

JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT

COMPLETE THIS SECTION IF NEW CONTRACT

For contract(s) in this request, answer applicable questions in each of the 4 major subject areas below in accordance with the Instructions for Preparation of Non-Competitive Procurement Form on the reverse side.

Request that negotiations be conducted only with KRONOS Incorporated for the product and/or services described herein.
(Name of Person or Firm)

This is a request for _____ (One-Time Contractor Requisition # _____, copy attached) or TA - Req 21510 Term Agreement or
_____ Delegate Agency (Check one). If Delegate Agency, this request is for "blanket approval" of all contracts within the
_____ (Attach List) Pre-Assigned Specification No. _____
(Program Name) Pre-Assigned Contract No. _____

COMPLETE THIS SECTION IF AMENDMENT OR MODIFICATION TO CONTRACT

Describe in detail the change in terms of dollars, time period, scope of services, etc., its relationship to the original contract and the specific reasons for the change. Indicate both the original and the adjusted contract amount and/or expiration date with this change, as applicable. Attach copy of all supporting documents. Request approval for a contract amendment or modification to the following:

Contract #: _____ Company or Agency Name: _____

Specification #: _____ Contract or Program Description: _____

Mod. #: _____ (Attach List, if multiple)

Steve Hughes
Originator Name

744-5990
Telephone


Signature

Comptroller's Office
Department

June 9, 2005
Date

Indicate SEE ATTACHED in each box below if additional space needed:

() PROCUREMENT HISTORY

City of Chicago entered into a contract with KRONOS Inc. to purchase an automated time and attendance system including software, badger readers, consulting and programming services in June 1994. (T4939180401). A new contract (PO1284) was started January of 2001 and expires December 2005. It provides for hardware, software, the warranty and maintenance of software and depot maintenance services for off site repair of the badge readers.

The city currently has approximately 830 badge readers from the KRONOS 460/480 series which allow city employees to use cards to swipe in and out for the collection of time and attendance data. The current badger readers are analog dial up models.

The city has a highly customized version of the KRONOS software which operates from an IBM I Series platform. In order to prevent city employees from swiping cards for co-workers (i.e. buddy swiping) the city will implement finger scan biometric technology for verifying employees' identities during the time and attendance data collection process.

() ESTIMATED COST

The estimated cost is to purchase 830 biometric badge readers \$2,100,000. Professional services (i.e. programming) to allow biometric badger readers to interact with I Series platform is estimated to be \$120,000. Annual hardware and software maintenance is estimated at \$250,000.

() SCHEDULE REQUIREMENTS

The project is to begin as soon as possible. The rollout of biometric badger readers will be phased in as it is contingent on project funding and the availability of Ethernet wiring at reader locations .

() EXCLUSIVE OR UNIQUE CAPABILITY

KRONOS has been a partner with the city for the last decade in implementing a time and attendance data collection solution. Their badge reader devices and software is currently used to collect data and provide payroll transactions to the city's current legacy payroll system and soon to be implemented CHIPPS payroll system.

KRONOS has the specialized knowledge of the city's customized software to provide the programming support necessary to implement biometric badger reader technology with minimal impact on existing computer programs and processes.

As this project will be phased in over time, KRONOS will allow for time and attendance data collection activities to continue on both the old and new devices. This will allow for a seamless implementation without affecting payroll operations.

KRONOS 4500 Touch ID web based terminal allows for the reliable collection of data. KRONOS has experience in upgrading a similar client from 460/480 series of badger readers to the 4500 Touch ID time clock terminals.

Upgrading to biometric time clock terminals will allow the city to eliminate payroll fraud through buddy punching as well as improving employee efficiency and productivity. Due to the time sensitive nature of this project, KRONOS hardware, software and consulting services will allow for the quickest and most efficient transition to this next generation of time and attendance technology.

() OTHER

The Chicago Public Schools are currently installing the 4500 Touch Id terminals at their facilities.

