

S. S. R. B.

JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT

03/03/09

COMPLETE THIS SECTION IF NEW CONTRACT

For contract(s) in this request, answer applicable questions in each of the four (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 IBM Corporation for the product and/or services described herein.  
 (Name of Person or Firm)

(One-Time Contractor Requisition #: <<Req No>>, copy attached) or  Term Agreement or  Delegate Agency (Check one).

If Delegate Agency, this request is for "blanket approval" for all contracts within the          (Attach List).  
 (Program Name)

Pre-Assigned Specification No.:         

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 #: T28236

Company or Agency Name:         

Specification #: B9-96102-01

Contract or Program Description: Parking and Administrative Hearings Management

Modification #: 5

(Attach List, if multiple)

Steve Sakai  
 Originator Name

747-3753  
 Telephone

[Signature]  
 Signature

Revenue  
 Department

02/25/2009  
 Date (mm/dd/yr)

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

<input checked="" type="checkbox"/> <b>PROCUREMENT HISTORY</b> Please see attached Non-Competitive Procurement form
<input checked="" type="checkbox"/> <b>ESTIMATED COST</b> \$56,008,566
<input checked="" type="checkbox"/> <b>SCHEDULE REQUIREMENTS</b> Please see attached Non-Competitive Procurement form
<input checked="" type="checkbox"/> <b>EXCLUSIVE OR UNIQUE CAPABILITY</b> Please see attached Non-Competitive Procurement form
<input checked="" type="checkbox"/> <b>OTHER</b> Requisition will be provided upon approval of Amendment.

APPROVED BY: [Signature]  
 DEPARTMENT HEAD OR DESIGNEE

2/24/09  
 DATE

[Signature]  
 BOARD CHAIRPERSON

03/03/09  
 DATE

[Signature]  
 MONTEL M. GRIFLES  
3-4-09  
 DATE

## **INSTRUCTIONS FOR PREPARATION OF NON-COMPETITIVE PROCUREMENT** (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**

#### **1. Describe the requirement and how it evolved from initial planning to its present status.**

This non-competitive procurement Amendment requirement with IBM (International Business Machines) Corporation is a 2-part request:

- I. The Department of Revenue requests a contract extension. Whereas, Amendment 2 provided for services through April 30, 2009, plus two one-year extensions (through April 30, 2011), the Department of Revenue hereby seeks an extension of an additional four years beyond April 30, 2011, to April 30, 2015.
- II. To migrate existing data from an aging mid-range server AIX and Intel environment to a new mid-range AIX and Intel server environment.

The requirement flows from the present scope of work for parking and red light ticket processing. The scope documented in earlier agreements with IBM (International Business Machines) Corporation will be incorporated by reference in an amendment if non-competitive procurement is authorized. The scope of services has not been modified significantly, save for a requirement to procure and implement equipment for future support by replacing the AIX and Intel servers that are aged and approaching obsolescence. The proposed price for services, including operational support and development, will be reduced for the City's willingness to grant the proposed extension.

#### **2. Is this a first time requirement or a continuation of previous procurement from the same source? If so, explain the procurement history.**

The procurement is a continuation of a previous procurement from the same source.

Prior to October 1998, the City of Chicago engaged the defunct government services arm of *Electronic Data Systems* (EDS) to integrate the varied components of a parking ticket processing solution. Chief among those components were customer service, noticing, and payment processing. Unfortunately, the application was the property of EDS, and EDS proffered a pricing model to the City of Chicago that required the City to pay additional fees for development, including reports. This model was extremely costly and inflexible, and EDS was opposed to sharing ownership in the system for development funded by the City.

IBM was engaged in 1998 as the parking integrator. The contract was awarded to IBM non-competitively, as no other sources were deemed viable at that time. A detailed scope document was built and integrated into the IBM contract, providing for City ownership of deliverables and system development. Further, the contract called for the hiring of two full time equivalents, or FTEs, to work solely on maintenance and support of the City's parking ticket application at no additional cost. These personnel have been invaluable, allowing the City to quickly ramp up to address changes in statute or ordinance or to implement additional revenue generating programs.

From 2003 to 2007, the online portion of the CANVAS application underwent a major rewrite at no cost. The final changes were finished and installed in April 2007. This upgrade added additional custom functionality and proprietary application which the City can license to other municipalities. The City would leverage IBM system's integrator skills to assist with new opportunities.

Working with DoIT (then, "BIS"), potential vendors were identified and IBM was identified as the most qualified to provide the extensive hardware, software development, and support for this complex operation. Further, City Council approved the initial contract award.

**3. Explain attempts made to competitively bid the requirement. (Attach copy of notices and list of sources contacted.)**

There are no potential competitors for the requirement. As discussed below, IBM is the only vendor that has both the necessary experience processing parking and red light tickets and requisite skill set. EDS, for instance, no longer performs parking system integration and no longer provides government support.

Companies like *Complus* and *Duncan Solutions* lack the size, skill, and experience necessary to process the City of Chicago's 3.5 million parking and red light tickets annually. Steve Hittman of Complus noted in discussions that his small staff and bandwidth would preclude his company from ever bidding on managing the City of Chicago's parking system. Duncan Solutions also offers parking systems integration and parking system support; however, they lack the infrastructure, application(s) and skill required to support a system of the magnitude of the City of Chicago's parking enforcement program. The application Duncan uses to support much smaller city parking programs does not have the required functionality.

Other potential competitors, like *Affiliated Computer Services (ACS)*, are not interested in supporting municipalities that do not use their proprietary software. When asked whether ACS could assist the City of Chicago by supporting portions of the parking ticket process like address verification, Adam Clement of ACS noted that his company would not be interested in providing piecemeal solutions. In fact, ACS' model is based on two philosophies: the first, a mixed fixed fee and contingency fee structure; and the second, a static system designed for use by multiple municipalities. Some examples include:

- St. Louis pays a fee of \$2.47 per ticket, plus a \$.37 paid ticket performance incentive and 25% of revenues for delinquent account collections. An official from St. Louis noted that St. Louis needed to "re-tool its internal system to match that of ACS";
- Dallas, TX, pays ACS a service cost as well as a split of revenues (19.5%). Officials noted that ACS to provide changes to electronic formats, noting that Dallas "would have to wait until next design";
- Nashville contracted with ACS to upgrade the information system for the Traffic Violations Bureau. Nashville sued ACS for failing to perform as the contract required. In fact, "ACS proposed that the Metropolitan Government should change its business practices to accommodate ACS' software. Metro concluded that 'the fundamental problem with the ACS software is that it was designed for an environment of a court of record...not [their] much higher volume of cases.'"

Other potential integrators lack technical and subject matter knowledge. Chicago can ill afford to be the testing ground for a company lacking parking and red light integration (as discussed in greater detail below). No other company can offer the City of Chicago the necessary: (1) personnel or IT resources, (2) understanding of Chicago parking ticket operations, (3) the ability to maintain and grow the CANVAS application based on the City's new requirements, (4) experience with Oracle databases, and (5) experience with web-based applications.

**4. Describe any research done to find other sources. (List other cites contacted, companies in the industry contacted, professional organizations, periodicals, and other publications used.)**

The City of Chicago has researched sources through:

- The Illinois Parking Association.
- Cities of St. Louis, L.A., Seattle, New York, Dallas, Denver, Detroit, Philadelphia, Tampa, and Nashville.
- The International Parking Institute (IPI). The City of Chicago is a member, and Matt Darst of the City's Department of Revenue reviewed vendors at a recent trade show, determining that none were potential sources.
- Parking Today, a trade magazine.
- Chicago has the only web based application known today to support parking enforcement programs

**5. Explain future procurement objectives. Is this a one-time request or will future requests be made for doing business with the same source?**

The Department of Revenue hopes that this is a one-time non-competitive procurement request. Unfortunately, the possibility of future non-competitive requests is largely dependent on whether additional sources enter the market in the coming years.

**6. Explain whether or not future competitive bidding is possible. If not, why not?**

Please see above.

