



AGENDA REPORT

TO: Jestin D. Johnson
City Administrator


FROM: Erin Roseman
Director, Finance

Tony Batalla
Director, ITD

SUBJECT: Enterprise Electronic Cashiering
System

DATE: May 10, 2024

City Administrator Approval


Jestin Johnson (May 29, 2024 21:05 PDT)

Date: May 29, 2024

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Award A Contract To Citybase Inc., The Lowest Responsive And Responsible Bidder, A Non-Local Business Enterprise, In The Grand Total Not-To-Exceed Amount Of \$1,031,391, Which Includes A Contingency Of Ten Percent, Or \$93,763, For An Initial Five (5) Year Term, From July 1, 2024 To June 30, 2029, And To The Extent Necessary, Waiving The Local/Small Local Business Enterprise Program Requirements For Information Technology Agreements.

EXECUTIVE SUMMARY

Staff recommends the City Council adopt a Resolution authorizing the City Administrator the authority to contract with Citybase, Inc., for the upgrade and replacement of the City's enterprise authorized payment system and waive the local/small local business enterprise program requirements for information technology agreements.

BACKGROUND / LEGISLATIVE HISTORY

The City's current electronic payment provider, Active Network, has been with the City since 2006 and was authorized by [80229](#) C.M.S. Given the age and security vulnerabilities with the current system, the Departments of Finance and Information Technology (ITD) jointly undertook a Request for Quote (RFQ) process to competitively seek a new system for the City (RFQ Number 271255).

Prior to releasing RFQ Number 271255, the departments worked jointly to identify the exact needs and specifications of the system. They included in the bid a request for Oracle support to assist the City with integrating the new system into the City's existing enterprise financial system.

Finance & Management Committee
June 11, 2024

The RFQ process resulted in five (5) bids, all from non-local businesses. Based on the information provided in the responses, and the evaluation criteria outlined in the RFQ, the City determined that Citybase, Inc., was the lowest responsive and responsible bidder, and subsequently issued a notice of intent to award letter on March 28, 2024.

With this project, the City will be implementing a cloud-hosted, fully integrated electronic cashiering and point-of-sale system. The primary goals of this system are to improve the overall government experience and provide secure, reliable, revenue management for the City. This system will be fully integrated with Oracle, customizable, user friendly, and delivered as a hosted Software-as-a Service (SaaS solution). Additionally, the solution will utilize the latest technology, allowing for low touch and no touch transactions, accepting contactless and digital online payment methods and on-premises credit card transactions and will meet all Payment Card Industry (PCI) compliance payment standards. PCI compliance is an established set of technical and operational standards businesses follow to secure and protect credit card data.

Based on the collaborative work of the Finance and ITD departments and critical program stakeholders, staff recommends entering a contract with Citybase, Inc. for the implementation and ongoing licensing and maintenance of this critical City platform.

ANALYSIS AND POLICY ALTERNATIVES

The City has a vested interest in the functionality, capacity and reliability of our technology systems, and these platforms require continued examination to determine viability for staff and resident access, as well as security compliance for the City.

The version of the current platform that the City uses no longer meets all industry-standard security compliance measures. Additionally, rather than being hosted in a cloud-based environment, the data from this older system is being transferred and stored on servers located offsite/cloud-hosted with a Windows 2019 operation system. The City expects to fully decommission this environment as part of this project.

At a minimum, the selected electronic cashiering solution will provide the following:

1. Fully integrated payment system.
2. Fully integrated cloud-based SaaS Solution system.
3. A complete and total Payment Card Industry Data Security Standards compliant solution with enhanced security to control fraud risk.
4. Real-time data and reporting.
5. Demonstrated significant transaction volume capacity to handle the volume of a City the size of Oakland.
6. Accept all major browsers.
7. Work in a mobile-friendly environment (including mobile phones and iPads).
8. Fully centralized cashiering.
9. Allow for multiple payment methods.
10. Reduce the burden on external users, including such functions as ease of use, the ability to create accounts, pay across multiple City applications simultaneously, and save carts in progress.

