



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 11/21/2023

ITEM NO: 13

DATE: November 6, 2023

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Consider the Following Actions for the Procurement and Implementation of the OpenGov Procurement Suite for Contract Management and Maintenance:

- a. Authorize an Expenditure Budget Transfer in an Amount of \$3,000 from project #411-811-0008 (Shannon Road Repair);
- b. Authorize an Expenditure Budget Transfer in an Amount of \$1,000 from project #411-813-0218 (Shannon Road Pedestrian and Bike Improvements);
- c. Authorize an Expenditure Budget Transfer in an Amount of \$5,500 from project #411-813-9921 (Curb, Gutter, and Sidewalk Maintenance);
- d. Authorize an Expenditure Budget Transfer in an Amount of \$10,700 from project #411-811-9901 (Street Repair and Resurfacing);
- e. Authorize an Expenditure Budget Transfer in an Amount of \$500 from project #411-821-2309 (Termite Abatement at Water Tower);
- f. Authorize an Expenditure Budget Transfer in an Amount of \$500 from project #411-831-4605 (Parks Playground Fibar);
- g. Authorize an Expenditure Budget Transfer in an Amount of \$3,000 from project #411-812-0130 (Annual Roadside Fire Fuel Reduction); and
- h. Authorize an Expenditure Budget Transfer in an Amount of \$3,000 from project #411-832-4508 (Annual Vegetation Management Town-Wide).

RECOMMENDATION:

Consider the following actions for the procurement and implementation of the OpenGov Procurement suite for contract management and maintenance:

PREPARED BY: Kinjal Buch
Senior Engineering Technician

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, and Parks and Public Works Director

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RECOMMENDATION (continued):

- a. Authorize an expenditure budget transfer in an amount of \$3,000 from project #411-811-0008 (Shannon Road Repair);
- b. Authorize an expenditure budget transfer in an amount of \$1,000 from project #411-813-0218 (Shannon Road Pedestrian and Bike Improvements);
- c. Authorize an expenditure budget transfer in an amount of \$5,500 from project #411-813-9921 (Curb, Gutter, and Sidewalk Maintenance);
- d. Authorize an expenditure budget transfer in an amount of \$10,700 from project #411-811-9901 (Street Repair and Resurfacing);
- e. Authorize an expenditure budget transfer in an amount of \$500 from project #411-821-2309 (Termite Abatement at Water Tower);
- f. Authorize an expenditure budget transfer in an amount of \$500 from project #411-831-4605 (Parks Playground Fibar);
- g. Authorize an expenditure budget transfer in an amount of \$3,000 from project #411-812-0130 (Annual Roadside Fire Fuel Reduction); and
- h. Authorize an expenditure budget transfer in an amount of \$3,000 from project #411-832-4508 (Annual Vegetation Management Town-Wide).

BACKGROUND:

The Town has a decentralized purchasing and contracting system, in which purchases are made and managed by individual Departments after following the appropriate approval and execution protocols. This allows each Department to handle purchase requests specific to its needs and to apply their expertise to the purchasing process. Each agreement requires staff to prepare various documents and to collect multiple pieces of supporting information such as insurance certificates. The Town also follows the California Uniform Public Construction Cost Accounting Act with procedures that provide uniformity of cost accounting standards for construction work performed or contracted by public entities in the State and a method for the bidding of public works projects.

The Department of Parks and Public Works (PPW) processes more than 100 agreements annually for items such as construction; on-call consulting; maintenance services for landscaping, lighting, and streetlights; and building maintenance. A significant amount of staff time is spent managing the contract preparation process utilizing Microsoft Word and Excel templates, along with multiple emails back and forth with vendors to obtain all of the required materials. Staff began researching available contract management options, including an evaluation of the new Enterprise Resource Planning (ERP) system currently being implemented for Finance and Human Resources purposes. The Town's ERP software does not have a contract module that meets the Town's needs. After additional analysis, staff found that the OpenGov Procurement suite was the most seamless and cost-effective solution.

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BACKGROUND (continued):

The OpenGov Procurement suite would deliver a cloud-based procurement and contracting solution by managing and automating the purchasing and contracting process. This includes Requests for Proposals (RFP), Requests for Bids (RFB), Requests for Qualifications (RFQ), contract awards, contract creation using templates, and contract management.

DISCUSSION:

OpenGov Procurement and Contract Management suite would help PPW achieve significant efficiencies and time savings with more collaboration, automation, and streamlined solicitation development using boilerplate templates and an extensive scope of work library, centralized contract management with automatic reminders, and the ability to track spending, insurance, and change requests.

PPW has been using the Asset Management program offered by Cartegraph for its work orders since 2004. In 2022, Cartegraph was acquired by OpenGov. Since PPW is familiar with Cartegraph/OpenGov, the Department is proposing to add the Procurement and Contract Management suite using the single source clause of the Town Purchasing Policy. A single source is defined as the selection of a good or service that may be available from two or more vendors, but there is a compelling reason to select one particular vendor.

The fees for the software and professional services for a one-year period beginning December 30, 2023, are in the amount of \$31,644. The agreement is for one year and at the end of the agreement, the Procurement and Contract Management suite and Cartegraph (Asset Management) would be merged into one agreement and brought forward to Council for authorization for the Town Manager to execute an agreement.

CONCLUSION:

Approval of the recommendations allows Parks and Public Works to move forward with the implementation of this software, improving the efficiency of operations.

FISCAL IMPACT:

This agreement would utilize a combination of the transfer of funds from the FY 2023/24 – 2027/28 CIP projects considered with this staff report equaling \$27,200, along with Adopted Operating Budget funds in the amount of \$4,500, for a total amount of \$31,700.

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FISCAL IMPACT (continued):

Staff reviewed both the Operating Budget accounts and Capital Improvement Program (CIP) project budgets and identified funds available after existing commitments and determined that the transfer of funds will not impact the completion of the work and/or purchases intended for the projects. The purchase of the new software will be beneficial to all CIP projects.

The table below shows the available funding from the Operating and the recommended transfers from CIP projects.

OpenGov Procurement Suite			
	FY23/24 Budget	Available GFAR Budget for Transfer	Costs
SOURCE OF FUNDS			
Operating Budget:			
Operational Savings will be Absorbed in the Budget		\$ 4,500	
Total Operating Budget		\$ 4,500	
CIP Budget:			
411-811-0008 (Shannon Road Repair)*	\$ 3,884,504	\$ 3,000	
411-813-0218 (Shannon Road Pedestrian and Bike Improvements)*	\$ 2,054,662	\$ 1,000	
411-813-9921 (Curb, Gutter, and Sidewalk Maintenance)*	\$ 300,000	\$ 5,500	
411-811-9901 (Street Repair and Resurfacing)*	\$ 872,945	\$ 10,700	
411-821-2309 (Termite Abatement at Water Tower)	\$ 25,000	\$ 500	
411-831-4605 (Parks Playground Fibar)	\$ 57,469	\$ 500	
411-812-0130 (Annual Roadside Fire Fuel Reduction)	\$ 825,191	\$ 3,000	
411-832-4508 (Annual Vegetation Management Town-Wide)	\$ 105,880	\$ 3,000	
Total CIP Budget		\$ 27,200	
Total Source of Funds		\$ 31,700	
USE OF FUNDS			
OpenGov Procurement Suite for Contract Management and Maintenance			\$ 31,700
Total Project Expenditures			\$ 31,700
Remaining Budget			\$0
*CIP Budget is approximate and may not include FY 22/23 carryforwards			

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

ATTACHMENT:

1. Agreement for Services with Exhibit A