**ESTIMATED COST**

**1a. What is the estimated cost for this requirement (or for each contract, if multiple awards contemplated)?**

The scope of work of this procurement currently includes the following Operational Services:

- Systems Management
- Application Development and Maintenance Support
- Ticket Search & Ticket Payment Website Application Support and Hosting
- System Help Desk Support
- Data Center Management
- Data Center Hardware Upgrades
- Disaster Recovery Desktop Planning
- Network Management
- WAN/LAN Network Management
- Deskside Support
- Business Process Support Services, including:
  - Data Capture and Verification of Handwritten Tickets
  - Lockbox Services for Mail-In Payments
  - Mail-In and In-Person Adjudication Request Processing
  - Motorist Voice Response Unit & Call Center Customer Service
  - Redlight Data Review and Notice Generation
  - Streetsweeper Data Review and Notice Generation
  - Autocite Image Processing Services
  - Forms Inventory Management of Handwritten Tickets and Notice Forms
  - Notice Print/Mail Fulfillment Services
  - Ticket and Payment Research Services
- Interface Support Services, currently include:
  - ReCaps, the City's cashing system.
  - IRIS, the City's business licensing system.
  - ARMS, the City's accounts receivable system.
  - Business Objects, the City's management reporting system.
  - Police Department, for the delivery of handwritten tickets.
  - Illinois Secretary of State, State of Wisconsin, State of Indiana, State of Michigan, and Complus, the entities that provide in-state and out-of-state vehicle registered owner information.
  - *Redflex*, the company engaged by the City to support its red light enforcement program.
  - *RR Donnelly, Inc.*, the company that prints and mails the notices of outstanding parking tickets to motorists.
  - *Linebarger, Goggan, Blair, & Sampson, LLP*, and *Harris & Harris, LLP*, the collection law firms that the City has engaged to collect outstanding debt from scofflaws.
  - *United Road Towing (URT) Inc.*, the company that the City currently has a contract with to provide boot-removal and tow operations.

The term of the current agreement is being extended to include 5/1/09 through 4/30/15. IBM has provided the following cost effective fixed price for the above Operational Services and this extended term along with a fixed price for the two additional option years. Additionally, IBM has provided incentives to the City by adjusting its price to include the per unit red light verification charges into the fixed price charge for the period of the contract extension and the option years if exercised.

**1b. What is the funding source?**

Currently: 009-0100-0294657-0138-220138

**2. What is the estimated cost by fiscal year, if the job, project, or program covers multiple years?**

The total fixed price provided by IBM is:

Base Year	Year 1 5/1/09- 4/30/10	Year 2 5/1/10 – 4/30/11	Year 3 5/1/11 – 4/30/12	Year 4 5/1/12 – 4/30/13	Year 5 5/1/13 – 4/30/14	Year 6 5/1/14 4/30/15	Total Base Price
Operational Services	\$6,599,201	\$9,881,873	\$9,881,873	\$9,881,873	\$9,881,873	\$9,881,873	\$56,008,566

**3. Explain the basis for estimating the cost and what assumptions were made and/or data used (e.g. budgeted amount, previous contract price, current catalog, or cost proposal from firms solicited, engineering or in-house estimate, etc.).**

IBM utilized a bottoms-up pricing methodology to determine the cost to the City. This methodology is based upon IBM's extensive knowledge of the costs associated with providing the Operational Services to the City since 1998. Additionally, IBM expects changes in its costs due to reduced staff levels resulting from anticipated technical and process improvements incorporated throughout the extension term. The price also accounts for an anticipated reduction in the annual Cost of Living Adjustment (COLA) to the City due to the utilization of IBM's current internal cost structure in determining its price for the extended term. COLA is added to IBM's monthly charge for service starting in April 2009 and is calculated based upon changes in the Consumer Price Index for All Urban Consumers (CPI-U) with a utilization of 2008 as the base year for the adjustment.

**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.**

The City engaged IBM in 1998 to develop an application to manage the City's parking ticket enforcement and adjudication program. The City decided to make this investment in order to secure the rights for this system application, to control future enhancements as required by changes in the City's parking enforcement ordinances and business needs, and to control the intellectual property of this system application. In 2004, IBM began an extensive rewrite of the online code for the application which concluded in the first quarter of 2007. This modification of the application resulted in significant added functionality increase. Added function to satisfy new City requirements has continued to be added throughout the term. However, IBM has the critical institutional knowledge regarding the design of the application's framework; its integration with other outside agency and City systems; and the system support requirements for its parking ticket system that would have to be transferred to either an internal City systems support group or another systems integration vendor should the agreement between the parties terminate. The City can expect to incur substantial additional costs to transfer this knowledge, including but not limited to:

- The transition of the system and business process services, including training users on the system; training customer service and business support personnel on business process and procedures; and completing data conversion activities.
- Additional hardware or software infrastructure.
- The development of requirements for a Request for Proposal (RFP).
- The review and analysis of RFP responses.
- The award and negotiation of a contract to a different systems integration vendor.
- The testing and approval processes.

The City would also expect a reduction of revenue during a transition to an internal support group or another systems integration vendor due to probable delays in noticing of motorists with outstanding parking ticket debt. In 1998, the City suspended its noticing efforts due to data conversion and system related issues for six months. Based upon this past experience as well as the City's current collection rate of approximately \$18 million per month, the City should anticipate a similar situation to occur, which could reduce future revenues up to 50% per month, or a \$54 million reduction or more during a six month time frame.

Additionally, the City has an interest in IBM's continued support and enhancement of the parking ticket system. The marketing of CANVAS is contingent on IBM's participation, either as the marketer or as a vendor providing support services for the marketer. The City's ability to market could be limited if the City attempts a shift to another vendor, as IBM has critical institutional knowledge that is required to support the implementation of the parking system in another city.

The City requires a vendor that can provide IT services as well as specialized parking industry knowledge and expertise. The City has identified the only other significant vendor in the industry with the required capabilities and industry knowledge to provide this service as being ACS. ACS does not offer piecemeal support services or specialized parking industry expertise to cities with existing parking ticket systems. They require that cities utilize their system and adapt their business processes in order to fit the ACS solution. Converting to the ACS solution would result in the City throwing away its investment in its parking ticket system as well as incurring significant transition costs as noted above. The City would also lose a customized solution that currently meets its business requirements for a solution that would require significant modifications that the City could not ensure would be made. These modifications would most likely be an additional expense for their development not to mention the time required to make the modifications. This would increase the risk for transition and potentially add more time to the transition period with further negative impact to revenue generation.

capability. As a result, the City would have fewer “bells and whistles,” and would potentially have to work to revise Illinois and City legislation to adapt its business processes to fit the ACS solution.

Finally, ACS provides a contingency-based pricing model for system and process support that is related to revenue collections and which would thereby result in a variable price structure to the City. IBM has provided a fixed price since 1998 and will continue to do so throughout the extension period. The cost for service provided has continued to shrink compared to the amount of revenue generated year to year. The revenue generated from the IBM service has increased from \$67M in 1998 to \$210M in 2008 while the cost for IBM service has decreased over that same time period. With the proposed contract extension, the price to the City will be reduced for the term of the extension making the cost for dollar of revenue collected through this program even cheaper. This enables the City to more accurately forecast its current and future costs while avoiding the unpredictable contingency-based fee model which fluctuates based on ticket issuance and/or revenue collection factors.

**4a. Describe cost savings or other measurable benefits to the City which may be achieved.**

IBM's cost savings for the remaining term of the contract compare as follows:

Year	Current Contract	Extended Amendment	Savings
2009	\$6,946,527	\$6,599,201	\$308,734
2009 (thru April) 2015	\$10,401,972 (per year)	\$9,881,873	\$2,600,495
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$2,909,229</b>

The current contract cost for Amendment 2 was agreed to by the City in 2006 and was determined by utilizing IBM's internal cost structure at that time. The extended amendment cost proposed by IBM was determined by utilizing IBM's internal cost structure for 2008.

