

CITY OF OAKLAND

AGENDA REPORT

REVISED
4-29-11

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2011 MAY -5 PM 2:32

TO: Office of the City Administrator
ATTN: P.Lamont Ewell, Interim City Administrator
FROM: CEDA/DIT
DATE: May 10, 2011

RE: Resolution Waiving Advertising, Bidding And Request For
Proposals/Qualifications Requirements, And Authorizing The City
Administrator Or His Designee To:

- 1) Enter Into A Five-Year Contract With Accela, Inc., For Software, Equipment And Services To Implement A Computerized Land-Use Management System In An Amount Not To Exceed \$4,995,000 Over The Term Of The Contract; And
- 2) Award A Financing Contract Following A Competitive Solicitation For Interest Rates To Pay For The Accela Computerized Land-Use Management System, And
- 3) Carry Out The Above Actions Without Return To Council

SUMMARY

Staff requests that the City Council authorize the City Administrator or designee to negotiate and execute a five-year contract with Accela, Inc for the lease of software, equipment and services to implement a computerized land use management system. Accela provides software for permitting and other land use management functions for local, state and federal government. Staff also requests that the City Administrator be authorized to award a contract for a loan with a lender or a lease purchase agreement with Accela, Inc., following the solicitation of financing proposals, depending on who offers the most competitive interest rate (not to exceed 4.94%). Staff seeks both authorizations without return to Council.

The system provided under the proposed contract with Accela, Inc. would replace the existing Permit Tracking System (PTS) used by Community Economic Development Agency (CEDA) for Permits, Code Enforcement, Planning and Inspections. The current system is over 25 years old and is at end of life. CEDA requires a more robust system, capable of providing online capabilities to all the citizens of Oakland. The contract includes the purchase of software, licenses, maintenance, hardware and professional services.

CEDA initially contracted with a vendor to replace the obsolete PTS system in November of 2003. During the subsequent two years, CEDA worked extensively with the vendor to implement the selected product. After the initial two year period, the vendor changed its business model, and the City agreed to amend the contract and reduce the project scope. The work did not

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ultimately meet CEDA's requirements and needs. This contract with this vendor was terminated in December 2010.

CEDA formed a partnership with the Department of Information Technology (DIT) and embarked on an extensive process of evaluating solutions to meet CEDA's land use requirements as well as DIT's technical requirements. This partnership was established to ensure that all aspects of the implementation were addressed and avoid the technical and procedural challenges that arose with the previous vendor.

Accela Automation was found to provide unique capabilities that justify the sole sourcing with Accela, Inc. The original RFP process placed Accela 2nd in the list of finalists for replacing PTS.

Staff will seek competitive bids to finance the cost of the project, \$4.9 million, over the next 5 years, at an interest rate not to exceed 4.94% to pay for the system.

FISCAL IMPACT

Staff proposes to obtain funding for the Accela system by soliciting competitive financing proposals from lenders and from Accela's financing arm. The costs for the Accela system break down as follows:

	COSTS
Implementation Costs	\$2,500,000.00
Software /Licensing	\$ 800,000.00
Maintenance	\$ 800,000.00
Hardware	\$ 406,024.00
Networking	\$ 150,000.00
Other Costs/EIS	\$ 338,976.00
TOTAL COSTS	\$4,995,000.00

Contingency funds include costs to incorporate an Oracle Enterprise Integration Solution ("EIS") reporting tool if needed to address the financial integration and debt servicing costs.

The annual costs associated with Accela system lease and loan are estimated to be \$556,265.00 semi-annually and will be funded through restricted Records Management and Technology Enhancement Fees, assessed on all permits and code enforcement charges by the Building Services Division of the Community and Economic Development Agency. The Records Management and Technology Enhancement Fees (Project P249920) are deposited in the

Development Services Fund (2415). Net available revenues are estimated to be between \$500,000 and \$800,000 annually over the next five years. Additionally, the project has a positive cash balance that can be accessed if necessary as the overall fund balance improves.

BACKGROUND

CEDA provides essential land management services, such as building and code enforcement inspections, development permitting, and cashing. It processes all these requests via the existing system, PTS. This system is over 25 years old and incapable of adapting to today's technology requirements and needs. These requirements include integration with the City's existing technology platforms (Oracle and Stellent), the ability to provide online services, such as: inspection scheduling; permit payments, and viewing status of permit applications online. In addition, it has become important to provide these same services over a broader segment of the population, including those individuals with disabilities as well as non-English speaking citizens.