APPROVED BY:


DEPARTMENT HEAD
OR DESIGNEE

6/9/05
DATE

BOARD CHAIRPERSON

DATE

INSTRUCTIONS FOR PREPARATION OF NON-COMPETITIVE PROCUREMENT FORM (Rev. 5/04)

If a City Department has determined that the purchase of supplies, equipment, work and/or services can not be done on a competitive basis, a sole source justification must be prepared on this "Justification for Non-Competitive Procurement Form" in which procurement is requested on a non-bid or non-competitive basis in accordance with 65 ILCS 5/8-10-4 of the Illinois Compiled Statutes. All applicable questions in each Subject Area below must be answered. The information provided must be complete and in sufficient detail to allow for a decision to be made by the Non-Competitive Procurement Review Board. Also attach a complete CPAC Project Checklist, and any other required forms (see Other #1, below). The Board will not consider justifications with incomplete information documentation

PROCUREMENT HISTORY (INCLUDING FUTURE PROCUREMENT OBJECTIVES)

1. Describe the requirement and how it evolved from initial planning to its present status.
2. Is this a first time requirement or a continuation of previous procurement from the same source? If so, explain the procurement history.
3. Explain attempts made to competitively bid the requirement. (Attach copy of notices and list of sources contacted)
4. Describe all research done to find other sources. (List other cities contacted, companies in the industry contacted, professional organizations, periodicals and other publications used).
5. Explain future procurement objectives. Is this a one-time request or will future requests be made for doing business with the same source?
6. Explain whether or not future competitive bidding is possible. If not, why not?

ESTIMATED COST

1. What is the estimated cost for this requirement (or for each contract, if multiple awards contemplated)? What is the funding source?
2. What is the estimated cost by fiscal year, if the job project or program covers multiple years?
3. Explain the basis for estimating the cost and what assumptions were made and/or data used (ie. budgeted amount, previous contract price, current catalog or cost proposal from firms solicited, engineering or in-house estimate, etc).
4. Explain whether the proposed Contractor or the City has a substantial dollar investment in original design, tooling or other factors which would be duplicated at City expense if another source was considered. Describe cost savings or other measurable benefits to the City which may be achieved.
5. Explain what negotiation of price has occurred or will occur. Detail why the estimated cost is deemed reasonable.

SCHEDULE REQUIREMENTS

1. Explain how the schedule was developed and at what point the specific dates were known.
2. Is lack of drawings and/or specifications a constraining factor to competitive bidding? If so, why is the proposed Contractor the only person or firm able to perform under these circumstances? Why are the drawings and specifications lacking? What is the lead time required to get drawings and specifications suitable for competition? If lack of drawings and specifications is not a constraining factor to competitive bidding, explain why only one person or firm can meet the required schedule.
3. Outline the required schedule by delivery or completion dates and explain the reasons why the schedule is critical.
4. Describe in detail what impact delays for competitive bidding would have on City operations, programs, costs and budgeted funds.

EXCLUSIVE OR UNIQUE CAPABILITY

1. If contemplating hiring a person or firm as a Professional Service Consultant, explain in detail what professional skills, expertise, qualifications, other factors make this person or firm exclusively or uniquely qualified for the project. Attach copy of cost proposal and scope of services.
2. Does the proposed firm have personnel considered unquestionably predominant in the particular field?
3. What prior experience of a highly specialized nature does the person or firm exclusively possess that is vital to the job, project or program?
4. What technical facilities or test equipment does the person or firm exclusively possess of a highly specialized nature which is vital to the job?
5. What other capabilities and/or capacity does the proposed firm possess which is necessary for the specific job, project or program which makes them the only source who can perform the work within the required time schedule without unreasonable costs to the City?
6. If procuring products or equipment, describe the intended use and explain any exclusive or unique capabilities, features and/or functions the items have which no other brands or models, etc. possess. Is compatibility with existing equipment critical from an operational standpoint? Explain why.
7. Is competition precluded because of the existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data? Attach documentation verifying such.
8. If procuring replacement parts and/or maintenance services, explain whether or not replacement parts and/or services can be obtained from any other sources? If not, is the proposed firm the only authorized or exclusive dealer/distributor and/or service center? If so, attach letter from manufacturer.

OTHER

1. Explain other related considerations and attach all applicable supporting documents (an approved Information Technology Strategy Committee (ITSC) form, an approved Request for Individual Contract Services form, etc.)
2. Explain what opportunities of direct/indirect involvement of Minority or Women Business Enterprises have been discussed and/or are available on this contract.

REVIEW AND APPROVAL

This form must be signed by both the Originator of the request and approved by the Department Head or authorized designee. After review and final disposition from the Board, this form will be stamped to indicate the final disposition and signed by the Chairperson of the Board of authorized designee.