In addition to the above savings, IBM will also be replacing the aged mid-range hardware and software that is close to being out of support and providing two hardware refreshes. The cost to the City to complete this work without using IBM is estimated to be \$0.905 million. Therefore, the total expected cost savings to the City by approving the extended amendment with IBM is approximately \$3.814 million (\$2.909 million plus \$0.905 million).

The City will also avoid a number of costs in year one alone, like \$701,483 in COLA, \$83,640 in red light COLA, \$500,000 in red light processing costs, \$36,800 in street sweeping COLA costs, and \$20,000 in street sweeping violation processing costs (or \$1.342 million). Similar savings will be experienced in years 2 through 6 (a total of \$4.803 million). Total savings over the life of the contract: \$9.959 million.

**5. Explain what negotiations of price has occurred or will occur.**

Please see the cost savings noted above. IBM approached the City regarding possible discount off current price in October 2008. Since that time there have been high level discussions regarding the framework under which IBM could provide a discounted price in return for the City agreeing to a contract extension. The intent was twofold; provide a committed discount over the term of the extension enabling savings to the City that would assist in solving some of the budget issues facing the City. These savings to the City would be provided with no impact on the services currently being provided to the City. Also current terms and conditions of the Agreement would not change. As of the date of this justification document, the City and IBM have almost finalized all outstanding issues.

**5a. Detail why the estimated cost is deemed reasonable.**

The City has been working with IBM for about four months on the price. It was agreed that terms and conditions for the extension would remain the same as for the current Agreement. A great deal of time and effort has been invested by City and IBM personnel to ensure that the most advantageous cost was obtained and that the optimum value was attained for that cost. IBM reviewed its past costs and utilized a bottoms-up methodology to determine the cost to the City. This methodology recognized costs savings and deep discounts due to the City's preferred customer status; identified future efficiencies gained through technical advancements and business process improvements; and assumed some risks by being more aggressive with unknowns that affects costs in the future extension years. The City also has (10) years of experience managing IBM and has gained invaluable knowledge in understanding the underlying cost for services. Therefore based upon these factors, the City has determined that the cost is reasonable.

## SCHEDULE REQUIREMENTS

### **1. Explain how the schedule was developed and at what point the specific dates were known.**

The non-competitive nature of this justification is related to the technical solution implemented by IBM in 1998 and subsequently upgraded throughout the duration of the agreement to support the City's parking ticket enforcement and adjudication program. It also factors into consideration the numerous enhancements implemented over the last ten years as well as the business knowledge of the City's business the IBM team has accumulated over that same period. The technical solution is now based upon the utilization of an IBM midrange hardware platform and includes the City's business application (which was rewritten between 2004 and 2007), hardware, software, and related operational services to support the City's business processes. The above referenced hardware and software environment is supported under a 24 hours a day, 7 days a week (24x7) maintenance contract.

In their proposal, IBM indicated that the proposed savings under the extension could take place in 2009 as soon as Amendment 5 (this extension) is signed. Since the expiration of the current agreement is currently April 2010 (the City has exercised a one year extension (Amendment 3), IBM proposed to extend the agreement until April 2015 and included the incentive to the City to increase the term of the contract without charging the City the one-time implementation services fee to complete the transition. (Amendment 4 was a scope change involving Administrative Hearings.)

### **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.

A response to this set of questions is not applicable to this non-competitive procurement justification.

### **3. Outline the required schedule by delivery or completion dates and explain the reasons why the schedule is critical.**

The following high-level schedule lists the milestones identified by IBM and reflects the estimated completion date of June 1, 2009 for contract signature:

Milestone	Estimated Completion Date
Approval of Sole Source Justification and Amendment Five	March 2, 2009
Contract Amendment 5 signature approvals by	June 1, 2009
Amendment 5 effective	April 1, 2009

### **4. Describe in detail what impact delays for competitive bidding would have on City operations, programs, costs, and budgeted funds.**

Delaying the signing of the Amendment 5 contract extension would adversely impact the outlined savings the City would receive under the new amendment including the;

- Loss of revenue due to extended transition related activities should a new vendor be chosen. This includes conversion of data, system testing, and delays by a new vendor in providing required system functionality, such as payment processing capability, boot-eligibility identification, and noticing of motorists regarding their outstanding parking debt. As noted in the response in the Estimated Cost section of this document, the City can also expect a reduction of revenue during a transition to an internal support group or another systems integration vendor due to probable delays in noticing of motorists with outstanding parking ticket debt. In 1998, the City suspended its noticing efforts due to data conversion and system related issues for six months. Based upon this past knowledge as well as the City's current

collection rate of approximately \$18 million per month, the City should expect a similar situation to occur, which could reduce future revenues up to 50% per month, or a \$54 million reduction during a six month time frame.

- Unexpected costs from a new vendor for overlooked requirements that could possibly be identified as out of scope of a new agreement.
- Lost opportunity to the City due to the suspension of development activities during a transition period. Such revenue generating projects as parking ticket amnesty, out of state department of motor vehicle interfaces, collection agency interfaces, and payment plan generation would not be possible during a system implementation.
- High utilization of the City's subject matter experts that would be required to participate in RFP activities while continuing to support the City's program.

The City would ultimately benefit from the award of this proposed extension of the current agreement to IBM, including:

- Continuation of uninterrupted valued services backed up by service level commitments
- Receiving immediate cost reductions in services as well as obtaining deep discounts on new hardware infrastructure.
- Avoiding the extended timeline associated with the RFP process.
- Avoiding the costs the City would incur associated with the RFP to award processes.
- Capitalizing upon the pre-existing supplier relationship and already agreed upon contractual terms and conditions of the current agreement and the negotiated amendment.

### **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, or other factors make this person or firm exclusively or uniquely qualified for the project.**

IBM has been supporting the City's parking ticket enforcement and adjudication program since 1998 and has the qualifications required to manage the system as well as to perform multiple crucial business process activities for the City. Many of IBM's resources have experience with the City that dates back to the early 1990's and have been assigned to the project since 1998. These resources have parking industry expertise that is uniquely related to the City's business that no other existing vendor can provide, which allows IBM to provide the IT and parking industry support services that the City requires to support its continued operations and maintain its parking ticket revenue stream.

IBM has worked closely with the City's subject matter experts to identify and document business requirements and processes. IBM has become highly knowledgeable of the City's policies, processes, and procedures and has customized the parking ticket system to specifically meet the City's business needs. IBM works continuously with the City to monitor, manage, improve, and streamline business processes and enhances the parking ticket system as required to reflect changes or additions to the program. IBM also performs critical business process activities and has developed and maintained detailed desktop procedures to provide such services as:

- Data capture and verification of handwritten parking tickets as well as for Administrative Notices of Violations.
- Mail-in and in-person hearing request processing.
- Customer Service for phone and written inquiries on parking ticket, hearing requests, and various research activities.
- Mail-in payment processing, including posting payments to the parking ticket system and depositing monies into the City's financial institution on a daily basis.
- Research and support of the City's taxi medallion renewal program and fleet management program.

IBM has established business relationships with other City departments and outside agencies in order to develop and maintain the interfaces the City requires to ensure the success of the program. Some of these relationships and interfaces are as follows:

- ReCaps, the City's cashiering system.
- IRIS, the City's business licensing system.
- ARMS, the City's accounts receivable system.
- Business Objects, the City's management reporting system.
- Police Department, for the delivery of handwritten tickets.
- Illinois Secretary of State, State of Wisconsin, State of Indiana, State of Michigan, and *Complus*, the entities that provide in-state and out-of-state vehicle registered owner information.
- *Redflex*, the company engaged by the City to support its red light enforcement program.
- *RR Donnelly, Inc.*, the company that prints and mails the notices of outstanding parking tickets to motorists.



- *Linebarger, Goggan, Blair, & Sampson, LLP*, and *Harris & Harris, LLP*, the collection law firms that the City has engaged to collect outstanding debt from scofflaws.
- *United Road Towing (URT) Inc.*, the company that the City currently has a contract with to provide boot-removal and tow operations.

