



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Approving and Authorizing the City Manager to Execute an Amendment to the Agreement with CentralSquare Technologies for the Sole Source Purchase of Community Development Software Upgrade for an Amount Not to Exceed \$433,437.21 for the Term Period February 19, 2020 to February 18, 2025
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	2/18/2020
Staff Contacts:	Chris Schroeder, 408-586-3161, and Mike Luu 408-586-2706
Recommendation:	Adopt a Resolution approving and authorizing the City Manager to execute an Amendment to the Agreement with CentralSquare Technologies for the sole source purchase of Community Development software upgrade for an amount not to exceed \$433,437.21 for the term period February 19, 2020 to February 18, 2025.

Background:

The City and CRW Systems (CRW) (now CentralSquare Technologies) entered into an agreement in May 2006 to implement the TRAKiT software (now Community Development). The primary purpose of the software is to issue and track building permits. Staff competitively evaluated different software packages for electronic permitting from a variety of different companies. At that time the City chose CRW since it was determined to have the best price and service. The software system is currently in use by the Building Safety and Housing Department, Planning Department, and Engineering Department. Many staff hours of training and development have gone into implementation of CRW – TRAKiT. The May 2006 agreement has been amended from time to time to purchase new versions of the software, support and licenses.

Analysis:

Due to the extensive nature of such a large-scale implementation of an electronic permitting system, migration to a new system would be very disruptive. As such, staff believes continuing service with CentralSquare Technologies is in the best interest of the City. The City’s Purchasing Agent designated CentralSquare Technologies as the “Sole Source” provider of the Community Development software and its maintenance in accordance with Municipal Code Section I-2-3.09 “Sole Source Procurement.” This designation will be active for the five-year term of this upgrade agreement from February 19, 2020 through February 18, 2025. The amendment’s total cost of the software upgrade project is \$433,437.21. This includes installation, licensing cost and annual maintenance cost, training hours for staff, professional services, and custom reports development at \$185,960.00 for the first year. For each additional year, the annual cost for maintenance for year one is \$57,000 which is included in the project. However, the net annual maintenance cost is only approximately \$16,000 because the City is currently paying \$41,000 in annual maintenance cost for the current system. With the higher annual maintenance cost, the City will receive support for advanced GIS and advanced Analytic modules. There is a 3% increase to the annual maintenance for years 2-4 and a 4% increase for year five.

Policy Alternative:

Alternative: Do not authorize the City Manager to execute the amendment to the agreement with CentralSquare Technologies.

Pros: It would result in cost savings.

Cons: There would be no new features and product enhancements to the current version.

Reason not recommended: If the City does not approve the upgrade, the City would to acquire a new system which would be both cost prohibitive and negatively impact the departments of Building Safety and Housing, Planning, and Engineering. The product is tightly integrated with other software used by the City and, as such, migrating to another core product would require integrating all the peripheral products. At a near future date, the product will no longer be supported by CentralSquare Technologies.

Fiscal Impact:

Funding for the software upgrade is available in Information Technology Department's budget for fiscal 2019-2020 in the amount of \$185,960. For each additional year, the annual cost for maintenance for year one is \$57,000 which is included in the project. However, the net annual maintenance cost is only approximately \$16,000 because the City is currently paying \$41,000 in annual maintenance cost for the current system. With the approval of this contract, the net annual maintenance cost for years 2-5 will be included in the development of future budgets.

California Environmental Quality Act:

Not applicable

Recommendation:

Adopt a Resolution approving and authorizing the City Manager to execute an Amendment to the Agreement with CentralSquare Technologies for the sole source purchase of Community Development software upgrade for an amount not to exceed \$433,437.21 for the term period February 19, 2020 to February 18, 2025.

Attachments:

- 1) Resolution
- 2) Exhibit A to the resolution: Price Quote including Amendment to agreement
- 3) 2006 Agreement between City of Milpitas and CRW Associates