TO:	Steven Falk Interim City Administrator	**FROM:**	Andrew C. Peterson Chief Information Officer
SUBJECT:	OutSystems Subscription Agreement	**DATE:**	May 11, 2020

City Administrator Approval		Date:	5-12-2020

RECOMMENDATION

Staff Recommends That The Council Adopt A Resolution Authorizing The City Administrator Or Designee To 1) Enter Into A Five-Year Subscription Agreement With Outsystems To Provide A Rapid Application Development Platform And Software In An Amount Not To Exceed Three Hundred Two Thousand Dollars ($302,000.00) Per Year For The Period Beginning June 1, 2020 Through May 31, 2025 For A Total Contract Amount Not To Exceed One Million Seven Hundred Seven Thousand Three Hundred Seventy-Five Dollars ($1,707,375) Which Includes A 20% Contingency In The Amount Of Two Hundred Eighty-Four Thousand Five Hundred Sixty-Two Dollars ($284,562) and 2) Waive Competitive Bidding, Advertising And Request For Proposals/Qualification Process And Local Small Local (L/SLBE) Enterprise Program Requirements

EXECUTIVE SUMMARY

OutSystems is a Rapid application development Platform used by the Information Technology Department to provide successful end-to-end digital transformation solutions designed to reduce inefficiency, increase agility in digital operations, and most importantly greatly expand digital access to City services to residents. While OutSystems provides a "SaaS" (Software as a Service)[1] option, the City of Oakland uses the "On-Premise" version of the product which is subscription based and allows the City to maintain full control of the complete system and all data collected within the application. It allows for easy integration with other City platforms, application and databases, and the ability to upgrade without vendor approval or authority. Additionally, maintenance and support are included in the annual licensing fees. The goal is to deliver to City Departments and the residents we serve, applications that are readily accessible and provides efficient and engaging online experiences for services provided by the City of Oakland.

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[1] Software as a service (SaaS) is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. It is sometimes referred to as "on-demand software", and was formerly referred to as "software plus services" by Microsoft.

BACKGROUND / LEGISLATIVE HISTORY

Prior to implementing the Outsystems platform in 2017, the City struggled with cumbersome and costly legacy systems that were inefficient and difficult to enhance and maintain. This coupled with an understaffed custom application development team (5 developers), caused a significant backlog in ITD's application development requests, in many cases resulting in 2-3 years delays in fulfilling requests. Additionally, the lack of standardization in platforms across the City allowed for Departments to make independent software and hardware purchases that that were not supported by ITD, and not integrated to existing City systems resulting in a lack of data integration/synergy and additional vendor costs for implementation and maintenance support.

The Information Technology Department implemented use of OutSystems technology in 2017. The solution provides a low-code platform with a vision to transform how enterprise software/Applications are delivered. The company OutSystems has been around since 2001 and today, they are recognized as a market leader in low-code platforms with offices around the world and over 1200 customers in 60 countries.

Since the implementation of OutSystems, ITD has effectively and efficiently developed many applications citywide, both externally and internally facing. The use of OutSystems has proven beneficial by allowing ITD to assist many Departments in automating many of their processes at a significantly lower cost of implementation and ongoing maintenance versus utilization of outside vendors, resulting in significant annual savings for the City.

ANALYSIS AND POLICY ALTERNATIVES

OutSystems Platform

OutSystems dramatically accelerates the development of secure applications, and their deployment in a secure runtime environment. It has built-in application lifecycle management capability that promote a clear assignment of responsibilities in the development operation processes, laying the foundation for a secure Software Development Lifecycle. To ensure high-security standards for generated applications, OutSystems provides security assessment tools as part of its product release. It has helped the City of Oakland IT Department reduce application backlogs significantly, slash development costs, and streamline operational processes and workflows.

Since the implementation of OutSystems ITD has been instrumental in providing application development services across the City in many Departments (Table 1). By developing user friendly applications, the City is able to provide fast, accessible and reliable service to residents of Oakland.

TABLE 1 OutSystems Applications

Department	Application	Description
Oakland Police Department	VISION (CIO 100 Award - 2020)	NSA mandated Early Intervention System (EIS)
Oakland Police Department	OPD Human Resource Management	Personnel Application
Oakland Police Department	National Night Out	National Night Out Registration and Tracking
Oakland Police Department	State mandated Stop Data collection and reporting	OPD CAD stop Data Reporting
Human Resources Management	LEAD	Citywide Learning Management System
Department of Housing	Housing Case Management	Provides the ability for the Housing department to initiate and manage ongoing resident housing related cases
Department of Housing	RAP Adjustment Program	Tenant/Owner Rent dispute case management system
Oakland Fire Department	Fire Apparatus	Track disposition and maintenance status of OFD equipment
Public Ethics Commission	Lobbyist Registration	Lobbyist Registration /Reporting
Planning and Building Department	Digital Inbox (Mail Box)	Send, receive and track document with Citizens
Planning and Building Department	Kiosk -- Microfiche search	Search, View, and Download Microfiche documents
Office of the City Administrator	Employment Investigation and Civil Rights Compliance/Title VI (EICRC)	
Office of the City Administrator	Contract Compliance and Grants	Process, track Contracts with city depts.
Office of the City Administrator	Taxi Cab Registration	City of Oakland Taxicab Registration
Information Technology Department	Technician Stand By On Call list	Staff Standby Tracking
Finance Department	Combined Charities Campaign	Annual city campaign to raise funds in support of numerous charities
City Council	Constituent Management Application	Developed to allow Councilmembers to track and manage interactions with constituents on a per district basis
Citywide	OAK APPS (CIO 100	Core framework for enabling