Additionally, IBM has other skills and services outside the scope of this agreement that can be leveraged to assist with other critical requirements the City of Chicago Parking Enforcement Program faces.

- PCI remediation services
- Upgrade of the web application for payment processing (commercially available application; WebSphere Commerce)
- Lab resources constantly exploring the benefits that could be tapped for CANVAS
- An alternative marketing channel for CANVAS

**Attach copy of cost proposal and scope of services.**

The scope of services for this extension is documented in existing agreements with IBM. A schedule of costs is attached as well.

**2. Does the proposed firm have personnel considered unquestionably predominant in the particular field?**

In 1998, IBM hired experts with the City's parking enforcement program and has developed highly qualified personnel on its staff to provide and manage the agreed upon Operational Services, of which the City has final approval of key personnel. The staff is uniquely qualified to support the City's parking ticket enforcement and adjudication program as they are jointly located in Chicago with City personnel at a downtown facility. In addition, IBM leverages technical resources from its service delivery centers to provide the required operational support services for the data center environment. This team is a combination of IBM employees, *BPS Staffing*, from the City approved list of certified MBE/WBE vendors, and subcontractors of which includes the following:

- An on-site management team, dedicated to managing the program, including a Project Executive, Deputy Project Executive, and Customer Service Manager. IBM's Deputy Project Executive has twelve years of experience with the City's program. Its Project Executive, Customer Service Manager and Technical Infrastructure Manager, all have over three years of experience with the program.
- An on-site application development and system support team that includes a Technical Architect, Project Manager, Application Developers, System Administrator, Business Analysts, Help Desk Support Analysts, Data Center Support Specialists, and IT Specialists to maintain and support the system application, hardware, and software. IBM's Lead IT Specialist, Business Analyst, and Help Desk Analysts have ten or more years of experience with the program while the remaining support team has at least three years or more experience with the program.
- An on-site business operations support team that includes Business Operations Team Leaders who supervise and direct the business process support staffs. The leaders in this support team all have ten years or more experience with the program.
- A remote systems support staff to provide system and database administration as well as the monitoring and support of the infrastructure, including the hardware, system software, and network, all with varying years of experience with the program.

There are many advantages to having City personnel jointly located with the IBM staff, including:

- Improved communications between City and IBM staff that fosters process improvements and increases productivity.
- Lowered complexity for vendor management by the City, as the City has only one vendor to manage.
- Improved issues management and oversight as City personnel have immediate access to IBM management for problem resolution.
- Quicker deployment of changes, enhancements, and improvements that affect both the City and IBM staffs.

**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?**

Many of the IBM management team and most of the IBM staff members have been on the project since its inception in 1998 and possess institutional knowledge that is crucial to the continued uninterrupted support of the program. This team has participated in business requirement identification and development activities for the implementation and support of the parking ticket system. The team was integral in the successful implementation of numerous system enhancements

and programs initiated by the City such as the amnesty program, collection agency interfaces, and the payment plan program.

In addition to the on-site management team and support staff that provide system and business process support, IBM has a deep resource pool with the capability to engage other IT professionals, managers, and consultants as the City requires technical and business solutions to enhance and improve the system and program. These professionals are engaged by the City on an as needed basis, and provide expertise in IBM products and services as well as provide insight and direction in technological advancements and changes in the IT industry.

Finally, IBM has proven methodologies to effectively monitor the system performance to ensure its continued operation. Such methodologies include change management and problem management processes and procedures that identify the tasks, resources, and schedule required to implement changes and correct problems while monitoring them until completion.

**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?**

The data center that houses the system's hardware and infrastructure is located at the local downtown IBM facility. This data center has supported the City's program and has been in place since 1998. Movement of the hardware and other infrastructure components from this data center to a different vendor's facility presents a significant risk to the continuance of the City's business operations. The City would incur substantial costs to transition or relocate to a different vendor's facility while at the same time jeopardizing the City's revenue stream, should an unforeseen issue or situation adversely affect the continued operation of the hardware and infrastructure components or the parking ticket system.

**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?**

IBM rewrote the business application between 2004 and 2007 to support the City's expanding parking program requirements. IBM possesses the knowledge of all components of the system, including the system application, hardware, software, and interfaces that is required to successfully run the environment in order to meet the City's specified service level agreements. IBM will utilize the expertise of the on-site project staff as well as engage other IBM IT professionals and consultants, as required, to ensure the program's continued success.

By agreeing to the extension of the term of the agreement, the City avoids the up-front transition fees of moving to a new platform. IBM is able to spread the cost of this transition over the extended term while at the same time, providing the City with incentives and cost reductions and ensuring business continuity.

**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.**

The proposed hardware will be utilized to replace the City's aged hardware platform. IBM's hardware has partitioning capability, which reduces the number of servers required to support the City's requirements while creating efficiencies in data storage and providing the ability for the City to add to the environment as needed. Also, IBM's automated system performance and monitoring tools and capabilities allow for the hardware to "fix itself" in certain situations while at the same time facilitating IBM's ability to remotely monitor the system.

**6a. Is compatibility with existing equipment critical from an operational standpoint?**

Yes.

**6b. Explain why.**

The proposed hardware is similar to the current IBM midrange platform that is utilized for the operation of the parking ticket system as well as the parking ticket search and payment website. By the continued utilization of the newest generation of this platform, the City will see efficiencies in IBM's support of the environment through the ability of leveraging features of the new hardware, tools, and supporting process for the new platform. IBM engages subject matter experts to support the hardware to address operating needs as required. Utilizing other manufacturer's hardware presents additional complexity to the support of the infrastructure that would risk the continued operations of the environment.

**7. Is competition precluded because of the existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data?**

The City owns the intellectual property rights to the parking ticket system and has a confidentiality agreement with IBM to maintain and operate it. The City has made a substantial investment in this system in order to adhere to the City's IT standards and has the ability to modify and enhance the system as needed, without paying licensing fees to another entity to customize a base product. An open procurement request would expose the City's intellectual property to outside entities, as the business and system requirements to manage and maintain the parking ticket system would have to be included in the details of the solicitation request.

The functional components of the system are deeply intertwined and not easily separated. The City has researched the parking industry market place and has determined that there are no other vendors that can provide a full solution that can meet the City's business requirements. As a result, there is a high likelihood that the City would have to create multiple open procurement requests that would ultimately add to the complexity of the management of the program. The City does not want to piecemeal this system or the management of the program as this would lead to increased costs for the City. Ultimately, the City would have to create an internal vendor management structure or engage with a management company to oversee multiple vendors.

Finally, owning the intellectual property rights to the parking ticket system affords the City the opportunity to engage with IBM to market the solution to other cities that have a need for a similar web-based, Oracle-driven solution. IBM has the industry knowledge and expertise to market and sell this application. It also has the knowledge of the business processes and integral components of the parking ticket system that creates the potential for the City to see increased revenue from licensing fees charged to other municipalities. This also limits the exposure of the City's intellectual property to other entities that could possibly capitalize on it for their own benefit.

**7a. Attach documentation verifying such.**

The following is the subsection from the current contract (PO#T28236) which indicates the City's proprietary rights of the parking ticket system as well as the confidentiality agreement with IBM:

**11 Work Product and Proprietary Materials**

**11.2 Developed Work Product**

All Developed Work Product shall, as between City and Vendor, be owned exclusively by City and, effective in each case upon its creation, is hereby assigned by Vendor to City. Vendor is hereby granted a license to use such Work Product solely for purposes of, and during the term of, carrying out its duties hereunder. To the extent that Developed Work Product is created by the embedding or compiling of Vendor Work Product in or with newly created Work Product, City's ownership interest shall not extend to Vendor Work Product included therein, but shall include the compilation or combination of Work Product that is a part of the Developed Work Product.