**CITY OF CHICAGO
 PURCHASE REQUISITION**

Copy (Department)

DELIVER TO: 027- FIN 7FL 33 N. LA SALLE ST. 7TH FLOOR Chicago, IL 60602	REQUISITION: 21510 PAGE: 1 DEPARTMENT: 27 - DEPARTMENT OF FINANCE PREPARER: Scott M Hoffman NEEDED: APPROVED: 6/8/2005
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REQUISITION DESCRIPTION

NEW CONTRACT FOR TIME AND ATTENDANCE FOR BIOMETRIC BADGE READERS THE VENDOR WILL BE KRONOS, AND THE CONTRACT WILL BE SOLE SOURCE
 SPECIFICATION NUMBER: 37108

COMMODITY INFORMATION

LINE	ITEM	QUANTITY	UOM	UNIT COST	TOTAL COST						
1	93918	1.00	USD	1.00	1.00						
PROFESSIONAL SERVICES TIME & ATTENDANCE											
SUGGESTED VENDOR: KRONOS INC						REQUESTED BY: Scott M Hoffman					
DIST	BFY	FUND	COST CTR	APPR	ACCNT	ACTV	PROJECT	RPT CAT	GENRL	FUTR	Dist. Amt.
1	005	0100	0994427	0140	220140	0000	00000000	000000	00000	0000	1.00
LINE TOTAL:											1.00

REQUISITION TOTAL: 1.00

CPAC PROJECT CHECKLIST

For CPAC Team Use Only	
Date Received	_____
Date Returned	_____
Date Accepted	_____

IMPORTANT: PLEASE READ AND FOLLOW THE INSTRUCTIONS FOR COMPLETING THE PROJECT CHECKLIST AND CONTACT THE APPROPRIATE TEAM LEADER IF YOU HAVE ANY FURTHER QUESTIONS. ALL INFORMATION SHOULD BE COMPLETED INCLUDING THE SUPPLEMENTAL CHECKLIST REQUIRED BY THE SPECIFIC CPAC TEAM. ATTACH ALL REQUIRED MATERIALS AND SUBMIT FOR HANDLING TO THE DEPARTMENT OF PROCUREMENT SERVICES, ROOM 403, CITY HALL, 121 N. LASALLE STREET, CHICAGO, ILLINOIS 60602.

PROJECT
 Date: JUNE 9, 2005 Contact Person: STEVE HUGHES
 ID No (Spec, RX, Project): RX 21510; SPEC 37108 Tel: 4X 5990 Fax: _____ E-mail: _____
 Department: FINANCE Project Manager: _____
 Bureau: _____ Tel: _____ Fax: _____ E-mail: _____
 Contract No (if known): _____ Estimated Value \$ 3,000,000.00
 Project Title/Description: PROFESSIONAL SERVICES TIME & ATTENDANCE BIOMETRIC BADGE READERS

SCOPE STATEMENT

_____ attached is a detailed scope of services and/or specification

IMPORTANT: THIS IS A CRITICAL PORTION OF YOUR SUBMITTAL. IN ORDER FOR A TEAM TO ACCEPT YOUR SUBMITTAL YOU MUST COMPLETE ALL TEAM SPECIFIC SCOPE REQUIREMENTS AS SET FORTH IN THE SUPPLEMENTAL CHECKLIST FOR THAT TEAM.

The following is a general description of what would be included in a Scope of Services or Specification:
 A clear description of all anticipated services and products, including: time frame for completion, special qualifications of prospective vendors, special requirements or needs of the project, locations, anticipated participating user departments, citation of any applicable City ordinance or state/federal regulation or statute.

TYPE OF PROCUREMENT REQUESTED (check all that apply)

Competitive Bid RFQ/RFP/RFS/RFI Sole Source** Term Agreement One Shot
 Mod/Amendment Time Extension Additional Funding Small Order S/O Emergency

FORMS

F-25* (add line item) F-10* (special approvals) SSRB** (sole source approval)
 F-26* (new term agreement) RX (one-shot requisition) OBM Authorization
 F-27* (time extension) APRF (all purpose request form)
 F-29* (change vendor limit)

** Sole source requests must include vendor quotes/proposal and MBE/WBE compliance requirements

FUNDING

City: Corporate Bond Enterprise Grant* Other FINANCE GEN.
 State: IDOT/Transit IDOT/Highway Grant* Other _____
 Federal: FHWA FTA FAA Grant* Other _____
 Funding Strip(s): 05-100-99-4427-0140-0140

* Attach copy of any applicable grant agreement terms and conditions

TIME FRAME

Date Needed: ASAP Requested Contract Term (y/m/d): 05-07-01

PRE BID/SUBMITTAL REQUIREMENTS

Requesting Pre Bid/Submittal Conference? Yes No Requesting Conference be Mandatory? Yes No
 Requesting Site Visit? Yes No Requesting Site Visit be Mandatory? Yes No