



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve and Authorize the City Manager to execute Amendment No. 3 to the Agreement with HdL Software LLC for Business License Tracking Software Services
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	1/18/2022
Staff Contact:	Daniel Nam, Information Technology Director, 408-586-2712 and Chris Schroeder, Purchasing Agent, 408-586-3161
Recommendation:	Approve and authorize the City Manager to execute Amendment No. 3 to the Agreement with HdL Software LLC for Business License Tracking Software services for a total amount not-to-exceed amount of \$110,609.86

Background:

Title 1- Chapter 3 Section 1.02 of the City of Milpitas Municipal Code establishes the City's Business License Tax Collector who "...shall have the power to establish rules and regulations consistent with the provisions of the Chapter for the purpose of the administration and enforcement of the provisions of this Chapter." This function has historically been part of the duties of the Department of Finance's Accounts Receivable Unit. To assist the City in the tracking and renewal of business licenses, HdL Software LLC has been retained since July 1, 2017.

In 2017, the City modernized its business license software to upgrade to HdL Prime to offer the following enhanced services: online applications, online business registry with a searchable listing of licensed businesses in the City, online customer profiles which allows an owner with multiple businesses, or an individual responsible for reporting for multiple businesses, to keep track of the license status of all businesses from a central profile, and submit renewals for those businesses through a single process and payment transaction, centralized inspection database for scheduling and tracking inspection results), and improved department approval process utilizing a new department central and automated email notifications.

The City's business licenses track many data points, many of which also are used in the City's Geographic Information System (GIS) database for a variety of uses by multiple departments. This information has been provided in a rudimentary fashion and the City is now able to upgrade that process.

Analysis:

On August 23, 2017, the City of Milpitas entered into an agreement with HdL Software LLC to provide upgraded business license software and services for the City of Milpitas. At the time, HdL was the current provider for business licenses software and changes to PCI requirements made upgrading the HdL's Prime software a requirement. The agreement's first amendment was entered into on January 16, 2018 to approve funding for two additional licenses and provide training for City staff. The second amendment was entered into on June 7, 2019 to make administrative changes to the compensation exhibit to clarify annual payments.

Moving forward this amendment will fund two needed service enhancements, as well as incorporate the annual Consumer Price Index (CPI) adjustment. The first enhancement is an upgrade that creates a nightly data file sent to the City's information Technology Department for GIS location purposes. This process allows a visual assessment of active Business locations allowing citizens and city staff to make better real time decisions such as; Business Site Suitability, Environmental Inspections, Emergency Contacts and general map and overlay analysis requests. The second enhancement includes software configuration and report development necessary to incorporate the City's Police Alarm Permit process.

Policy Alternatives:**Alternative 1: Do Not approve Amendment No. 3 to the Agreement with HdL Software LLC**

Pros: Potential cost savings by not authorizing the specified enhancements.

Cons: Staff would lose the benefit of the desired enhancements.

Reason not recommended: Authorizing this amendment will allow for visual assessment of active business locations for staff and residents, and streamline the City's Police Alarm Permit process.

Fiscal Impact:

There are sufficient funds available in the FY 2021-2022 operating budget of the IT Department to cover the cost of the amendment. Funding for the remaining years of this contract will be subject to annual appropriations.

2017-2021 Initial Contract and Annual Renewal	\$88,096.24
2021/2022 Amendment No 3	\$22,513.62
Total	\$110,609.86

California Environmental Quality Act:

By the definition provided in the CEQA Guidelines Section 15378, this action does not qualify as a "project" for the purpose of CEQA as this action has no potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

Recommendation:

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Attachments:

1. Amendment No. 3 to the Agreement with HdL Software LLC