**11.3 Vendor Proprietary Materials**

In no event shall Vendor incorporate any Vendor Work Product into the Chicago System without the express, prior, written consent of City. Vendor hereby represents and warrants that its development and implementation of the Chicago System, and the performance of the other Services in accordance with this Agreement, shall not require or involve the embedding or compiling of any Vendor Work Product into the Chicago System or into any other Work Product developed by Vendor pursuant to this Agreement. If Vendor embeds, delivers, or uses any Vendor Work Product without City having executed a formal license agreement in advance, then City shall have a perpetual, transferable, worldwide, royalty free license to use, copy, and modify such Vendor Work Product and to make, have made, use, and sell any inventions therein.

**12 Confidential Information**

**12.1 General Restriction**

Each party agrees that, except as otherwise provided in this Article 12, the Confidential Information of the other party is and shall remain the exclusive property of such other party and may be used, copied, or reproduced by the receiver only as required for performance of the Services.

**12.2 Access**

Neither party shall disclose, and each party shall keep strictly confidential, all Confidential Information of the other, protecting the confidentiality thereof with the same level of effort that it employs to protect the confidentiality of its own

proprietary and confidential information of like importance to it and, in any event, by reasonable means. Each party shall restrict access to the Confidential Information of the other to those of such party's personnel engaged in a use permitted hereby and with a need to know, provided that such personnel are directed to treat such Confidential Information confidentially and not to use it other than as directly required for the permitted use. Vendor represents and warrants that in no event shall Vendor disclose City's Confidential Information in a manner that would put City in violation of any law, statute, or regulation to which City is subject.

### **12.3 Return**

All Confidential Information made available hereunder, including copies thereof or excerpts therefrom, shall be promptly returned or destroyed (a) as to Confidential Information of City, upon the first to occur of (i) completion or termination of the Services, (ii) termination of this Agreement, or (iii) request by City, and (b) as to Confidential Information of Vendor, upon termination of any license therefor granted hereunder. Notwithstanding the foregoing, Vendor may retain, in an escrow account maintained at Vendor's sole expense and subject to the confidentiality obligations herein, one copy of such portion (if any) of City's Confidential Information as directly relates to Vendor's performance under this Agreement and excluding all data or other information related to City residents, parking violations, or other matters the disclosure of which is prohibited by law.

### **12.4 Material in the Public Domain**

Nothing in this Agreement shall prohibit or limit either party's use or disclosure of information (including, but not limited to, ideas, concepts, know-how, techniques, and methodologies) that such party can demonstrate was (a) known to it prior to commencement of Services by Vendor for City, without any contractual, fiduciary, or other obligation of confidentiality, (b) independently developed by it, (c) acquired by it from a third party that is not, to its knowledge after diligent inquiry, under an obligation of confidentiality with respect to such information, or (d) that is or becomes publicly available through no act or omission of either party hereto or their officers, partners, principals, employees, former employees, or other agents or former agents.

### **12.5 Judicial Order**

In the event either party receives a subpoena or other validly issued administrative or judicial process requesting Confidential Information of the other party, such party shall provide (a) prompt notice to the other of such receipt and (b) reasonable cooperation in seeking to limit the scope of the required disclosure. The party receiving the subpoena shall thereafter be entitled to comply with such subpoena or other process, to the extent required by law.

### **12.6 General Knowledge**

City agrees and understands that employees of Vendor during the course of performing Services for the City may further develop their General Knowledge. The subsequent use by such employees of such General Knowledge in the ordinary course of business with Vendor or its subsidiaries does not, in and of itself, constitute a breach of the Confidentiality provisions herein. In addition, City recognizes that Vendor's receipt of City's Confidential Information shall not create any limitation or restriction on Vendor's right to assign its employees within its organization.

**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.**

**8a. If not, is the proposed firm the only authorized or exclusive dealer/distributor and/or service center?**

**8b. If so, attach letter from manufacturer.**

A response to this set of questions is not applicable to this non-competitive procurement justification.

## **MBE/WBE COMPLIANCE PLAN**

**1. All submission[s] must contain detailed information about how the proposed firm will comply with the requirements of the City's Minority and Women Owned Business program. All submissions must include a complete C-1 and D-1 form, which is available on the Procurement Services page on the City's intranet site.**

IBM's MBE and WBE commitment plans for the proposed extension period shall be a continuation of its most recently submitted MBE and WBE plan (attached Schedule C-1s and D-1 from Amendment #3 Exhibit 1). The current commitment will continue to be to perform 14.2% MBE and 10.39% WBE participation. In the event that this Amendment #5 should be approved, then new Schedule C-1s and D-1s will be provided.

IBM's MBE/WBE proposed Compliance Plan does not include pass-through dollars, i.e. monies paid by the City to IBM for postage costs paid by IBM to the US Postal Service (for postage paid for mailings performed by IBM under this contract). Postage cost, therefore, are to be considered as a pass-through expense provided by IBM to the City of Chicago, (since there are no mark-up or any other additional associated charges). Any dollars paid to IBM under this contract that are pass-through postage costs, therefore, should not be applied against the percentages of MBE and WBE commitments.

### **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.).**

An FMPS requisition will be provided in the event this Amendment #5 is approved.

### **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.

**Exhibit 1**

Special Conditions Regarding Minority and  
Women Business Enterprise Commitment  
Schedules C-1 and D-1

# SCHEDULE C-1

Letter of Intent from MBE/WBE to Perform  
as Subcontractor, Supplier and/or Consultant

Name of Project/Contract: Administration Parking & Hearing System  
Specification Number: B99610201

From: BPS Staffing MBE: Yes  ; No   
(Name of MBE/WBE Firm) WBE: Yes  ; No

To: IBM Corporation and the City of Chicago:  
(Name of Prime Contractor - Bidder/Proposer)

The undersigned intends to perform work in connection with the above projects as a:

Sole Proprietor       Partnership  
 X Corporation       Joint Venture

The MBE/WBE status of the undersigned is confirmed by the attached letter of Certification from the City of Chicago effective date of April 2008 to April 2012 for a period of one year.

The undersigned is prepared to provide the following described services or supply the following described goods in connection with the above named project/contract:

Temporary Placement Services

The above described performance is offered for the following price and described terms of payment:

Approximately \$25,000 to be billed weekly based upon services provided during the contract term through April 30, 2010

If more space is needed to fully describe the MBE/WBE firm's proposed scope of work and/or payment schedule, attach additional sheets.

The undersigned will enter into a formal written agreement for the above work with you as a Prime Contractor, conditioned upon your execution of a contract with the City of Chicago, and will do so within three (3) working days of receipt of a signed contract from the City of Chicago.

Tameera Buckhanan  
(Signature of Owner or Authorized Agent)  
TAMEERA Buckhanan  
President  
(Name/Title (Print))

12-3-08  
Date

(312) 920-6710  
Phone



City of Chicago  
Richard M. Daley, Mayor

Department of  
Procurement Services

Montel M. Gayles  
Chief Procurement Officer

City Hall, Room 403  
121 North LaSalle Street  
Chicago, Illinois 60602  
(312) 744-4900  
(312) 744-2949 (TTY)

<http://www.cityofchicago.org>

March 31, 2008

Tamera Buchanan  
**BPS Staffing, Inc.**  
200 North LaSalle Street  
Chicago, IL 60601

**Annual Certificate Expires:** April 1, 2009  
**Vendor Number:** 1006689

Dear Ms. Buchanan:

Congratulations on your continued eligibility for certification as a **MBE/WBE** by the City of Chicago. This **MBE/WBE** certification is valid until **April 2012**; however your firm must be re-validated annually. Your firm's next annual validation is required by **April 1, 2009**.

As a condition of continued certification during this five year period, you must file a No-Change Affidavit **within 60 days prior** to the date of expiration. Failure to file this Affidavit will result in the termination of your certification. **Please note that you must include a copy of your most current Federal Corporate Tax Return.** You must also notify the City of Chicago of any changes in ownership or control of your firm or any other matters or facts affecting your firm's eligibility for certification.

The City may commence action to remove your firm's eligibility if you fail to notify us of any changes of facts affecting your firm's certification or if your firm otherwise fails to cooperate with the City in any inquiry or investigation. Removal of eligibility procedures may also be commenced if your firm is found to be involved in bidding or contractual irregularities.

