



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: OCTOBER 6, 2015**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT** **WARDS: ALL**  
**DEPARTMENT**

**SUBJECT: BUSINESS READY RIVERSIDE PROGRESS REPORT, AUTHORIZE THE  
REPLACEMENT PERMIT SOFTWARE PROJECT AND APPROVE A  
CONTRACT WITH COMPUTRONIX FOR POSSE SOFTWARE –  
SUPPLEMENTAL APPROPRIATION OF \$2,274,488**

## **ISSUE:**

The issues for City Council consideration are to: 1) receive an update on the Business Ready Riverside Strategy and Business Ready Riverside 2.0 Strategy; 2) review and approve the replacement permit software project in the amount of \$2,274,488; 3) authorize the future issuance of a capital lease to cover the General Fund's share of the project costs; and 4) approve a contract with Computronix (U.S.A.), Inc. in the amount of \$1,307,870 for its POSSE software.

## **RECOMMENDATION:**

That the City Council:

1. Receive an update on the Business Ready Riverside Strategy and Business Ready Riverside 2.0 Strategy;
2. Authorize a supplemental appropriation in the amount of \$1,805,817 for the General Fund share of the project costs related to the permit software replacement costs to a project account number to be determined by the Finance Department;
3. Authorize a supplemental appropriation in the amount of \$332,756 for the Electric Fund share of the project costs related to the permit software replacement costs to a project account number to be determined by the Finance Department, with an offsetting appropriation to Object 895510 charging project expenditures to the Electric Fund (510);
4. Authorize a supplemental appropriation in the amount of \$135,915 for the Water Fund share of the project costs related to the permit software replacement costs to a project account number to be determined by the Finance Department, with an offsetting appropriation to Object 895520 charging project expenditure to the Water Fund (520);
5. Adopt the attached Reimbursement Resolution (Attachment 1) approving the reimbursement of permit software replacement project costs incurred prior to the

issuance of a future capital lease to finance the General Fund's share of the project costs;

6. Authorize an increase in estimated revenue of \$1,805,817 to reflect the anticipated proceeds of the future capital lease;
7. Approve an Annual Product Support Agreement for POSSE Clients, POSSE One-Time Perpetual Software License Agreement, and Professional Services Agreement (Agreement - Attachment 2), with Computronix (U.S.A), Inc., a Colorado corporation, in the amount of \$1,307,870 for its POSSE software; and
8. Authorize the City Manager or his designee to execute the Agreement, Annual Product Support Agreement for POSSE Clients, POSSE One-Time Perpetual Software License Agreement, including making minor non-substantive changes and approving annual renewals, and to sign all documents and instruments necessary to complete the transaction.

### **BACKGROUND:**

On January 8, 2013, the Community Development Department presented *Business Ready Riverside* to the City Council. The goal of Business Ready Riverside is to expand the City's "readiness" for facilitating new business and investment as the economy continues to improve. Key dimensions of the Business Ready Riverside efforts are:

1. *Online Plan Submittal and Plan Check System*: ePlan implemented July 1, 2013 (complete);
2. *Smart Code Specific Plans*: Consultant interviews held March 13, 2014 (in process);
3. *Sign Code Update*: Consultant on contract September 13, 2013 (approved by the City Council on August 25, 2015); and
4. *Permit Tracking Software*: The City's current permit tracking software system, Permits Plus, was purchased in 2002, is antiquated and requires replacement for many reasons, including: an inability to offer web-based public accessibility to information; incapacity to integrate with geographical information systems (GIS); difficulty of use by City staff when initializing a project application or when trying to extract data for important analyses; and inability to facilitate workflow between staff. Code Enforcement and Business Tax, once primary users of Permits Plus, have left the software solution to use applications that better meet the needs of staff and their customers. The integration with ePlan, the electronic plan review system, has been challenging, given that Permits Plus is a non-enterprise database.

On July 19, 2013 staff posted a Request for Information (RFI) regarding the upgrade or replacement to the current Permits Plus system from qualified companies to provide a solution for management of various permit types, including but not limited to those commonly associated with building, planning, business licensing, fire, public works and public utilities. The RFI gathered information from different companies to be used for the Request for Proposals (RFP). A cross-departmental team was formed to evaluate each proposal and attend presentations. The City received seven responses, held four demonstrations and narrowed the firms to three final solutions.

