



AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Erin Roseman
Finance Director

SUBJECT: OpenGov Software Contract

DATE: November 28, 2023

City Administrator Approval


Jestin Johnson (Nov 29, 2023 21:49 PST)

Date: Nov 29, 2023

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution to:

- (1) Award A Contract To OpenGov, Inc. In An Amount Not To Exceed \$2,100,000 For A Four-Year Term From January 1, 2024 To December 31, 2027 To Continue Providing Cloud Software Services For Online Budget Book And Add Forms & Workflows Module; And**
- (2) Waive The Competitive Multiple-Step Solicitation Process Required For The Acquisition Of Information Technology Systems And Waive The Local And Small Local Business Enterprise Program Requirements**

EXECUTIVE SUMMARY

Approval of this proposed resolution will authorize the City Administrator to enter into a contract for cloud software services with OpenGov, Inc. for an amount not to exceed two million one hundred thousand dollars (\$2,100,000) through December 2027, which includes annual licenses, configuration, support, training, and enhancements for the OpenGov application for the next four years.

In November 2020, the Finance Department contracted with OpenGov, Inc. to provide budgeting software and transparency tools. The software system project successfully completed the implementation of the Reporting and Transparency platform, which hosts the City of Oakland's biennial and midcycle budgets.

The OpenGov software system will add value to the development and management of the City's budget process, financial reporting, and Performance Measures. Specifically, OpenGov is needed to provide better workflow, management, interdepartmental collaboration, and transparency. The system currently serves as a single point of access and information of the City's budget.

BACKGROUND / LEGISLATIVE HISTORY

OpenGov is the leader in modern government software, serving more than 1,600 public agencies across the country. Their software suites are built to meet the unique needs of the public sector, including budgeting, permitting and licensing, procurement, and asset management. The OpenGov application streamlines the business of government, drives collaboration, and promotes transparency.

In November 2020, the Finance Department contracted with OpenGov, Inc. through Cooperative Agreement pursuant to Oakland Municipal Code (“OMC”) Section 2.04.0808, which states that supplies or services may be purchased through legal contracts of other governmental jurisdictions or public agencies through an appropriate competitive process. The City of Oakland piggybacked off of the City of Milpitas, which completed a Request for Proposal (RFP) process and executed a professional services agreement with OpenGov, Inc. in 2019. The contract included the implementation of the OpenGov Reporting and Transparency Platform, Online Operating Budget Book, and Operating Budget and Workforce Planning modules.

ANALYSIS AND POLICY ALTERNATIVES

The acquisition of a cloud software is essential to ensure that staff can manage, and efficiently maintain visibility on the budget and its processes, and to serve as a repository for past budgets and associated data. This need becomes even more critical to the operation of the Finance Department as it relates to the operating and CIP budget.

The OpenGov reporting and transparency platform hosts Oakland’s budget books, successfully implemented in May 2020. The Biennial Fiscal Year (FY) 2021-23 Budget Book was online for the first time, which made the data interactive and accessible for City staff, decision-makers, and community members. They were able to focus on specific data points like fund, department, expense type, or any combination thereof at their fingertips without requesting additional reports, waiting for manual updates, or recreating graphs and tables. The application builds trust with Oaklanders by opening up the data for analysis and allowing full transparency. Oakland’s first online budget book received the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award. The subsequent Midcycle FY 2022-23 and Biennial FY2023-25 budget books were also developed and published in OpenGov.

Staff saved several days and pounds of paper and printing costs by publishing an online budget book. Editing and updating the book was instantaneous and simple with a click of a button. If OpenGov is not awarded the new contract, the last three budget books would no longer be accessible online. Staff will have to revert to hardcopy budget books, each biennial book being roughly 650 pages, or find another vendor that’s able to meet the requirements of the City and provide similar services.

Part of the initial contract was financial integration with the City’s Oracle Financial System, but the project was delayed at the recommendation of the Information Technology Department. The Oracle Financial system is in the process of moving from old on-premise old, hardware, to a remote cloud service. Once the system is in the cloud, integration will allow for easily

accessible reporting like budget-vs-actuals and convenient dashboards for non-financial professionals. Oracle cloud transition is tentatively scheduled to be completed in March 2024.

