CITY OF CHICAGO  
DEPARTMENT OF PROCUREMENT SERVICES  
ROOM 403, CITY HALL, 121 N. LA SALLE ST.  

JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT

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 Column Technologies, Inc. for the product and/or services described herein.

(Name of proposed Vendor or Person)

This is a request for XX__ (One-Time Contractor Requisition # ____________ copy attached) or ____________ 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)

David Hoffman _______ 773-478-7799 ________ Signature ________

Originator Name Telephone Inspector General’s Office Department July 7, 2006 Date

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

( ) PROCUREMENT HISTORY

See attached.

S. S. R. B.  
DATE 7/12/06

( ) ESTIMATED COST

See attached.

APPROVED  4-0-1

CONDITIONALLY APPROVED

RETURN TO DEPT.

DISAPPROVED

( ) SCHEDULE REQUIREMENTS

See attached.

( ) EXCLUSIVE OR UNIQUE CAPABILITY

See attached.

( ) OTHER

APPROVED BY: _______ DEPARTMENT HEAD OR DESIGNEE 7/14/06

DATE 7/14/06

CJIM HUGHES________ BOARD CHAIRPERSON 7/14/06

DATE 7/14/06
I. Procurement History

One critical component of modernizing the Inspector General’s Office (“IGO”) is the creation of a new computer case management database system (the “database system”). The current database system, created in 1989, is remarkably outdated. Its limitations prevent the IGO from efficiently managing and analyzing all aspects of its caseload, ranging from the way investigations begin to the results achieved by investigations. This is a major obstacle to any successful make-over of the IGO.

One of the initial thoughts was that research should be done to determine whether other investigative agencies had existing database systems that could serve as models. The idea was that rather than reinventing the wheel, the IGO might be able to take an existing database system and adapt it to the needs of the IGO. Knowing that the creation of a new database system from scratch would be very costly and highly time consuming, the hope was that the adaptation of an existing database system might save time and money.

Inspector General David Hoffman, Director of Investigations Dave Grossman, and Deputy Inspector General T.J. Hengesbach used their contacts in law enforcement, inspector general offices, and private industry to search for newly-created database systems (i) that might serve as models for the IGO and (ii) where the entity that owned the database system might be willing to share its expertise with the IGO. Two such database systems were mentioned repeatedly in their search – one created by the State of Illinois Inspector General’s Office and one created by Blue Cross Blue Shield’s investigative unit (staffed mainly with ex-FBI agents).

A database-system committee was formed within the IGO. The committee members met with representatives from both offices for several hours and received extensive training about the workings of each database. The committee then met at length to discuss whether either database system fit the needs of the IGO. The committee determined that the database system from the State of Illinois Inspector General’s Office (“the State database system”) was an excellent fit for the needs of the IGO, and appeared to need relatively little modification in order to make it work within the IGO’s system.

Specifically, the State database system was designed based on a detailed “workflow” chart for the State of Illinois Inspector General’s Office. That chart showed that the workflow of the State of Illinois Inspector General’s Office was very similar to the workflow of the IGO. As a result, the State database system was almost a perfect fit for the IGO once various cosmetic changes were made – i.e., changes to department names, internal titles, etc. in the drop-down boxes. The IGO committee had identified in advance several important characteristics that a new database should have, including the ability to search the database (and pull up all records) for various types of information, including names, addresses, phone numbers, departments, types of allegations, etc., even if the database included only partial information (e.g., a partial or misspelled name). Another desired characteristic was the ability to pull up the actual documents and reports from a particular case, once the initial query identified the cases that matched the
requested information. Another important characteristic was the ability to run reports based on a wide variety of custom-made queries, and to display the results in various ways including charts and graphs. The IGO committee found that the State database included all of these important characteristics and many other desirable features.

In follow-up conversations with the State of Illinois Inspector General’s Office, it was determined that Column Technologies, Inc. ("Column") was the company that had designed the State database system. The State of Illinois Inspector General’s Office said that they had had an excellent experience with Column and would highly recommend the company. They said that they believed that because Column had designed the State database system, Column would be the best company to build a database system that was adapted from the State database system.

The next step was to determine whether the State of Illinois would be willing to give (or sell) the State database system to the IGO. The appropriate officials in the State of Illinois Inspector General’s Office and the Central Management Services Office agreed that the State would give the State database system to the IGO without charge. This was a significant boost to the IGO’s effort to obtain a new, high-quality database system quickly and without huge expense.

The IGO then began preliminary discussions with Column to determine whether Column had the capacity and the desire to build a database system for the IGO based on the State database system. Column said that they would be able to build such a system and desired to do so.

The IGO then had preliminary discussions with I.T. officials at BIS and the Mayor’s Office to determine whether the idea of taking the State database system designed by Column and using Column to adapt that system for the IGO made sense. Everyone preliminarily agreed that it made sense, and it was decided to meet with Column.

