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**FINANCE AND BUDGET COMMITTEE  
AUGUST 18, 2003**

**Metropolitan  
Transportation  
Authority**

One Gateway Plaza  
Los Angeles, CA  
90012-2952

**SUBJECT: DATA IMAGING AND ARCHIVING SERVICE**

**ACTION: APPROVE AMENDMENT TO CONTRACT PS-5110-0970  
WITH OPTISOURCE TECHNOLOGIES, INC.**

**RECOMMENDATION**

Authorize the Chief Executive Officer to execute Amendment No. 4 to Contract No. PS-5110-0970 with Optisource Technologies to increase the contract amount by \$55,000, for the continued provision of these services through December 31, 2003, increasing the contract amount from \$193,185 to \$248,185.

**RATIONALE**

Optisource Technologies, Inc. is performing document imaging (scanning) and data archiving of paper documents onto CD-ROMs. This contract extension is required in order to continue these services while a competitive process to select a new service provider is completed by the end of this calendar year. Optisource has agreed to maintain its pricing at the current level during this extension period.

This increase in contract amount is being submitted to the Board for approval because the contract amendments have exceeded the authority limit of the Chief Executive Officer.

**BACKGROUND**

On September 17, 2001, MTA executed a federally funded indefinite-delivery-requirements contract, Contract No. PS 5110 0970, with Optisource Technologies, Inc. for a not-to-exceed amount of \$93,225. On October 31, 2002, the contract was extended until December 31, 2003 for an additional amount of \$92,960 increasing the total contract amount to \$186,185. To date, \$186,185 has been obligated and expended. An additional \$7,000 amendment to the contract for July 2003 will increase the total contract amount \$193,185.

This data imaging and archiving service was initially implemented in Payroll in 1997, in Accounts Payable in 1998, and expanded throughout Accounting in 2001. The service covers all payroll related documents, vendor/contractor invoices, fare media credit and collections documents, grant billings and all other accounting related paper documents. This document management service resolved long-standing audit criticisms regarding MTA's inability to timely locate service

documents. With this state of the art technology, the Accounting Department's voluminous paper documents are now scanned for electronic filing and retrieval using the contractor's proprietary software, Optiflow. Accounting's response time to requests for documents from auditors and other departments has tremendously improved with the use of this service. Disruption of service will severely affect the timeliness of response to our customers and auditors, especially during year-end financial audit period.

### **FINANCIAL IMPACT**

The funding of \$55,000 for this service is included in the FY04 budget in cost center 5110, Accounting, under project 100001, General Overhead, and line item number 50316, Professional and Technical Services. In FY03, \$97,000 was expended on this category.

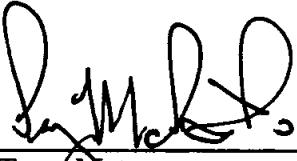
### **ALTERNATIVES CONSIDERED**

An alternative considered and not recommended was to discontinue data imaging and archiving service until a new contract can be awarded. This would result in no support for up to five months and would present a substantial problem in supporting audit requests that would have to be processed manually.

### **ATTACHMENT(S)**

Procurement Summary  
Data Imaging and Archiving Estimates

Prepared by: Josie V. Nicasio, Controller



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Terry Matsumoto  
Executive Officer, Finance and Treasurer



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Roger Snoble  
Chief Executive Officer

**BOARD REPORT ATTACHMENT A  
PROCUREMENT SUMMARY**

**DATA IMAGING AND ARCHIVING SERVICE**

1.	Contract Number: PS 5110 0970		
2.	Recommended Vendor: Optisource		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$55,000	Recommended Price: \$55,000	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Amendment		
5.	Procurement Dates:		
	A. Issued: N/A		
	B. Advertised: N/A		
	C. Pre-proposal Conference: N/A		
	D. Proposals Due: N/A		
	E. Pre-Qualification Completed: N/A		
	F. Conflict of Interest Form Submitted to Ethics: YES		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 0% describe goal type	Date Small Business Evaluation Completed: March 5, 2001; confirmed July 16, 2003	
	B. Small Business Commitment: 0% Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Bids/Proposals Picked up: N/A	Bids/Proposals Received: N/A
8.	Evaluation Information:		
	A. Bidders/Proposers Names:  N/A	<u>Bid/Proposal Amount:</u> \$N/A	<u>Best and Final Offer Amount:</u> \$N/A
	B. Evaluation Methodology: N/A		
9.	Protest Information: N/A		
	A. Protest Period End Date:		
	B. Protest Receipt Date:		
	C. Disposition of Protest Date:		
10.	Contract Administrator: Vickie Annette Plummer	Telephone Number: (213) 922-7326	
11.	Project Manager: Susan Cariasa	Telephone Number: (213) 922-6162	

## **BOARD REPORT ATTACHMENT A-1 PROCUREMENT HISTORY**

### **DATA IMAGING AND ARCHIVING SERVICE**

#### **A. Background on Contractor**

Optisource Technologies is located in Fountain Valley, CA. Founded in 1995, Optisource Technologies is an information management company that specializes in converting paper documents and other media to digital format. Optisource is an outsourcing company with a wide range of services and software to custom tailor solutions for data organization, storage, management and retrieval. Optisource has been providing document-imaging services to LACMTA since 1997 and its client base includes many industry leaders. The principals of Optisource Technologies have over 20 years of imaging and CD-ROM experience with backgrounds in DXT Productions Inc., Unisys, and AST research. Optisource has a fully customized software system specifically for document management, scanning, indexing, archiving, and retrieval.

#### **B. Procurement Background**

On September 17, 2001, MTA executed a federally funded indefinite-delivery-requirements contract, Contract No. PS 5110 0970, with Optisource for a not-to-exceed amount of \$93,225 to provide document imaging and archiving services. During the initial procurement process, MTA selected Optisource because the contractor submitted the lowest priced unit rates of the technically accepted proposers. To prevent disruption of service, on October 31, 2002, the contract was extended (sole source) until December 31, 2003 for an additional amount of \$92,960, increasing the contract amount to \$186,185. With the cancellation of DPMS, an additional \$7,000 amendment to the contract for July 2003 increased the total contract amount to \$193,185. The Department of Diversity and Economic Opportunity (DEOD) does not recommend a Disadvantaged Business Enterprise (DBE) participation goal for this sole source procurement. The contract involves the extension of the data imaging services currently being provided by Optisource. Although subcontracting possibilities were explored, Optisource has provided Proprietary software for reading and retrieving MTA's existing archived accounting data.

#### **C. Evaluation of Proposals**

Not applicable. This amendment adds funds to the existing contract. There is neither a change in scope nor an extension of time . Rates previously negotiated remain the same.

**D. Cost/Price Analysis Explanation of Variances**

The recommended price of \$55,000 has been determined to be fair; as initial procurement was based on price competition and the contractor has agreed to no change in current terms, conditions, or rates.