On April 10, 2014 the Community Development Department presented Business Ready Riverside – Permit Tracking Software and Technology Funding to the Utility Services/Land Use/Energy Development Committee (Committee). The Committee unanimously received the report, recommended issuing an RFP and conceptually approved a technology fee to fund the project.

On August 26, 2014 the Community Development Department posted RFP 1470 (Attachment 3) to the top three software providers: Accela, Inc. of Ramon, California for Accela Automation; Computronix (USA), Inc. of Lakewood, Colorado for POSSE LMS; and CRW Systems, Inc., of Carlsbad, California for TRAKiT. Presentations were held between October 14, 2014 and October 16, 2014 for a multiple department user group. The software was rated on proposal content, price and the live demonstration with a total possible score of 300 points (Attachment 4). The resulting scores were:

Company	Solution	Score
Accela, Inc.	Accela Automation	201.61
Computronix (USA), Inc.	POSSE LMS	236.05
CRW Systems, Inc.	TRAKiT	212.65

The rating team gave the highest score to Computronix, Inc. for the POSSE LMS system. This was partially based on the GIS capabilities of storing property information as a space on a map without the limitations of the current or former assessor's parcel number. The team was also confident in the existing relationship and integration capacity of Computronix to provide a seamless integration of ProjectDox (ePlan) to provide staff and customers with one stop solution for permit management.

The Purchasing Services Manager concurs with the recommendation above

#### 5. *Technology Funding:*

On September 8, 2015, the City Council approved an update to the City's User Fees & Charges Study which included a 4% technology cost recovery component that is integrated with fees related to development activity. This recovery component will fund the cost of the General Fund portion of the technology replacement needs for the permit tracking activities of the City. The fee's calculation is based on a six-year cost recovery of the five-year project cost of replacing Permits Plus including the budget for the software licensing, configuration, integration and implementation as well as funding for necessary hardware replacements, ACS/Xerox staffing and mobile devices for field inspection staff.

Category	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Software	\$ 1,307,870					\$1,307,870
Hardware	\$ 276,174	\$ 30,024	\$30,024	\$ 30,024	\$ 30,024	\$396,270
ACS/Xerox	\$ 129,638	\$133,227	\$136,923	\$ -	\$ -	\$399,788
Mobile		\$104,140	\$22,140	\$22,140	\$ 22,140	\$170,560
Total	\$1,713,682	\$ 67,391	\$189,087	\$52,164	\$52,164	\$2,274,488

The revenue associated with the impending implementation fees associated with development activity will generate technology cost recovery revenue over a period of

years, the Finance Department recommends issuance of a capital lease to match the revenue stream to be generated by these fees with the costs associated with paying debt service on the lease. Adoption of a reimbursement resolution will allow for the issuance of the capital lease to be timed so that the timing of debt service payments is roughly in parallel to the generation of revenue, which will ensure that general purpose General Fund revenues are not subsidizing the cost of the system.

## Business Ready Riverside 2.0

On December 2, 2014, Council approved “in concept” the recommended path forward for Business Ready Riverside 2.0. This initiative builds upon the initial Business Ready Riverside strategy and centers largely on customer service and the customer experience, as well as stabilizing and strengthening the staff team. The following is a brief description of each component of Business Ready Riverside 2.0:

- *Stabilize and Strengthen the Team:*

This strategy recognizes the lead-lag factor that occurs between the private and public sectors, respectively, especially in “recovery” periods like the recent recession. The Interim Community & Economic Development Director, in concert with the Community & Economic Development management team, is working with the City Manager’s Office and Human Resources Department to effectively implement a strategy focused on “right-sizing” staff divisions, employee training and retention and the use of temporary contract staff on an as-needed basis to address short-term overflow needs. Recruitments are currently underway to fill several key vacant positions in the Community & Economic Development Department including, but not limited to, the City Planner, Principal Planner, Senior Planner and Associate / Assistant Planners.

- *Right-Sized Regulations & Requirements:*

This strategy seeks to comb through our existing applications, regulations and requirements and clean-up those provisions that are redundant, unnecessary to achieve desired outcomes or no longer make sense; this effort will also expand options for applicants to meet standards. Proposals are being requested from consultants to assist staff in completing a technical and policy analysis of the City’s Zoning Code with an emphasis on comparing the policies contained within the General Plan 2025 to the requirements of the Zoning Code. This effort is anticipated to commence in October 2015. Further, a working group of City staff and customers of the City’s development review process is being established to review and make recommendations to improve the process. Other high-priority clean-up Zoning Code Amendments are being processed by Planning Division staff on a regular basis.