In order to meet these requirements, DIT and CEDA conducted market research and inquiries on vendors who could provide the above mentioned services and requirements. Staff has determined that Accela is currently the only U.S. based vendor who has effectively deployed multi lingual capabilities and 508 compliant software to a City of our size. It should be noted that Accela also was also an original contender for original 2003 RFP which initiated the process for a replacement system for PTS.

Accela's system offers unique qualities and staff recommends that advertising, bidding and the request for proposals/qualifications be waived for the following reasons:

1. Accela is the only US-based permitting vendor who is fully compatible (native Java based) with our existing Oracle platform. The City of Oakland has made significant investments in Oracle technology.

The ability to link existing systems directly into Oracle financials will facilitate reporting and financial accountability.

2. Accela is the only US Based permitting vendor that is 508 Compliant. Section 508 of the Rehabilitation Act of 1973 was passed in 1997 and requires federal agencies to make their electronic and information technology accessible to people with disabilities.

As a entity providing governmental software and services, Accela is required to comply with Section 508 (29 U.S.C. § 794d), which requires that agencies must give disabled employees and members of the public access to information that is comparable to the access available to others. Accela meets these requirements.

3. Accela is the only US permitting vendor that supports multi languages – providing a citizen access portal that could support the 24.8% Hispanic population and the 15.5% Asian population of the City of Oakland.

The ability to conduct business in multiple languages will increase the accessibility and transparency of City Government and meets the intent of the Equal Access Ordinance 12324 C.M.S. established by the City of Oakland in 2001.

KEY ISSUES AND IMPACTS

CEDA provides development permitting and inspection services to residents, businesses and the development community citywide. The ability to efficiently process and record information and documents essential to these permits and inspections has decreased due to the age of the PTS software. In addition, there has been an increased demand for capabilities that will facilitate access to these services via the Web. These requirements cannot be met with the existing PTS solution. The proposed Accela system will streamline the inspections, permitting, and cashing processes, facilitate code enforcement, facilitate an “in the field” automated emergency response capability, accommodate future inclusion of other City agencies and departments, and most importantly, will provide an online web interface to all segments of the population.

In order to select a vendor with the appropriate technology capabilities, CEDA partnered with the Department of Information Technology. Staff undertook market research in recent months and determined that in the permitting field, there are few vendors who can provide the required functionalities to a City the size of Oakland and fewer who could provide equal access to individuals with disabilities and multi-lingual capabilities. The City of Oakland has met with many challenges to its Equal Access Capabilities and compliancy with the American Disabilities Act. In order to meet those challenges, the City enacted an Equal Access Ordinance and established an ADA department to help meet the needs of those populations.

Accela meets the goals of the City of Oakland under the Equal Access Ordinance and the American with Disabilities Act of 1990. In addition, Accela provides new technological innovations, such as online self service, online forms and the ability to utilize mobile applications on cell phones, both for field staff and citizens alike. Accela has a significant presence in the local government arena, and includes entities similar in size to Oakland such as: Atlanta, Denver, and Ventura County.

PROJECT DESCRIPTION

CEDA and DIT propose to replace the existing PTS system with the Accela system, which consists of the following functions::

- Accela Land Management: A web-based solution that automates permit issuance, inspections and code enforcement. It moves CEDA from an accounting based system (PTS) to a land management system. The Accela land management system addresses

Oakland's specific organizational structure (CEDA) by integrating all property based information in a seamless platform that effectively interacts with Stellant (our Document

Management System), Oracle and Point of Sale Cashiering solution. Accela ties the permitting process and all documents to a parcel. It also enables combining information among parcels.

- Accela GIS: Leverages existing Geographic Information Systems (GIS) database and provides visual representation (in the form of maps) with land-use, zoning and infrastructure information associated with a parcel, permit or inspection. All documents and all decisions can be updated and drawn to a parcel.
- Accela Mobile Office: Facilitates "in the field" inspections and code enforcement by providing real-time data from a mobile device.
- Accela Citizen Access: Provides on line access via the Web to the Citizens of Oakland. It will allow citizens to apply and pay for permits, schedule inspections, check the status of a permit or inspection and print an approved permit directly from the Internet 24 hours a day, seven days a week, from the convenience of a home, office or even mobile application.

Implementation is scheduled to occur over a period of 18 months, in which the CED Building Services, Planning and Zoning and the PTS historical database will be migrated to the new platform.

The goal is to provide an interactive, up to date system that will allow:

- Faster processing and scheduling of inspections
- Access to permit or inspection status via web, mobile apps
- A seamless integration with our existing Oracle system
- Equal access
- Access to disabled community

The estimated completion date of the project is December 2012.

