



**STAFF REPORT**  
**6/24/2026**

**TO:** Honorable Mayor and City Council Members

**FROM:** Gustavo Romo, City Manager

**PREPARED BY:** Lincoln Bogard, Finance Director

**SUBJECT:** Approval of a Software License and Professional Services Agreement with ClearGov, Inc. for Budgeting, Financial Reporting, and Transparency Solutions

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**STAFF RECOMMENDATION:**

That the City Council adopt a resolution authorizing the City Manager to execute a Software License and Professional Services Agreement with ClearGov, Inc. for cloud-based budgeting, financial reporting, and transparency solutions, in a total not-to-exceed amount of \$296,217 over a three-year term commencing July 1, 2026.

**EXECUTIVE SUMMARY:**

The Finance Department recommends approval of a Software License and Professional Services Agreement with ClearGov, Inc. to implement a cloud-based financial management platform encompassing budgeting and planning, financial reporting and disclosure, and public transparency tools. ClearGov will replace the City's current spreadsheet-intensive processes with an integrated, automated solution that connects the full budget lifecycle—from preparation through adoption and annual reporting—in a single synchronized environment.

The proposed agreement covers a three-year term commencing July 1, 2026, with a one-time setup fee of \$40,200 and annual subscription fees beginning at \$78,530 in Year 1, subject to a 5% annual escalator. The total not-to-exceed contract value over the three-year term is \$296,217. Funding for Year 1 is included in the proposed FY 2026-27 budget.

**BACKGROUND:**

The City of Coachella is in the process of transitioning to a new Enterprise Resource Planning (ERP) system and fiscal year 2026-27 budget adoption was considered tonight. The Finance Department currently relies on a fragmented combination of spreadsheets and disconnected tools to manage the annual budget cycle, prepare the Annual Comprehensive Financial Report (ACFR), and communicate financial information to the City Council and the public.

This approach creates significant operational risk. Manual data reconciliation is time-consuming and error-prone; spreadsheet-based environments are susceptible to version-control issues and formula errors; and the City's current processes do not efficiently support the level of public transparency and financial storytelling expected of modern municipalities. The City's ACFR has historically been issued as late as April 30, representing a significant delay beyond best-practice timelines.

Following a review of available solutions, staff engaged ClearGov, Inc., a Delaware corporation headquartered in Maynard, Massachusetts, and a leading provider of financial management software purpose-built for local governments. ClearGov's platform serves hundreds of local government agencies across the United States and offers an integrated suite covering the full financial cycle from budgeting through public reporting and community engagement. Consistent with the City's purchasing policy, staff utilized the NCPA Omnia Partners cooperative purchasing contract (Contract No. 01-165) as the competitive procurement vehicle for this acquisition. ClearGov subsequently offered the City pricing below the published cooperative contract rates, resulting in a direct agreement that is approximately \$22,296 less than the three-year cooperative contract pricing quoted through authorized reseller Vertosoft (\$318,513 cooperative quote versus \$296,217 negotiated direct agreement).

#### **DISCUSSION/ANALYSIS:**

The proposed agreement authorizes the City to license and implement three integrated product suites within the ClearGov platform:

- 1. Budgeting and Planning Suite.** This suite provides tools for operational budgeting, capital budgeting, personnel budgeting, strategic planning, capital project tracking, and digital budget book production. Departmental staff can submit budget requests through the platform, enabling the Finance Director to manage the full budget cycle from baseline development through City Council adoption and mid-year amendments. The Digital Budget Book module is designed to help the City qualify for a Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award. The multi-year personnel budgeting module will help forecast the true cost of filled and vacant positions, including benefits, and support labor negotiation planning.
- 2. Financial Reporting and Disclosure Suite (Disclosure Studio).** This module automates the preparation of the ACFR and Popular Annual Financial Report (PAFR) by connecting directly to the City's financial data. Report templates are aligned with GASB standards and GFOA reporting criteria. The platform includes role-based access controls, version history, and ADA-compliant output. Staff anticipates that this tool will allow the City to significantly accelerate the ACFR issuance timeline from the current April issuance target to December, recovering approximately four months of staff capacity annually that is currently consumed by manual reconciliation and report assembly.

