TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER    DEPARTMENT: ADMINISTRATIVE SERVICES

DATE: APRIL 12, 2004    CMR:204:04

SUBJECT: APPROVAL OF RENEWAL CONTRACT WITH ACCELA, INC. IN THE AMOUNT OF $390,724 FOR ACCELA AUTOMATION™/VELOCITYHALL™ WEB-BASED PERMITTING APPLICATION

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the Mayor to execute the attached renewal contract for the first year with Accela, Inc. in the amount of $189,520 for Accela Automation™/VelocityHall™ to provide the Web-based permitting application for implementation and maintenance service for the new and currently installed applications.

2. Authorize the City Manager or his designee to execute the renewal of the options at the rate of $100,602 per year for years two and three for maintenance service.

3. Authorize the City Manager or his designee to negotiate and execute one or more change orders for additional but unforeseen work. The total value of change orders shall not exceed $19,000 for the first year and $10,000 each for years two and three.

DISCUSSION

Project Description

The work to be performed by Accela, Inc. is to provide the City with Accela Automation™ (City side)/VelocityHall™ (public side) which is a web-based application that will allow the City of Palo Alto, contractors, and citizens to apply for and receive permits.
This contract is an extension of the current Accela contract for the Permit Tracking System used by the Building Division. The above enhancement will allow the City more flexibility in consolidating the applications used to process City permits. In addition, it will allow citizens and contractors to apply for and check the status of permits via the Internet on a 24-hour, 7 days per week basis and does not restrict them to the City’s normal business hours.

The new modules included in this contract are as follows:
- Planning entitlements
- Building permits
- Code enforcement cases
- Fire permits
- Business license (This is the name given to this module by Accela, Inc.; it does not imply that the City of Palo Alto has implemented or intends to implement a business license/tax. The City of Palo Alto will use this module for processing special permits, e.g., block party, taxi, helicopter, etc.)

The pricing model presented to the City is for an initial implementation fee of $71,950 and an annual maintenance fee of $100,602. This fee is to cover the processing cost of both the City and public sides of the application and also covers the maintenance of existing modules installed on the City system.

Selection Process
Staff did not issue a request for proposals (RFP) for this contract due to the fact that the proposed application is an extension of the current permit tracking system being used by the City. The current permit tracking system is provided by Accela, Inc. (Contract # S2139708).

The Building Department has been using the Accela System since 2002. Code Enforcement has been using the Accela System since 2003.

**RESOURCE IMPACT**
The City received a proposal from Accela, Inc. in the amount of $390,724, which includes the following:

**Implementation:**
- Data Conversion $35,150
- Implementation Assistance 12,800
- Reports Development 20,000
- Reports Training 4,000

Total: $71,950
Quarterly Maintenance: Quarterly Maintenance
Currently Licensed Modules: $16,667  $ 66,667  $200,000 (12 payments of $16,667)
(Commencing 10/01/2004)
Additional Modules: $ 8,484  $ 33,935  $118,774 (14 Payments of $8,484)
(Commencing at signing)
Total: $25,151  $100,602  $318,774

Contract Total: Year 1 Year 2 Year 3 Total
Implementation Services: $ 71,950 $ 0 $ 0 $ 71,950
Maintenance Services: $117,570 $100,602  $100,602 $318,774

Grand Total: $189,520 $100,602  $100,602 $390,724

Funds for the first year of this project are included in the Fiscal Year 2003-04 budget under CIP Project Number TE-95016, Permit Tracking.

The cost of this contract will be recovered through fees collected by the permit activities involved in the project.

POLICY IMPLICATIONS
This recommendation does not represent any change to existing City policies.

ENVIRONMENTAL REVIEW
These services do not constitute a project under the California Environmental Quality Act (CEQA).

ATTACHMENTS
Attachment A: Contract

PREPARED BY: KB PAIGE
Senior Technologist