SUSTAINABLE OPPORTUNITIES

Economic: Accela has agreed to meet the LBE/SLBE requirements as required by the City of Oakland's Contract and Compliance Office.

Environmental: There are no environmental impacts within this acquisition.

Social Equity: Accela is the only US permitting vendor that supports multi languages – providing a citizen access portal that could support the 24.8% Hispanic population and the 15.5% Asian population of the City of Oakland. The ability to conduct business in multiple languages will increase the accessibility and transparency of City Government.

DISABILITY AND SENIOR CITIZEN ACCESS

The Americans with Disabilities Act of 1990 (ADA) Title II nondiscrimination requirements apply to state and local governments and mandate the City of Oakland to provide qualified individuals with disabilities access to programs, services, and activities and to ensure effective communication with people with disabilities. According to the United States Department of Justice (DOJ), the City's obligation to meet federal access requirements extends to all City web pages and web content.

This product, as advertised with built-in access features, would eliminate the need for in-house testing and manipulation of the product, offer alternative accommodations and creation of separate web pages to provide similar services to customers with disabilities using assistive technologies thus saving valuable staff and budget resources. Accela is uniquely positioned to assist the City in fulfilling its mandates under the ADA and the City Web Site Access Policy.

Accela's product supports the City's goal to provide universal access to web based program and services. Accela has integrated features and protocols into the product that are consistent with Federal accessibility regulations and the City of Oakland Web Site Access Policy.

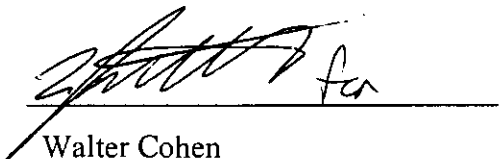
RECOMMENDATION(S) AND RATIONALE

Staff recommends that the City Council authorize the acquisition of a computerized land use management system from Accela, Inc. to replace the PTS.

ACTION REQUESTED OF THE CITY COUNCIL

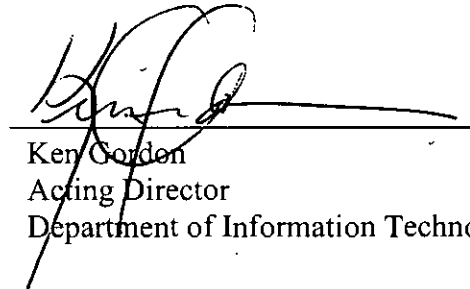
Staff recommends that the City Council approve a five-year lease of a computerized land use management system from Accela, Inc in an amount not to exceed \$4,995,000.00, and authorize the City Administrator or his designee to award a loan agreement to a lender or a lease purchase agreement to Accela, Inc., depending on who offers the most competitive interest rate (not to exceed 4.94%), without return to Council.

Respectfully submitted,



Walter Cohen
Director
Community and Economic Development Agency

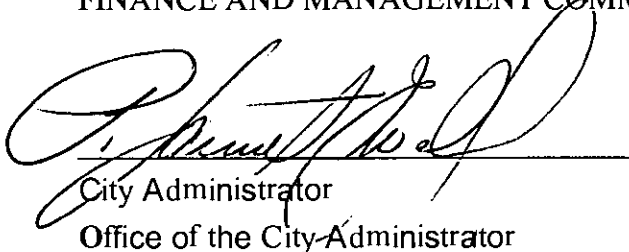
Respectfully submitted,



Ken Gordon
Acting Director
Department of Information Technology

Prepared by:
Damaris Fabre Sambajon
Information Systems Manager
Department of Information Technology

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE



City Administrator
Office of the City Administrator

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Approved as to Form and Legality

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OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION WAIVING ADVERTISING, BIDDING AND REQUEST FOR PROPOSALS/QUALIFICATIONS REQUIREMENTS, AND AUTHORIZING THE CITY ADMINISTRATOR OR HIS DESIGNEE TO:

- 1) ENTER INTO A FIVE-YEAR CONTRACT WITH ACCELA, INC., FOR SOFTWARE, EQUIPMENT AND SERVICES TO IMPLEMENT A COMPUTERIZED LAND-USE MANAGEMENT SYSTEM IN AN AMOUNT NOT TO EXCEED \$4,995,000.00 OVER THE TERM OF THE CONTRACT; AND
- 2) AWARD A FINANCING CONTRACT FOLLOWING A COMPETITIVE SOLICITATION FOR INTEREST RATES TO PAY FOR THE ACCELA COMPUTERISED LAND-USE MANAGEMENT SYSTEM, AND
- 3) CARRY OUT THE ABOVE ACTIONS WITHOUT RETURN TO COUNCIL

