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**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
JUNE 21, 2007**

**SUBJECT: PS25141978 DATABASE INFORMATION SUBSCRIPTION SERVICES
LEXISNEXIS**

**ACTION: AUTHORIZE THE CEO TO EXECUTE THE DATABASE INFORMATION
SUBSCRIPTION SERVICES CONTRACT**

RECOMMENDATION

Authorize the Chief Executive Officer (CEO) to award a five-year firm fixed price contract, Contract No. PS25141978, to LexisNexis for database information subscription services, in an amount not to exceed \$467,400, effective July 1, 2007.

RATIONALE

Presently, three separate departments rely on database information services provided by LexisNexis. Management Audit Services' Pre-Qualification Unit requires LexisNexis database services to conduct background investigations of applicants for contracts with the Los Angeles County Metropolitan Transportation Authority (Metro), as required by Ordinance #4-05 of Metro's Administrative Code. Risk Management's Special Investigation Unit requires LexisNexis database services to search multiple databases essential to performing Worker's Compensation investigations that are mandated under SB899. These investigations are crucial to the success of reducing Worker's Compensation claims. The Office of the County Counsel requires LexisNexis to obtain legal data, including case law. LexisNexis is the only provider of Shepard's, a database that automatically generates updates to legal codes, and Matthew Bender, the premier publisher of Legal Practice Guides, Treatises, and legal forms. LexisNexis is unique in that it can provide all of these services and is an indispensable tool required by all three departments to satisfactorily complete their jobs.

In November 2004, the Procurement Department researched the possibility of consolidating all Metro contracts with LexisNexis under one agreement to determine if there would be a cost savings. Based upon that analysis, Procurement consolidated all of the agreements under a single two-year Master Agreement in July 2005. The current two-year Master Agreement will expire on June 30, 2007. The three Metro departments have long-term needs for these services, therefore, staff entered into negotiations with LexisNexis for a five-year contract.

FINANCIAL IMPACT

The funding of \$92,352 for these services is included in the combined FY08 budgets of each of the departments' cost centers (2514, 5300, and 1210) in various accounts and projects. Since this is a multi-year contract, the cost center managers and Executive Officers will be accountable for including the cost in future years' budgets. In FY07, the three departments expended \$90,528 on these services.

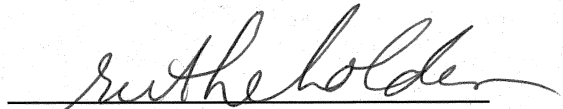
ALTERNATIVES CONSIDERED

One option would be to not obtain database services; however, this option was not considered because these services are required to perform the legislatively mandated Pre-Qualification investigations, Workers Compensation investigations, and legal research that is critical to the Office of the County Counsel.

ATTACHMENT(s)

- A. Procurement Summary
- A-1. Procurement History

Prepared by: Anne M. Flores, Chief Administrative Analyst, MAS
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Ruthe Holden
Chief Auditor, Management Audit Services



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

**PS25141978, DATABASE INFORMATION SUBSCRIPTION SERVICES
LEXISNEXIS**

1.	Contract Number: PS-2514-1978		
2.	Recommended Vendor: LexisNexis		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$488,448	Recommended Price: \$467,304	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm Fixed Price		
5.	Procurement Dates:		
	A. Issued: January 2, 2007		
	B. Advertised: No		
	C. Pre-proposal Conference: No		
	D. Proposals Due: January 16, 2007		
	E. Pre-Qualification Completed: N/A per Sec. 04-05-070G of Metro's Admin Code		
	F. Conflict of Interest Form Submitted to Ethics: April 18, 2007		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: None	Date Small Business Evaluation Completed: Dec. 6, 2006	
	B. Small Business Commitment: 0% Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 1	Bids/Proposals Picked up: 0	Bids/Proposals Received: 1
8.	Evaluation Information:		
	A. Bidders/Proposers' Names: LexisNexis	Bid/Proposal Amount: \$488,448	<u>Best and Final Offer Amount:</u> \$467,304
	B. Evaluation Methodology: N/A Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Maria V. Lechuga	Telephone Number: 922-7206	
11.	Project Manager: Anne Flores (PQU) Pam Murano (SIU) Gerardo Alvarez (OCC)	Telephone Number: 922-4894 922-3625 922-2567	

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

**PS25141978, DATABASE INFORMATION SUBSCRIPTION SERVICES
LEXISNEXIS**

A. Background on Contractor

LexisNexis, a division of Reed Elsevier, Inc. has a local office at 611 West 6th Street, Ste. 1900, Los Angeles. LexisNexis is the first commercial online full-text legal information research service that began in 1973 to help legal practitioners research the law more efficiently. Since that time, the service has grown to become the largest news and business online information service, including comprehensive company, county, financial, demographic, market research and industry reports. Providing access to thousands of worldwide newspapers, magazines, trade journals, industry newsletters, tax and accounting information, financial data, public records, legislative records, data on companies and their executives makes the LexisNexis service an indispensable tool for gathering information and providing accurate answers.

LexisNexis has been providing the Database Information Services to various Metro departments since 1997. The information available with LexisNexis is very extensive and all the departments using their services have determined that LexisNexis has provided Metro the necessary information required for staff to perform their duties with greater efficiency.

Further, LexisNexis allows public agencies to enter into an agreement with a fixed annual rate rather than a transaction fee. This allows Metro to easily budget for the funding required for unlimited access at an extremely good value. Historically, unanticipated use, excessively greater than that anticipated, has resulted in a 2-2.5% adjustment in the following year's annual rate.

LexisNexis is a subscription service available to private entities as well as public agencies. Metro is not privy to information relative to any major contracts with other entities.

B. Procurement Background

This is a non-competitive negotiated procurement. LexisNexis is the only source available that can provide the unique breadth of database information required by the three departments that use LexisNexis. Further, LexisNexis databases of information continues to grow as they build on their existing resources or acquire other companies (e.g. Accurint in 2006) keeping LexisNexis at the forefront of all other companies that provide database information services. Prior to July 2005, Management Audit Services, Risk Management, and the Office of County Counsel had three separate contracts with LexisNexis. In July 2005, these services were consolidated and Metro entered into a single two-year contract with LexisNexis, Contract No. PS-2514-1675-A, B, & C.

C. Evaluation of Proposals

A price quote was requested from LexisNexis for the services currently required by each of the departments utilizing LexisNexis. There was no technical proposal to evaluate. The evaluation of the initial cost proposal indicated LexisNexis intended to start the new contract with a 3% increase for Pre-Qualification and County Counsel, and a 2.5% increase for Special Investigations. Further, LexisNexis proposed a yearly increase for Pre-Qualification and County Counsel of 2.5%, and a 2% yearly increase for Special Investigations. Historically, LexisNexis applied a 2-2.5% increase to each new contract year. However, since this new contract was non-competitive and a straight five year contract with no options, Procurement determined that LexisNexis could improve their proposal by lowering their proposed increases.

D. Cost/Price Analysis Explanation of Variances

The recommended price has been determined to be fair and reasonable based upon the negotiated minimal increase of 2% to begin the new contract which will be maintained through the third year. In the fourth and fifth year of the contract, a 2% increase will be applied. These minimal increases of 2% with no increases in the second and third year realized a savings of \$21,144 for Metro from the proposed amount of \$488,448.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

**PS25141978, DATABASE INFORMATION SUBSCRIPTION SERVICES
LEXISNEXIS**

PRIME CONTRACTOR – LexisNexis

Small Business Commitment

None

Other Subcontractors

None

Total Commitment N/A

