



Office of the City Manager

CONSENT CALENDAR  
July 19, 2011

To: Honorable Mayor and Members of the City Council  
From: *PK* Phil Kamlarz, City Manager  
Submitted by: Donna LaSala, Director, Department of Information Technology  
Subject: Contract: Accela, Inc. for Licensing and Permitting Software System

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a contract with Accela, Inc. for software licensing, implementation, maintenance, and related services for a licensing and permitting system, for an amount not to exceed \$240,000 from August 1, 2011 through June 30, 2014.

FISCAL IMPACTS OF RECOMMENDATION

Funds to cover the cost of this recommendation have been allocated in the FY 2012 Department of Information Technology budget as follows:

Software Acquisition and Licensing	
\$120,586	Budget Code: 833-2701-410-7047 (Permit Service Center)
\$ 80,586	Budget Code: 010-2701-410-7047 (General Fund)
Software Maintenance (through June 2014)	
\$ 19,414	Budget Code: 833-2701-410-3047 (Permit Service Center)
<u>\$ 19,414</u>	Budget Code: 010-2701-410-3047 (General Fund)
\$240,000	

The funds for the contract costs will be carried over from FY 2011 to FY 2012 and the appropriation will be included in the First Amendment to the FY 2012 Annual Appropriations Ordinance.

The contract has been entered into the City's contract database and assigned Contract Management System No: CTXEU.

CURRENT SITUATION AND ITS EFFECTS

*A. Occupational Licensing (also known as Business Licensing)*

The City's current Occupational Licensing process relies upon an aged software system (the FUNDS Occupational Licensing module), as well as a variety of manual and paper-based workflows that have been in place since 1991. Applicants must apply for and

renew licenses in person or via regular mail, because there are no online application, renewal, or payment capabilities available within the existing system. Revenue streams related to licensing (such as the Transient Occupancy Tax) are often tracked outside of the licensing software because FUND\$ frequently cannot accommodate the efficient calculation, tracking, and reporting of such fees. Internal controls are not optimal, since certain types of adjustments, transfers, and refunds are managed outside of the licensing software and manually reconciled by Department of Finance staff using a combination of spreadsheets and reports.

#### *B. Land Use Application and Permitting*

The City's current Land Use Application and Permitting process also relies upon the aged FUND\$ software system, as well as a variety of manual and paper-based workflows that no longer meet the City's business needs. Department of Planning and Development staff currently use disparate spreadsheets to track workload, due dates, and commission meeting schedules. Business rules, such as adhering to deadlines, posting public notices, submitting staff reports, and estimating how long it will take to review and approve a permit are coordinated with little automation to guide the process.

#### *C. Building Permits*

The City's current Building Permits system is another business process that relies upon a FUND\$ module that has been in place for nearly twenty years. There is no online application process available, so applicants must visit the Permit Service Center to begin an application process. Applicants fill out forms by hand, then wait for an available staff member to process and verify paperwork. On a busy day, an applicant may spend two to three hours at the Permit Service Center waiting for a staff member to become available and complete the data entry necessary to verify a complete application.

Overall, the existing software, workflows, and support tools for each of the licensing and permitting activities described above are inefficient and frustrating for both community members and City employees.

### BACKGROUND

On February 23, 2010, City Council requested a status report on plans for the replacement of FUND\$, including an analysis of security issues and functionality, a transition plan to implement a modern system, and a timetable for implementation. On June 1, 2010, the City Manager provided the report to City Council (Item #54), categorizing replacement of the FUND\$ Business Licensing, Building Permits, and Planning/Zoning modules as a high priority need.

On July 29, 2010, the City issued Request for Proposals (RFP) No. 11-10528-C for improved Land Use Software based upon business analysis completed by the Department of Planning and Development and the Department of Information Technology. On August 17, 2010, the City issued RFP No. 11-10535-C for improved Business License Software, based upon business analysis completed by the Department of Finance and the Department of Information Technology.

The City received thirteen responses to the Land Use/Planning RFP by the September 2, 2010 deadline and fourteen responses to the Business License Software RFP by the September 16, 2010 deadline. A combined total of twenty-seven responses were accepted; ten vendors submitted proposals to both RFPs. From September 2010 – June 2011, staff conducted a comprehensive evaluation process that included three rounds of proposal reviews, vendor demonstrations, over thirty general and role-based reference checks, site visits to other cities, and a hands-on session where representatives from Finance, Planning & Development, and Information Technology tested software from vendor finalists in the City's computer training room. Thirty-one staff members were involved in various stages of the RFP process to evaluate aspects of the systems under consideration. Eleven core evaluation team members (five from Planning, three from Finance, and three from Information Technology) were involved in all stages of the evaluation process. In addition, two staff members from the City Auditor's office participated in site visits and vendor demonstrations.

In keeping with the City's "best of breed" approach to software evaluation and selection, staff did not specifically set out to recommend the same software suite for both the Department of Finance and the Department of Planning and Development. However, the results of the separate processes ultimately revealed that the top two finalists for each RFP offered software suites that answered the needs of both departments.

#### ALTERNATIVE ACTIONS CONSIDERED

Staff considered further modifying the existing FUND\$ system to accommodate changing business needs, but rejected that alternative as infeasible due to the inherent technical limitations of FUND\$. Within the RFP process described above, staff considered implementing another vendor's software, but the RFP evaluation team identified significant operational and fiscal benefits to implementing Accela's licensing and permitting system.

#### CONTACT PERSON

Donna LaSala, Director, Department of Information Technology, 981-6541

Attachments:  
1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT: ACCELA, INCORPORATED FOR LICENSING AND PERMITTING  
SOFTWARE SYSTEM

WHEREAS, the City of Berkeley has identified the need to improve the efficiency of its permitting and licensing processes; and

WHEREAS, the City of Berkeley issued Request for Proposal No. 11-10528-C for improved permitting; and

WHEREAS, the City of Berkeley issued Request for Proposal No. 11-10535-C for improved licensing; and

WHEREAS, Accela Government Software, Inc. submitted responses to both Requests for Proposals that were rated higher than responses submitted by competing vendors; and

WHEREAS, funds have been allocated in budget codes 833-2701-410-7047, 833-2701-410-3047, 010-2701-410-7047, and 010-2701-410-3047; CMS No. CTXEU.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is hereby authorized to execute a contract with Accela, Inc. for software licensing, implementation, maintenance, and related services for a licensing and permitting system, for an amount not to exceed \$240,000 from August 1, 2011 through June 30, 2014.