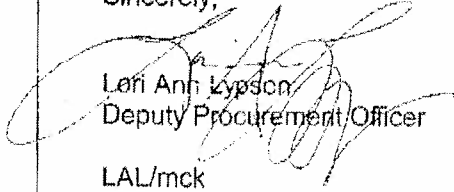
Your firm's name will be listed in the City's Directory of Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of:

**Employment Agency; Temporary Placement; Executive Recruitment**

Your firm's participation on City contracts will be credited only toward **MBE/WBE** goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward **MBE/WBE** goals will be given only for work done in the specialty category:

Thank you for your continued interest in the City's Minority and Women Business Enterprise Programs.

Sincerely,

  
Leri Ann Kypson  
Deputy Procurement Officer

LAL/mck





### SCHEDULE C-1

Letter of Intent from MBE/WBE to Perform  
as Subcontractor, Supplier and/or Consultant

Name of Project/Contract: Administration Parking & Hearing System  
Specification Number: B99610201

From: Arrow Messenger Service MBE: Yes \_\_\_; No X  
(Name of MBE/WBE Firm) WBE: Yes X; No \_\_\_

To: IBM Corporation and the City of Chicago:  
(Name of Prime Contractor - Bidder/Proposer)

The undersigned intends to perform work in connection with the above projects as a:

\_\_\_ Sole Proprietor      \_\_\_ Partnership  
X Corporation      \_\_\_ Joint Venture

The MBE/WBE status of the undersigned is confirmed by the attached letter of Certification from the City of Chicago effective date of March 28, 2008 to July 1, 2009 for a period of one year.

The undersigned is prepared to provide the following described services or supply the following described goods in connection with the above named project/contract:

Messenger Services

The above described performance is offered for the following price and described terms of payment:

Approximately \$1,200 to be billed weekly based upon services provided during the contract term through April 30, 2010

If more space is needed to fully describe the MBE/WBE firm's proposed scope of work and/or payment schedule, attach additional sheets.

The undersigned will enter into a formal written agreement for the above work with you as a Prime Contractor, conditioned upon your execution of a contract with the City of Chicago, and will do so within three (3) working days of receipt of a signed contract from the City of Chicago.

Barbara Toomey  
(Signature of Owner or Authorized Agent)

BARBARA TOOMEY  
(Name/Title (Print))

12-03-08  
Date

773 489-6688  
Phone



City of Chicago  
Richard M. Daley, Mayor

Department of  
Procurement Services  
Montel M. Gayles  
Chief Procurement Officer

City Hall, Room 403  
121 North LaSalle Street  
Chicago, Illinois 60602  
(312) 744-4900  
(312) 744-2949 (TTY)  
<http://www.cityofchicago.org>

March 28, 2008

Phyllis Apelbaum  
**Arrow Messenger Service, Inc.**  
1322 W. Walton  
Chicago, IL 60622

**Annual Certificate Expires:** July 1, 2009  
**Vendor Number:** 1000030

Dear Ms. Apelbaum:

We are pleased to inform you that **Arrow Messenger Service, Inc.** has been certified as a **Women Owned Business Enterprise (WBE)** by the City of Chicago. This **WBE** certification is valid until **July 1, 2013**; however your firm must be re-validated annually. Your firm's next annual validation is required by **July 1, 2009**.

As a condition of continued certification during this five year period, you must file a No-Change Affidavit **within 60 days prior** to the date of expiration. Failure to file this Affidavit will result in the termination of your certification. **Please note that you must include a copy of your most current Federal Corporate Tax Return.** You must also notify the City of Chicago of any changes in ownership or control of your firm or any other matters or facts affecting your firm's eligibility for certification.

The City may commence action to remove your firm's eligibility if you fail to notify us of any changes of facts affecting your firm's certification or if your firm otherwise fails to cooperate with the City in any inquiry or investigation. Removal of eligibility procedures may also be commenced if your firm is found to be involved in bidding or contractual irregularities.

Your firm's name will be listed in the City's Directory of Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of:

**Messenger and Delivery Services; Intrastate Truck Delivery Services;  
Package Interception Services; On-site Mail, Copy, and Office Staffing**

Your firm's participation on City contracts will be credited only toward **WBE** goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward **WBE** goals will be given only for work done in the specialty category.

Thank you for your continued interest in the City's Minority and Women Business Enterprise Programs.

Sincerely,

  
Lori Ann Lypson  
Deputy Procurement Officer

LAL/js



### SCHEDULE C-1

Letter of Intent from MBE/WBE to Perform  
as Subcontractor, Supplier and/or Consultant

Name of Project/Contract: Administration Parking & Hearing System  
Specification Number: B99610201

From: Stafflogix Corporation MBE: Yes  ; No   
(Name of MBE/WBE Firm) WBE: Yes  ; No

To: IBM Corporation and the City of Chicago:  
(Name of Prime Contractor - Bidder/Proposer)

The undersigned intends to perform work in connection with the above projects as a:

Sole Proprietor       Partnership  
 Corporation       Joint Venture

The MBE/WBE status of the undersigned is confirmed by the attached letter of Certification from the City of Chicago effective date of August 31, 2007 to January 1, 2009 for a period of one year.

The undersigned is prepared to provide the following described services or supply the following described goods in connection with the above named project/contract:

Information Technology Consulting Staffing Services  
\_\_\_\_\_  
\_\_\_\_\_

The above described performance is offered for the following price and described terms of payment:

Approximately 14.20% of actual contract value as an indirect supplier during the contract term through April 30, 2010  
\_\_\_\_\_  
\_\_\_\_\_

If more space is needed to fully describe the MBE/WBE firm's proposed scope of work and/or payment schedule, attach additional sheets.

The undersigned will enter into a formal written agreement for the above work with you as a Prime Contractor, conditioned upon your execution of a contract with the City of Chicago, and will do so within three (3) working days of receipt of a signed contract from the City of Chicago.

William Paulding  
(Signature of Owner or Authorized Agent)

William Paulding, President & CEO  
(Name/Title (Print))

December 5, 2008  
Date

(630) 596-0483  
Phone

August 31, 2007

William J. Paulding, President  
**STAFFLOGIX Corporation**  
1548 Bond Street, Suite 105  
Naperville, Illinois 60563

**Annual Certificate Expires:** January 1, 2009  
**Vendor Number:** 1061244

Dear Mr. Paulding:

We are pleased to inform you that **STAFFLOGIX Corporation** has been certified as a **MBE** by the City of Chicago. This **MBE** certification is valid until **January 1, 2013**; however your firm must be re-validated annually. Your firm's next annual validation is required by January 1, 2009.

As a condition of continued certification during this five year period, you must file a No-Change Affidavit **within 60 days prior** to the date of expiration. Failure to file this Affidavit will result in the termination of your certification. **Please note that you must include a copy of your most current Federal Corporate Tax Return.** You must also notify the City of Chicago of any changes in ownership or control of your firm or any other matters or facts affecting your firm=s eligibility for certification.

The City may commence action to remove your firm=s eligibility if you fail to notify us of any changes of facts affecting your firm=s certification or if your firm otherwise fails to cooperate with the City in any inquiry or investigation. Removal of eligibility procedures may also be commenced if your firm is found to be involved in bidding or contractual irregularities.

Your firm=s name will be listed in the City=s Directory of Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of:

**Information Technology Consulting Staffing Services; Payroll Services;  
Business Support Services; Employment Consulting;  
Temporary Personnel Services;**

Your firm=s participation on City contracts will be credited only toward **MBE** goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward **MBE** goals will be given only for work done in the specialty category.

Thank you for your continued interest in the City=s Minority and Women Business Enterprise Programs.