WHEREAS, the Community and Economic Development Agency has a critical need to replace and upgrade the functionality of the Permit Enforcement and Records Tracking System (PERTS); and

WHEREAS, the ability to conduct business in multiple languages will increase the accessibility and transparency of City Government and meets the intent of the Equal Access Ordinance 12324, C.M.S. established by the City of Oakland in 2001; and

WHEREAS, the City wishes to make their electronic and information technology accessible to people with disabilities and the citizens and businesses of Oakland have demanded a product that is capable of providing Web capable services; and

WHEREAS, the City solicited qualifications for the implementation of a comprehensive computerized land use management system in 2003, several vendors (including Accela, Inc.) submitted qualifications and proposals, a vendor (not Accela) was awarded the contract, but the City subsequently agreed to amend and reduce the scope eliminating several important features of the system; and

WHEREAS, the Departments of Information Technology and Community and Economic Development Agency (CEDA) have reviewed the 2003 list of qualified vendors and in recent months conducted market research in the land use management arena and have determined that the system offered by Accela, Inc., would best meet the technical and departmental requirements of CEDA; and

WHEREAS, staff, therefore, recommends that it is in the City's best interests for the Council to waive advertising, bidding and request for proposals/qualifications processes for purchase of the Accela system based on the following:

- 1) Accela participated in the City's 2003 solicitation for a similar system submitting a proposal that demonstrated they were well-qualified to provide such a system; and
- 2) Staff has determined based on market research conducted in recent months that:
 - a) Accela is the only US-based permitting vendor that offers software/equipment that is fully compatible with the City's existing Oracle platform, the City has made significant investments in Oracle technology and the ability to link existing systems directly into Oracle financials will facilitate reporting and financial accountability; and
 - b) Accela Automation provides unique qualifications as it is the only US Based permitting vendor that is 508 Compliant, which requires public agencies to make electronic and information technology accessible to people with disabilities; and
 - c) Accela is the only US permitting vendor that supports multi languages – providing a citizen access portal that could support the 24.8% Hispanic population and the 15.5% Asian population of the City of Oakland, and the ability to conduct business in multiple languages will increase the accessibility and transparency of City Government and meets the intent of the Equal Access Ordinance 12324 C.M.S. established by the City of Oakland in 2001.

WHEREAS, Oakland Municipal Code Section 2.04.050.1.5 and 2.04.051.B permit the Council to waive advertising, bidding and the request for proposals/qualifications requirements upon a finding that it is in the City's best interests to do so; and

WHEREAS, staff recommends paying for the system by securing a loan at an interest rate not in excess of 4.94% and proposes that the City solicit competitive financing proposals from lending institutions and the financing arm of Accela, Inc. for this purpose; and

WHEREAS, staff recommends that it would expedite the project if the Council authorizes the City Administrator to award the financing agreement (which will be either a loan to a lending institution, or a lease-purchase agreement to the financing arm of Accela, Inc., depending on who offers the most competitive rate (not to exceed 4.94%) without return to Council; and

WHEREAS, existing funds in the amounts and Accounts/Funds identified in the agenda report accompanying this Resolution are available for the upgrade that will finance this computerized system lease; and

WHEREAS, the City Administrator has determined that the contract(s) authorized hereunder are of a professional, technical, scientific and temporary nature and shall not result in the loss of employment or salary by any person by any person having permanent status in the competitive service; now, therefore be it

RESOLVED: That pursuant to Oakland Municipal Code Section 2.04.050.1.5 and 2.04.051.B and for the reasons stated above and in the City Administrator's report accompanying this item, the Council finds and determines that it is in the best interests of the City to waive advertising, bidding and the request for proposals/qualifications requirements for the purchase and implementation of a computerized land use management system from Accela, Inc., and so waives the requirements; and be it

FURTHER RESOLVED: That the City Administrator is authorized to negotiate and enter into a five-year contract with Accela, Inc., for software, equipment and services to implement a computerized land-use management system in an amount not to exceed \$4,995,000 over the term of the contract; and be it

FURTHER RESOLVED: That the City Administrator is authorized to award a financing contract with an interest rate (not to exceed 4.94%) following a solicitation process, which will be a loan with a lender or a lease-purchase agreement with the financial arm of Accela, Inc. depending on who offers the most competitive interest rate (not to exceed 4.94%), to pay for the Accela, Inc. computerized land use management system; and be it

FURTHER RESOLVED: That the contract(s) authorized hereunder shall be reviewed and approved by the Office of the City Attorney for form and legality and filed with the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California