The new Forms & Workflows module implementation is scheduled to start after the contract is fully executed and is estimated to be completed within 6 months. The drag-and-drop interface in OpenGov allows the Finance Department to manage department submissions related to budget development and, more importantly, the new Performance Measure process introduced in the last budget. It will flow from intake to reviews, assigning steps to the next in line so that staff can focus on the content rather than clerical management. The module allows for better interdepartmental collaboration and internal transparency within the budget development process.

The software services contract totals roughly \$1.8 million over the next four years. Finance has included a contingency of \$300,523, to account for any changes or additions needed for the Oracle financial integration or the Forms & Workflows platform implementation, for a total of \$2.1 million.

Waiver of competitive multiple-step solicitation process for the purchase of computerized or IT systems and the Local Business/Small Local Business Utilization Requirements

OMC Section 2.04.042.B requires staff to conduct a multi-step proposal competitive solicitation process for the procurement of computerized/information technology systems, and OMC Section 2.04.042.D permits the Council to waive the multi-step proposal solicitation competitive selection requirement upon a finding and determination that it is in the best interests of the City to do so.

Staff recommends that, pursuant to OMC Section 2.04.042 D, the City Council finds and determines that it is in the best interests of the City to waive the multi-step proposal solicitation competitive selection requirement for the above Information Technology purchase and expenditures.

To pivot to a different software system would cause significant disruption to years of hard work conducted by staff to manage the implementation of the software and to what has become a core functionality for the Budget Bureau. The last three online budget books will no longer be accessible if we do not contract with OpenGov, Inc.

Ordinance number [13640 C.M.S.](#) and [13647 C.M.S.](#) requires a minimum 50-percent (50%) Local Business Enterprise/Small Local Business Enterprise (“LBE/SLBE”) participation for all purchase of commodities, goods, and associated services for contracts valued at or over fifty thousand dollars (\$50,000) when there are at least three certified business listed in the industry, trade, or profession that constitutes a major category of work. However, the Council may waive the City’s LBE/SLBE requirements due to a lack or limited availability of LSBEs or LBEs and because it is in the best interests of the City to do so.

Staff has not been able to identify any of the certified LBE/SLBEs that can perform the services to the City that are required under this contract to maintain critical financial services. Thus, staff requests that the Council waive the LBE/SLBE utilization requirements for this proposed contract award on this basis and because it is in the best interests of the City to do so because of the reasons discussed in this report.

This contract advances the Citywide priority of fostering a responsive, and trustworthy government by allowing for the more rapid production of budget documents, facilitating real-time language translation of those documents, and allow the public to view and explore the data underlying budgetary documents.

FISCAL IMPACT

Approval of this proposed resolution will authorize the City Administrator to enter into an agreement with OpenGov, Inc., in an amount not to exceed \$2,100,000.00. Funding for this contract was included in the biennial budget for FY 2023-25 in the Information Technology Fund (4600), Finance and Management: Administration Organization (08111), and Finance Op Systems Project (1004391). In future years of the contract, appropriations will be included in the budget contingent upon the availability of funding and Council adoption.

A breakdown of the annual project costs and contract value cost are included in **Table 1** below.

Table 1: Project Cost Summary Breakdown

Product/ Service	1/1/24- 12/31/24	1/1/25- 12/31/25	1/1/26- 12/31/26	1/1/27- 12/31/27	TOTAL
OpenGov Online Budget Book	\$246,746.00	\$259,083.30	\$272,037.46	\$285,639.34	\$1,063,506.10
OpenGov Forms & Workflows	\$170,754.00	\$179,291.70	\$188,256.29	\$197,669.10	\$ 735,971.09
Contingency					\$ 300,522.81
TOTAL	\$417,500.00	\$438,375.00	\$460,293.75	\$483,308.44	\$2,100,000.00

PUBLIC OUTREACH / INTEREST

No outreach was needed for the adoption of this resolution.

COORDINATION

The Office of the City Attorney reviewed the Report and Resolution to form and legality.

SUSTAINABLE OPPORTUNITIES

Economic: No economic opportunities are identified in this report.

Environmental: No environmental impacts or opportunities are identified in this report.

Race & Equity: No race and equity opportunities are identified in this report, nor was a racial equity analysis performed. The OpenGov software does allow for in-page translation to many languages which may improve informational access in non-English speaking communities.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution to:

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For questions regarding this report, please contact Brad Johnson, Budget Administrator, at (510) 207-5730.

Respectfully submitted,



[Erin Roseman \(Nov 29, 2023 16:45 PST\)](#)

ERIN ROSEMAN
Finance Director, Finance Department

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Budget Bureau