Sincerely,

Lori Ann Lypson  
Deputy Procurement Officer

LAL/emc

**Vendor Information**

CLOSE WINDOW 

 HELP

**Vendor Information**

Business Name	Stafflogix Corporation
Owner	William Paulding
Address	1548 Bond Street, Suite 105
> <a href="#">Map This Address</a>	Naperville, IL 60563
Phone	630-596-0488
Fax	630-839-3602
Email	bpaulding@stafflogix.com
Website	www.stafflogix.com

**Certification Information**

Certifying Agency	City of Chicago
Certification Type	MBE - Minority Business Enterprise
Certification Date	1/28/2008
Renewal Date	1/1/2010
Expiration Date	1/1/2013
Certified Business Description	Information Technology Consulting Staffing Services; Payroll Services; Business Support Services; Employment Consulting; Temporary Personnel Services

**Commodity Codes**

Code	Description
------	-------------

No assigned commodity codes for this certification.

**SCHEDULE D-1**

Affidavit of MBE/WBE Goal Implementation Plan

Parking & Administrative Hearings

Project Name : Mgmt. & System Development

State of Illinois

County (City) of Cook

I HEREBY DECLARE AND AFFIRM that I am duly authorized representative of:

IBM Corporation

Name of Prime Consultant/Contractor

and that I have personally reviewed the material and facts set forth herein describing our proposed plan to achieve the MBE/WBE goals of this contract.

All MBE/WBE firms included in this plan have been certified as such by the City of Chicago (Letters of Certification Attached).

- I. MBE or WBE Prime Consultant/Contractor. If prime consultant is a certified MBE or WBE firm, attach copy of City of Chicago Letter of Certification. (Certification of the prime consultant as a MBE satisfies the MBE goal only. Certification of the prime consultant as a WBE satisfies the WBE goal only.)
- II. MBEs and WBEs as Joint Venturers. If prime consultant is a joint venture and one or more joint venture partners are certified MBEs or WBEs, attach copies of Letters of Certification and a copy of Joint Venture Agreement clearly describing the role of the MBE/WBE firm(s) and its ownership interest in the joint venture.
- III. MBE/WBE Subconsultants. Complete for each MBE/WBE subconsultant/subcontractor/supplier.

1. Name of MBE/WBE: BPS Staffing  
 Address: 200 N. LaSalle St.  
 Contact Person: Tamera Buckhanan Phone: 312-920-6710  
 Dollar Amount of Participation \$ 907,826  
 Percent Amount of Participation: 9.77 %

2. Name of MBE/WBE: Arrow Messenger  
 Address: 1322 W. Walton  
 Contact Person: Barbara Toomey Phone: 773-489-6688  
 Dollar Amount of Participation \$ 57,610  
 Percent Amount of Participation: .62 %

3. Name of MBE/WBE: Stafflogix Corp  
Address: 1548 Bond St, Naperville, IL  
Contact Person: William Paulding Phone: 630-596-0483  
Dollar Amount of Participation \$ 1,319,460  
Percent Amount of Participation: 14.20 %
4. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_  
Dollar Amount of Participation \$ \_\_\_\_\_  
Percent Amount of Participation: \_\_\_\_\_ %
5. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_  
Dollar Amount of Participation \$ \_\_\_\_\_  
Percent Amount of Participation: \_\_\_\_\_ %
6. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_  
Dollar Amount of Participation \$ \_\_\_\_\_  
Percent Amount of Participation: \_\_\_\_\_ %
7. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_  
Dollar Amount of Participation \$ \_\_\_\_\_  
Percent Amount of Participation: \_\_\_\_\_ %

SCHEDULE D-1

8. Attach additional sheets as needed.

IV. Summary of MBE Proposal:

MBE Firm Name	Dollar Amount of Participation	Percent Amount of participation
<u>Stafflogix Corp</u>	\$ <u>1,319,460</u>	<u>14.20</u> %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
Total MBE Participation:	\$ <u>1,319,460</u>	<u>14.20</u> %

V. Summary of WBE Proposal:

WBE Firm Name	Dollar Amount of Participation	Percent Amount of participation
<u>BPS Staffing</u>	\$ <u>907,826</u>	<u>9.77</u> %
<u>Arrow Messenger</u>	\$ <u>57,610</u>	<u>.62</u> %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
Total WBE Participation:	\$ <u>965,436</u>	<u>10.39</u> %

To the best of my knowledge, information and belief, the facts and representations contained in this Schedule are true, and no material facts have been omitted.

The contractor designates the following person as their MBE/WBE Liaison Officer:

Name Ronald Kaiser Phone Number: 312-768-5649

I do solemnly declare and affirm under penalties of perjury that the contents of the foregoing document are true and correct, and that I am authorized, on behalf of the contractor, to make this affidavit.

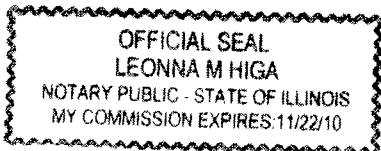
Hebrew D. Boone 12/11/08  
Signature of Affiant (Date)

State of Illinois  
County of Cook

This instrument was acknowledged before me on \_\_\_\_\_ (date)  
by Hebrew D. Boone (name /s of person/s)  
as Project Executive (type of authority, e.g., officer, trustee, etc.)  
of IBM Corporation (name of party on behalf of whom instrument was executed).

(Seal)

Leonna M. Higa  
Signature of Notary Public







City of Chicago  
Richard M. Daley, Mayor

Department of Revenue

Bea Reyna-Hickey  
Director

City Hall, Room 107  
121 North LaSalle Street  
Chicago, Illinois 60602

(312) 747-4747 (IRIS)  
(312) 744-0471 (FAX)  
(312) 744-2975 (TTY)

<http://www.cityofchicago.org>

February 25, 2009

Montel M. Gayles  
Chief Procurement Officer  
Department of Procurement Services  
121 North LaSalle Street, Room 403  
Chicago, Illinois 60602-1284



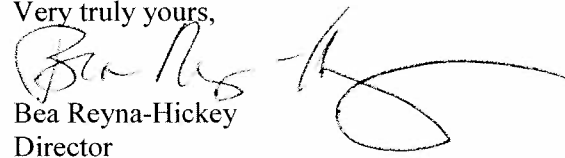
**Vendor Name:** *IBM Corporation*  
**Subject:** Sole Source request for an Amendment #5 – Long-Term Contract Extension to April 30, 2015  
**Title of Agreement:** Parking and Administrative Hearings Management, System Development, Operation, and Related Services Agreement.  
**RX No.:** to be provided upon approval of Amendment  
**Spec. No.:** B9-96102-01  
**PO No.:** T28236  
**Vendor Limit Increase value:** \$56,008,566 (DUR)  
**Original Agreement Start Date:** May 1, 1998  
**Original Agreement Expiration Date:** May 1, 2003  
**Original Agreement Extension Options Available:** 3  
**Per Amendment-Two Agreement Expiration Date:** April 30, 2009  
**Amendment-Two Agreement Extension Options Available:** 2  
**Amendment-Two Agreement Extension Options Used:** 1 (pending approval)  
**Current Agreement Expiration Date:** April 30, 2009 (April 30, 2010 is pending)

Dear Mr. Gayles:

The Department of Revenue is requesting a review by the Sole Source Review Board for a long-term extension of the current IBM contract, referenced above. This extension request is being made pursuant to a cost-savings proposal submitted by IBM to the City following lengthy high-level negotiations as well as considerations towards other beneficial opportunities that may be realized in the best interest of the City, all as described in the attached Non-Competitive Procurement form.

Also attached please find the DPS Project Checklist and MBE/WBE Schedules. Please contact Steve Sakai, Contracts Coordinator, at 747-3753 if anything further is required.

Very truly yours,

  
Bea Reyna-Hickey  
Director

Attachments  
BRH:sys

ec: Matt Darst – Department of Revenue  
Cynthia Park – Department of Revenue  
Mark Galvan – Department of Revenue  
Steven Sakai – Department of Revenue



# DPS PROJECT CHECKLIST

For DPS Use Only	
Date Received	_____
Date Returned	_____
Date Accepted	_____
CA/CN's Name	_____

**IMPORTANT:** PLEASE READ AND FOLLOW THE INSTRUCTIONS FOR COMPLETING THE PROJECT CHECKLIST AND CONTACT THE APPROPRIATE UNIT MANAGER IF YOU HAVE ANY FURTHER QUESTIONS. ALL INFORMATION SHOULD BE COMPLETED, 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.