Because the City's current system no longer meets the needs of a secure, cloud-hosted system, an upgrade is both urgent, and required. This proposed policy would allow Finance and ITD to enter a contract with Citybase Inc. to implement a new, modern payment system for the City of Oakland. If this proposed resolution is not approved, the City will be operating with a system that is not security compliant and will be at risk for functionality issues. Finance and ITD's ability to jointly work together to upgrade and implement this new software platform will help sustain the Citywide priorities of a **vibrant, sustainable infrastructure and responsive, trustworthy government**. When software solutions are not delivered securely, timely, and efficiently, departments and the residents who rely on those applications are impacted. By ensuring business continuity, this policy enables the endurance and functionality of platforms that help ensure the City is running effectively.

Waiver of Local Business/Small Local Business Program Utilization Requirement Justification

The Local/Small Local Business Enterprise (L/SLBE) Program, Ordinance No. 13647 C.M.S., requires a minimum fifty-percent (50%) participation for all professional service contracts valued at or over fifty thousand dollars (\$50,000) when there are at least three certified businesses listed in the industry, trade, or profession that constitutes a major category of work; and if at least three L/SLBEs are not certified, then the requirement is either waived, or the 50% requirement may be set at a percentage from 50 % to 0%, but not less than 20% if at least one L/SLBE is certified and available. However, the Council may, in its discretion, waive the requirements of the L/SLBE Program.

Through an open RFQ process, staff has determined there are no LBE/SLBE providers capable of both selling and implementing an electronic payment solution that meets the City's needs. Therefore, the staff recommends that the Council waive the Local Business/Small Local Business utilization program requirement for this project.

FISCAL IMPACT

Adoption of this proposed resolution will authorize the City Administrator, or designee, to negotiate and execute a professional services agreement with Citybase Inc. to provide an electronic cashiering system in an amount not to exceed one million thirty-one thousand, three hundred ninety-one dollars (\$1,031,391) for a term of five-years beginning July 1, 2024, and ending on June 30, 2029.

Funding for the first year of the proposed contract is available in the Finance Department's Fiscal Year (FY) 2023-2024 Adopted Budget in the following funding source:

Table 1: Funding Sources

Fund	Organization	Project	Account	Program	Amount
4600 – Information Technology	08721 – Treasury Operations	1004391 – Finance Operating Systems	54930 – Services: Professional	IP59 – Financial Management	\$200,000
Total Funding					\$200,000

Funding for the outgoing years is slated to be paid out of the Informational Technology internal service fund (4600) in the Finance Department budget utilizing the on-going funding for financial operations systems, but still subject to funding availability in future budget cycles.

This proposed resolution does not impact the General Purpose Fund (1010) or request for additional appropriations.

COORDINATION

This report and legislation have been reviewed by the Office of the City Attorney, the Controller's Bureau, and the City Administrator's Office.

SUSTAINABLE OPPORTUNITIES

Economic: Ensuring that robust and cost-effective enterprise systems and platforms are available to City staff for daily use and residents as their business with the City touches related applications. Maintaining existing systems appropriately is the most efficient solution for the City.

Environmental: Enterprise IT solutions focus on digital transactions that reduce the need for traditional printing and copying. Ensuring the City's applications, databases, software solutions, including revenue-generating payment platforms, are robust and functioning well give staff confidence in using these electronic tools.

Race & Equity: The IT Department must ensure that City Staff have the systems and services necessary to provide critical services to the community in support of racial equity goals to address disparities. Failing to maintain robust infrastructure and services can negatively impact City Staff's ability to provide these services to the community.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Award A Contract To Citybase Inc., The Lowest Responsive And Responsible Bidder, A Non-Local Business Enterprise, In The Grand Total Not-To-Exceed Amount Of \$1,031,391, Which Includes A Contingency Of Ten Percent, Or \$93,763, For An Initial Five (5) Year Term, From July 1, 2024 To June 30, 2029, And To The Extent Necessary, Waiving The Local/Small Local Business Enterprise Program Requirements For Information Technology Agreements.

For questions regarding this report, please contact Erin Roseman, Finance Director, at eroseman@oaklandca.gov, or Tony Batalla, Information Technology Director, at tbatalla@oaklandca.gov.

Respectfully submitted,


Erin Roseman (May 28, 2024 10:46 PDT)

ERIN ROSEMAN
Director, Department of Finance


Tony Batalla (May 28, 2024 10:52 PDT)

TONY BATALLA
Director, Information Technology Department