3. **Transparency Suite.** ClearGov's Transparency module provides a public-facing portal that automatically translates the City's financial data into visual, interactive dashboards accessible to residents, the City Council, and other stakeholders. This feature supports the City's commitment to open governance and community trust by presenting complex financial information in a format accessible to non-technical audiences.

**Procurement Method.** The City utilized the NCPA Omnia Partners cooperative purchasing contract (Contract No. 01-165) as the competitive basis for this procurement, consistent with the City's purchasing policy governing cooperative contracts. The use of an established cooperative purchasing agreement satisfies competitive bidding requirements by leveraging a previously competitively bid national contract. ClearGov negotiated pricing directly with the City that is below the cooperative contract rates, providing an estimated savings of approximately \$22,296 compared to the three-year pricing quoted through the cooperative contract's authorized reseller.

**Agreement Terms and Protections.** The proposed Software License and Professional Services Agreement was reviewed with participation from the City Attorney's office and includes the following key protections for the City: (1) a 24-month software warranty following Go-Live; (2) a non-appropriation clause protecting the City in the event future funding is not appropriated; (3) a termination-for-non-renewal provision requiring 30 days' written notice prior to the commencement of the next annual billing cycle; (4) indemnification and intellectual property infringement protections in favor of the City; and (5) data confidentiality obligations binding upon ClearGov. The Provider's Proposal dated May 6, 2026 is incorporated as Exhibit "A," and City Insurance Requirements are attached as Exhibit "B."

**Security and Compliance.** ClearGov's platform is SOC 2 Type 2 certified and hosted on Amazon Web Services and Microsoft Azure infrastructure with a target service uptime of 99.99%. Security controls include encryption in transit and at rest, role-based access controls, multi-factor authentication, and continuous 24x7 monitoring. The platform is designed to support ADA/WCAG 2.1 AA accessibility compliance for public-facing outputs.

#### **ALTERNATIVES:**

1. Approve the agreement as presented and authorize the City Manager to execute the Software License and Professional Services Agreement with ClearGov, Inc. in a total not-to-exceed amount of \$296,217 over three years. This is the recommended alternative.
2. Approve the agreement with modifications. The City Council may direct staff to negotiate changes to specific contract terms prior to execution. This alternative may delay implementation and could affect the proposed July 1, 2026 commencement date.
3. Deny the agreement and direct staff to issue a formal Request for Proposals (RFP) for financial management software. This alternative would delay implementation, require additional staff resources to conduct a competitive procurement process, and would not address the City's near-term budget cycle and ACFR preparation needs.
4. Take no action. The City would continue relying on existing spreadsheet-based processes for budgeting and financial reporting. This alternative does not address identified operational risks and would leave the City without a path to improve ACFR timeliness or enhance public financial transparency.

**FISCAL IMPACT:**

The total not-to-exceed contract value over the three-year term is \$296,217.00. This represents a savings of approximately \$22,296 compared to the equivalent three-year pricing under the NCPA Omnia Partners cooperative contract (Contract No. 01-165), which was quoted at \$318,513. The cost schedule under the negotiated direct agreement is as follows:

Year 1 (July 1, 2026): One-time setup fee of \$40,200 plus annual subscription of \$78,530, for a first-year total of \$118,730. Year 2 (July 1, 2027): Annual subscription of \$86,579. Year 3 (July 1, 2028): Annual subscription of \$90,908. Software licensing fees include a 5% annual escalator. Funding for Year 1 costs (\$118,730) is included in the requested FY 2026-27 annual budget. Funding for subsequent years is subject to annual appropriation by the City Council, consistent with the non-appropriation provisions of the agreement.

**RECOMMENDED ALTERNATIVE(S):**

Alternative No. 1 – Adopt a resolution authorizing the City Manager to execute the Software License and Professional Services Agreement with ClearGov, Inc. in a total not-to-exceed amount of \$296,217.00 over three years, and authorize the City Manager to approve non-substantive amendments as may be necessary.