On March 10, 2006, Inspector General Hoffman met with the City’s Chief Information Officer (Hardik Bhatt, commissioner of BIS), the Mayor’s Office’s Director of Technology (Dave Goodman), the Deputy Budget Director for the IGO (Pat Taylor), and representatives from Column. Column described their company; their expertise in creating database systems using Remedy software systems; their work for the State in creating the State database system and their resulting expertise in relation to that system; and their understanding of the work required (and the rough, estimated cost) to create a database system for the IGO based on the State database system. After the Column representatives left, the City officials advised Inspector General Hoffman that they believed that Column was the right company to create an adapted version of the State database system in light of Column’s unique knowledge of and expertise in the State database system.

On March 31, 2006, IGO committee members met with BIS’ database point person on this matter (Norm Pucilo) and representatives from Column. At this lengthy
meeting, the IGO and Pucilo discussed with Column the specific needs of a database system for the IGO, as well as their thoughts about how the State database system would need to be modified.

On April 14, 2006, Column forwarded a contract proposal to the IGO.

On May 1, 2006, Inspector General Hoffman and other IGO committee members met with Deputy Budget Directors Pat Taylor and Jon Johnson, BIS' commissioner Hardik Bhatt and database point person Norm Pucilo and other representatives from OBM and BIS. The OBM deputy directors agreed that the estimated cost (including both Column's estimated cost and the cost of an additional server) fell well within the budgeted amount for this project. Norm Pucilo, who had examined the contract proposal closely, said that Column's proposal looked good and he believed that this was the right solution to the problem. Pucilo pointed out specific issues relating to Column's proposed contract language that he believed would need to be changed and/or negotiated in the contract process, especially on the issue of post-production support by Column.

One of the issues discussed at the meeting was whether the City could "piggyback" off the State of Illinois' contract with Column. The IGO received the State's contract with Column on June 5 and forwarded it to Procurement Services, OBM, and BIS on June 6. On June 28, Claude Humphrey with Procurement Services determined that given the terms of the State contract with Column, it was not feasible for the City to use that contract in its dealings with Column.

On July 5, Inspector General Hoffman and other IGO committee members met with Claude Humphrey and Joseph Chan of Procurement Services and Steve Philbrick of BIS to discuss contract issues, including the paperwork required to submit a sole-source justification request.

II. Estimated cost

Column's proposal calls for (i) consulting services cost of $67,200.00, (ii) Remedy software and licensing purchase cost (production environment and development environment) of $51,040.00 (after 20% discount), and (iii) support cost of $11,484.00. Based on what we have been told by Column and BIS, Column needs to provide the Remedy software and licensing products because Remedy is an integrated part of Column's final database system product and they therefore need Remedy as part of their delivery of service.

The total estimated cost of the contract with Column is therefore $129,724.00.

III. Schedule requirements

This is an urgent need for the IGO. In Fall 2005, in deciding on the path toward revamping the IGO, it was clear that there were three key technology areas that urgently needed repair if the IGO was to act as a modern, efficient office — (i) updated computer
hardware (to allow for use of modern operating systems and databases), (ii) an email system, and (iii) a computer case management database system.

The first two were put into place in March 2006. It was expected that the database system could be put into place in June 2006. Obviously, we are well behind schedule, since it appears that the estimated development period is, at a minimum, 90 days after the contract is signed.

With each month that passes without a new database system, the IGO continues to be severely limited in its ability to manage and analyze its cases. This limitation has everyday, negative consequences for the IGO’s productivity, investigative strategy, and ability to allocate resources.

Putting a new, high-quality database system into place will instantly upgrade the IGO’s operations and will quickly make the IGO a more productive, efficient office. Given the months-long history of this project, the IGO is therefore anxious to move this project to completion as quickly as possible.

IV. Exclusive or unique capability

As discussed above in section I, Column has unique expertise with regard to this project because they designed and built the State database system. Since the point of this project is to leverage the already-existing State database system, no other company will have the same expertise as Column with regard to this project.

Column’s expertise has been vetted by the City’s top I.T. people in this area, who have weighed in in favor of Column. It is clear from Column’s presentations that the company is a highly-experienced company in designing database systems using Remedy software. Column says that they have been awarded the “Remedy Partner of the Year Award” by the manufacturer for the past four years, and that building database systems using Remedy software is their principal area of expertise. Other Column clients in the Chicago area include Abbott Labs, the Chicago Board of Trade, Sidley & Austin, and Walgreen’s. Column says that their support desk for post-implementation support (located in the Chicago area) is the only company authorized locally to teach the end user training relating to Remedy software databases, other than the manufacturer of Remedy software.

Column is clearly a motivated company, putting together an impressive and comprehensive contract proposal within two weeks of a lengthy meeting that discussed the IGO’s technical database system requirements. When Column’s underlying expertise and experience is combined with their specific expertise relating to the State database system, it appears to the IGO that Column is uniquely situated to build a database system for the IGO that is based on the State database system.
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