	Award – 2019)	digital delivery of services across City departments
Citywide	OAK PSPS	Public Safety Power Shut down issue tracking
Citizen Police Review Agency (CPRA)	Community Police Review Agency (Government Innovation Award - 2019)	Application allows submission and case tracking of resident complaints related to police operations

CIO 100 Award

For the second consecutive year, the City of Oakland is being recognized as a leader in technology innovation. This honor is bestowed upon those organizations that stand out in the world of Information Technology. The CIO 100 Award is an acknowledgment of enterprise excellence in business technology, awarded to IT organizations for driving business value through technology innovation. Last year, the City of Oakland received the CIO 100 Award for its innovation in developing the OAK APPS digital application delivery framework, a user-friendly web-based portal for accessing resident facing applications, allowing for secure and private access to City services.

This year (2020) the City is being recognized for its development of VISION - a Performance Assessment and Risk Management solution. Developed in collaboration with a couple of key vendors, the Information Technology Department, and the Oakland Police Department in response to one of the NSA mandated requirements worked to implement the VISION application. Traditionally these systems are called Early Intervention Systems (EIS) however, VISION goes beyond a traditional EIS by providing a comprehensive view of an officer's activities – past, present, and probable future behaviors. With VISION, the analysis of all aspects of conduct and performance at each level of the organization, from the individual officer, squad, area, and division to the entire Department. This new capability allows the Department to effectively assess its performance and develop data driven policies and procedures to deter misconduct and promote desired behaviors.

Both OAKAPPS and Vision are applications created using the OutSystems platform. Staff recommends that City Council approve the renewal of the OutSystems subscription.

Multi-Step Proposal Solicitation Process Requirement Waiver Justification

ITD implemented the use of OutSystems in 2017; many of the applications created Citywide since that time operate using the OutSystems platform, including the Oakland Police Department Negotiated Settlement Agreement personnel management system, VISION. The impact to the performance of all City applications created using the OutSystems platform would be disruptive to service delivery and very costly to the City. Bringing in new vendor would require staff to revise, rebuild, and reimplement established applications to meet specifications of a new vendor.

Oakland Municipal Code (OMC) Section 2.04.042 requires a multi-step proposal solicitation process. However, OMC Section 2.04.042 D. permits the Council to waive this requirement upon a finding and determination that it is in the best interests of the City to do so. OutSystems is the existing City rapid application development vendor and has demonstrated that they can provide the necessary services the City requires. For the reasons outlined above, staff finds that it is in the City's best interest to waive the competitive bidding process and enter into a subscription agreement with OutSystems.

FISCAL IMPACT

Approval of this resolution will result in no fiscal impact to the General Fund. Funding for this project for year 1 and year 2 was budgeted as part of the Department's biennial operations and maintenance costs. Funding for years 3 through 5 will be part of future biennial Budget processes. All will be drawn from Information Technology Internal Service Fund (4600) for the life of the subscription.

Multiyear pricing is as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5	
Platform	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	
Users (2500 internal)	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	
Users (10k external)	$ 120,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000	
Add'l Environment	$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000	
Subtotal	$ 354,000	$ 354,000	$ 354,000	$ 354,000	$ 354,000	
*Discount	24.3%	22.0%	19.7%	17.3%	14.8%	TOTAL
Sub-Total	$ 267,966	$ 276,040	$ 284,321	$ 292,850	$ 301,636	$ 1,422,813
20% Contingency						$284,562
Total						$1,707,375

In an effort to ensure contingency funding is available to address additional users or other unforeseen expenses staff is adding 20% costs in the amount of $284,562, for a total contract amount of $1,707,375.

COORDINATION

Staff coordinated with the Office of the City Attorney and the Budget Office in preparing this agenda report.

SUSTAINABLE OPPORTUNITIES

Economic: By continuing to use the OutSystems platform, ITD can effectively develop citywide applications at a fraction of the cost of hiring an outside vendor, thereby saving the City costs to the general fund on outside maintenance and implementation costs.

Environmental: There are no environmental opportunities identified in this report.

Race & Equity: By building efficient, user friendly, and effective applications across all city departments, ITD indirectly contributes to ensuring that all residents of the Oakland have access to City services online via OutSystems based applications.

ACTION REQUESTED OF THE CITY COUNCIL

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For questions concerning this report, please contact IFEOMA OLIKE, INFORMATION SYSTEMS MANAGER II, (510) 238-7980.

Respectfully submitted,

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