- *Red Carpet Riverside:*

On May 19, 2015, City Council approved the Red Carpet Riverside initiative aimed at enhancing the customer’s overall experience with the City whether on-line or in person. Consistent with the City Council’s Strategic Plan focusing on customer service, Red Carpet Riverside is intended to create a welcoming and professional environment for customers, and leave them with a lasting positive impression of doing business with the Community & Economic Development Department. This customer interface includes two distinct components: the physical environment and the service delivery system. In

addition, the components listed below can be further divided into those items that can be completed in the short term and those that are longer term initiatives that could potentially include a citywide effort and/or impact resources from several Departments within the City or include additional cost considerations.

Staff projects completed include improvements to the lobby, new directional signage, a visible Department's Customer Service guarantee and "Values for Public Service" statement. Additionally a "concierge" staff member makes personal contact with customers in the lobby to assist with sign in, answer general questions, etc. during high volume and peak hours. In process items are with surveys and feedback improvements with the City Manager's Office and Innovation Technology Department's Customer Complement, Complaint and Suggestions system as well as media and marketing that will take place when customer service initiatives are well underway.

- *Riverside Certified Development Professional:*

A number of cities (e.g., Phoenix, Dallas, Las Vegas) have innovative approaches to assisting applicants with their efforts to retain consultants who have successfully navigated the process and deliver quality services. This strategy entails exploring the potential for establishing a system to qualify development professionals and potentially integrating opportunities for self-certification to aspects of planning and building review processes and requirements; it is envisioned that City staff would consult with the Greater Riverside Chambers of Commerce, Building Industry Association and other organizations to further assess this strategy. The City's Building Official is leading this effort.

- *Private Sector Planning & Development Roundtables & Community Development Advisory Group:*

To get feedback on City processes, regulations, customer service and the customer experience, as well as to vet ideas and approaches for improving community development systems and tools, two strategies are envisioned: 1) Private Sector Planning & Development Roundtables whereby customers are invited to a working lunch to share perspectives and lessons learned; and 2) A Community Development Advisory Group whereby a diverse group of people participate in a regularly scheduled meeting to explore and provide candid feedback on ideas and initiatives. Invitation letters for both groups have been mailed and kickoff meetings for each group will be occurring in the near future.

- *"In Retrospect" Learning Conversations:*

Retrospective conversations with project applicants and their consultants, as well as with involved City staff and officials, can yield great insights that lead to improved processes and approaches. The intent of proactively pursuing such conversations is to glean knowledge as to how the City can be a more effective participant in the investment process; not to defend or refute experiences.

- *Exude an Entrepreneurial Spirit:*

A number of entrepreneurial efforts are underway to innovate the way government serves people. This strategy will set forth an interdepartmental approach for extracting best practices from various resources and efficiently integrating them into the systems and

tools of the City. Within the context of community and customer feedback, the Interim Community & Economic Development Director is leading this effort in collaboration with the Chief Innovation Officer and the City Manager's Office. Community and Economic Development and the Innovation Technology Departments recently received a United States Small Business Administration grant for \$50,000 to implement online solutions for helping entrepreneurs start up new businesses.

### **FISCAL IMPACT:**

The costs associated with the replacement permit software project will be funded from the 4% technology cost recovery component added to development-related fees. A capital lease will be issued to match debt service expense for the system with this stream of revenues. Over the life of the system, this revenue is anticipated to fully cover the cost of the project, and no net General Fund budgetary impact is therefore anticipated. Additionally, a share of the project cost is to be funded by the Electric and Water Funds proportionate to their utilization of the new system. The Electric and Water Fund budgets already include appropriated funds for this project, which will be utilized to reimburse the General Fund for a portion of the project cost.

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Certified as to availability of funds:	Brent A. Mason, Finance Director/Treasurer
Approved by:	Al Zelinka, FAICP, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

### **Attachments:**

1. Reimbursement Resolution
2. Professional Services Agreement with Computronix
3. Annual Product Support Agreement for POSSE Clients
4. POSSE One-Time Perpetual Software License Agreement
5. Presentation