes ☐ No **If yes, how many?** 4

- Original contract: 3/15/2013 - 3/15/2014; Contract Amount: \$50,321.44
 - Signed by Mayor: 4/4/2013
 - Original purchase was for Clerk and Recorder
- First Amendment: 3/15/2013 - 12/31/2019; Amendment Amount: \$124,678.56; New Contract Amount: \$175,000
 - Signed by Mayor: 9/17/2014
 - Increased amount
 - Extended term
 - Added Task Order language to make the contract accessible for other agencies to leverage
- Second Amendment: No change in term; Amendment Amount: \$300,000; New Contract Amount: \$475,000
 - Signed by Mayor: 6/28/2016
 - Increased amount
 - Added SOW for DMV
- Third Amendment: 3/15/2013 - 10/31/2020; Amendment Amount: \$525,000; New Contract Amount: \$1,000,000
 - Signed by Mayor: 2/7/2018
 - Increased amount
 - Extended term

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

Current Term: 3/15/2013 - 10/31/2020 Proposed term: 3/15/2013 - 10/31/2023 Duration: 10 years and 7 months

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount</i>	<i>Additional Funds</i>	<i>Total Contract Amount</i>
(A)	(B)	(A+B)
\$1,000,000	\$231,711.35	\$1,231,711.35

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
3/15/2013 - 10/31/2020	3 years	10/31/2023

Scope of work:

Q-Matic will continue to provide software and hardware support for the products the City has purchased.

Was this contractor selected by competitive process? Yes **If not, why not?**

Has this contractor provided these services to the City before? ☒ Yes (via this contract) ☐ No

Source of funds: Technology Services Operational Funds

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Is this contract subject to: ☐ W/MBE ☐ DBE ☐ SBE ☐ XO101 ☐ ACDBE ☒ N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? N/A

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