**GENERAL INFORMATION:**

<b>Date:</b> <u>February 25, 2009</u>	<b>Contact Person:</b>
<b>REQ #:</b> <u>tbd</u>	<b>Tel:</b> <u>Steve Sakai</u> <b>Fax:</b> <u>7-7420</u>
<b>Specification #:</b> <u>B9-96102-01</u>	<b>E-mail:</b> <u>steve.sakai@cityofchicago.org</u>
<b>PO #:</b> (if known): <u>T28236</u>	<b>Project Manager:</b> <u>Matt Darst</u>
<b>Modification #:</b> (if known) <u>#5</u>	<b>Tel:</b> <u>2-2827</u> <b>Fax:</b> <u>4-2962</u>
	<b>E-mail:</b> <u>mdarst@cityofchicago.org</u>
	<b>Previous PO(s)#:</b> (if known) _____
<b>Project Description:</b> Parking and Administrative Hearings Management, System Development, Operation, and Related Services Agreement.	

**FUNDING:**

City:	<input checked="" type="checkbox"/> Corporate	<input checked="" type="checkbox"/> Bond	<input type="checkbox"/> Enterprise	<input type="checkbox"/> Grant*	<input type="checkbox"/> Other
State:	<input type="checkbox"/> IDOT/Transit	<input type="checkbox"/> IDOT/Highway	<input type="checkbox"/> FAA	<input type="checkbox"/> Grant*	<input type="checkbox"/> Other
Federal:	<input type="checkbox"/> FHWA	<input type="checkbox"/> FTA	<input type="checkbox"/> FAA	<input type="checkbox"/> Grant*	<input type="checkbox"/> Other

LINE	FY	FUND	DEPT	ORGN	APPR	ACTV	OBJT	PROJECT	RPTG	\$ DOLLAR AMOUNT
	009	0100	0294657	0138	220138					56,008,566

Estimated Value: \$56,008,566 for 6-year period

\* IF GRANT FUNDED, A COPY OF THE APPROVED GRANT AND APPLICATION ARE REQUIRED and any other Terms and Conditions that may apply.

**SCOPE STATEMENT**

Attached are a **Detailed Scope of Services** and/or **Specification(s)**.

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

The following is a general description of what should be included in a **Scope of Services or Specification:**  
 A clear description of all anticipated services and products, include: timeframe 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)**

**NEW REQUEST**

- Blanket Agreement
- Standard Agreement
- Small Orders

**MOD/AMENDMENT**

- Time Extension
- Vendor Limit Increase
- Scope Change/Price Increase/Additional Line Item(s)
- Other (specify):

**FORMS:**     Requisition     Special Approvals     Non-Competitive Review Board (NCRB)

**CONTRACT TERM:** 5-1-2009 to 4-30-2015 Requested Term (number of months):    72    Months

# DPS PROJECT CHECKLIST

## PRE BID/SUBMITTAL REQUIREMENTS:

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

## ARCHITECTURAL/ENGINEERING SUPPLEMENTAL CHECKLIST

**Required Attachment:** Scope of Services, including location, description of project, services required, deliverables, and other information as required.

### Risk Management

Will services be performed within 50 feet of CTA train or other railroad property?  Yes  No

Will services be performed on or near a waterway?  Yes  No

**If applicable, Pre-Qualification** Category #: \_\_\_\_\_ Category Description: \_\_\_\_\_

For Pre-Qualification Program, attach list of suggested firms to be solicited

**Other Agency concurrence Required:**  None  State  Federal  Other (fill in)

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## AVIATION CONSTRUCTION SUPPLEMENTAL CHECKLIST

DOA sign-off for final design documents:  Yes  No

### Required Attachments:

Copy of Draft Contract Documents and Detailed Specifications.

### Risk Management:

Current Insurance Requirements prepared/approved by Risk Management:  Yes  No

Will work be performed within 50 feet of CTA or ATS structure or property?  Yes  No

Will work be performed airside?  Yes  No

**\*NOTE:** Any non-construction Aviation request, complete the applicable section.

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## COMMODITIES SUPPLEMENTAL CHECKLIST

**Required Attachments:** Detailed Specifications (Scope of Services) including description of the product, delivery location, user department contract, price escalation considerations, Bidder's qualification, contract term and extension options, Contractor's qualifications, citation of any applicable City/State/Federal statutes or regulations, citation of any applicable technical standards and Price Lists/Catalogs, technical drawings and other exhibits and attachments as appropriate.

**If Modification request,** please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's E-mail Address:

Contractor's Phone Number:

Contractor's Contact Person:

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## CONSTRUCTION SUPPLEMENTAL CHECKLIST

### Required attachments:

Copy of Draft (80% Completion), Contract Documents and Detailed Specifications

### Risk Management

Will services be performed within 50 feet of CTA train or other railroad property?  Yes  No

Will services be performed on or near a waterway?  Yes  No

# DPS PROJECT CHECKLIST

## VEHICLES/HEAVY EQUIPMENT SUPPLEMENTAL CHECKLIST

### Required Attachments

- Detailed Specifications including detailed description of the vehicle(s) or equipment, mounted equipment, if any, and options/accessories.
- Special Provisions (delivery, Warranty, Manuals, Training, Additional Unit Purchase Options, Bid Submittal Information, etc.
- Delivery Location(s)
- Technical Literature
- Drawings, if any
- Part Number List (           Manufacturer; or                                   Dealer;                                   or Other Source:                                   )
- Current Price List(s) Catalog(s)
- Special Approval Form
- Exhibits and Attachments

If Modification request, please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's E-mail Address:

Contractor's Phone Number:

Contractor's Contact Person

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## PROFESSIONAL SERVICES SUPPLEMENTAL CHECKLIST

- Detailed description of project listing obligations of each party.
- The Schedule of Compensation
- Deliverables
- Request for individual contract services (if applicable)
- The appropriate EPS form
- ITSC (approved by BIS)
- OBM (approved by Budget form/memo)
- Grant Document attached

Attach any documentation indicating any previous purchase activity to assist in the procurement process

## TELECOMMUNICATIONS AND UTILITIES SUPPLEMENTAL CHECKLIST

**Required Attachments:** Detailed Scope of Services/Specification which sets forth all of the anticipated services and products the user department wants provided, including timeframe for completion, specification 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.

Has the project been reviewed by DGS?            Yes    No

Attach copy of DGS Recommendation; Reservation(s); or participate under current contract.

Does the project include software?            Yes    No

If yes, is signed ITSC form attached?        Yes    No

Does the location involve:

A public way?                                    Yes    No

Any concession in the City's facilities?      Yes    No

Is it anticipated City Council approval of the project or contract will be required?

# DPS PROJECT CHECKLIST

## WORK SERVICES/FACILITY MAINTENANCE SUPPLEMENTAL CHECKLIST

**Required Attachments:** Detailed Specifications (Scope of Services) including detailed description of the work, locations (with supporting detailed), user department contacts, work hours/days, laborer/supervisor mix, compensation and price escalation considerations, Bidder's qualification, contract term and extension options, Contractor's qualifications, citation of any applicable City/State/Federal statutes or regulations, citation of any applicable technical standards and Price Lists/Catalogs, technical drawings and other exhibits and attachments as appropriate.

**Risk Management:**

- Will services be performed within 50 feet (50') of CTA train or other railroad property?  Yes  No
- Will services be performed on or near a waterway?  Yes  No
- Will services require the handling of hazardous/bio-waste material?  Yes  No
- Will services require the blocking of streets or sidewalks which may affect public safety?  Yes  No

**If Modification or Amendment request,** please verify and provide the following:

Contractor's Name: IBM Corporation

Contractor's Address: IBM Plaza  
330 N. Wabash Ave. – 27<sup>th</sup> floor

Contractor's E-mail Address: rmkaiser@us.ibm.com

Contractor's Phone Number: 312-768-5649

Contractor's Contact Person: Ron M. Kaiser