



## Agenda Report

20-607

Agenda Date: 9/29/2020

### REPORT TO COUNCIL

#### SUBJECT

Action on an Amended and Restated Agreement with ECS Imaging, Inc. for the Purchase, Implementation and Support of the Laserfiche Enterprise Document Management System [Council Pillar: Deliver and Enhance High Quality Efficient Services and Infrastructure]

#### BACKGROUND

In FY2016/2017, the City issued a Request for Proposal for the procurement of both an enterprise document management system as well as an agenda management system. Granicus was selected as the provider for the agenda management system and ECS, Imaging, Inc (ECS) for the purchase and implementation of the Laserfiche Enterprise Document Management System.

The Laserfiche EDMS is a unified software solution with configurable options that work together to streamline business processes as City departments move to digitize records. It allows the City to digitize records in each department, catalogue each document by the information contained in the file, align the document with the City's adopted retention schedule, and improve internal collaboration on documents and projects. System implementation involves evaluating existing business processes, working with stakeholders from different departments, allocating staff resources, and implementing the technology wisely to achieve desired operational efficiencies.

As the City moved forward with implementation, several factors impacted the implementation of the EDMS system. First, the type and prioritization of projects shifted dramatically - especially in light of COVID-19 that accelerated the need for online services in a remote work environment.

Second, competing priorities of related, but separate projects, such as NextRequest (a public records management system) and the Legal Service Request Form (an online collaboration tool for the legal review of City documents) required the reallocation of limited staff resources. As the project progressed, the City experienced turnover in several key positions that also impacted the implementation schedule.

The original agreement with ECS expired on April 30, 2020. Rather than amend the original agreement, it was determined that a restated agreement was needed to reflect the shift in priorities, the number of software licenses required and the extension of term. The purpose of this report is to request authorization to enter into a restated agreement with ECS that would allow for these proposed changes.

#### DISCUSSION

As per the original plan, the Laserfiche core system has been successfully implemented.

Some of the tasks already completed include:

- City Attorney's Office Legal Service Request Form and Process
- Processes supporting COVID-19 such as Employee Remote Access which enabled employees to sign up for remote access using their own devices
- Emergency Rental Assistance Program which provided an online form and process for families in need to use to apply and receive rental assistance.
- The City has also made great strides converting records from the previous SIRE document management system to Laserfiche EDMS.

However, full system implementation has taken longer than anticipated due to concurrent software implementation impacting staff resources such as Granicus Legistar (implemented in March 2018) and the NextRequest public records management system (implemented in October 2019), as well as new service requests to streamline department-specific internal processes.

One example of this new service request was the Legal Service Request Form - an online collaboration tool to facilitate the electronic review of legal documents between City Departments and the City Attorney's Office which has now become an even more critical need as employees have transitioned to a remote work environment as a result of COVID-19.

With the projects that have been completed to date, the City has already deployed almost all of the initial 200 licenses purchased. As a result, the City is constrained in its ability to expand and adopt the system citywide. The accelerated and ongoing shift to a work from home remote model has only heightened the need to digitize records and eliminate paper whenever possible.

The Laserfiche EDMS provides the City great opportunities to streamline processes. These opportunities are wide-ranging in their scope and staff is tasked with prioritizing needs and managing costs. Under the proposed agreement, staff has identified the following business priorities:

- Records Management - To streamline records management and enhance efficiencies in the review, search, retrieve, and edit of records.
- Public Records - To provide for public access to documents reducing the frequency of public records act requests.
- Contracts Management - This is a cross-departmental effort to manage city contracts throughout their lifecycle and incorporate electronic signatures.
- Accounts Payable Invoice Approval - To eliminate manual processes and create a workflow for receiving invoice submittals, routing them to the appropriate department for electronic approval, and integrating with PeopleSoft Financials for payment.
- Forms and Workflow - To create electronic forms available to the public and staff to be filled out on any device including electronic signatures where needed. The data collected from the forms will be routed for further processing.
- Scanning Automation and Indexing - Utilize Laserfiche tools to review scanned documents to perform separation and automatic extraction of metadata.

The term of the 2017 Agreement was May 11, 2017 through April 30, 2020, with a maximum compensation of \$534,939, as shown in the table below.

### 2017 Agreement Maximum Compensation

One-Time Software License Fee (200 users)	\$186,757.00
Software Support and Maintenance Services	\$188,682.00
Professional Services	\$144,500.00
Subtotal	\$519,939.00
Contingency	\$15,000.00
<b>Maximum Compensation</b>	<b>\$534,939.00</b>

During the week of March 16, the County of Santa Clara issued a COVID-19 Order requiring various workplace actions, including the prohibition of social gatherings resulting in the need to immediately implement remote City Council meetings. This was a tremendous workload during March/April and was successfully completed by the same staff responsible for monitoring the Agreement end date. Maintaining and expanding citywide remote meetings has taken priority and over the recent weeks staff was able to complete the necessary reports to present for Council consideration. Particularly, City Clerk staff has been focused on shifting City Council and Board and Commission meetings to zoom (including training staff citywide), absorbed the doubling of Public Records Act requests when compared year-to-year, and supporting the City's needs Council candidates for four open Council Districts, two elected Officials, and a City tax measure. Accordingly, these duties were prioritized to meet noticing and legal deadlines.

Rather than amend the 2017 Agreement, staff recommends entering into an amended and restated agreement due to changes in the scope of work, with the initial term retroactive to May 1, 2020 and ending on April 30, 2023. The restated agreement would allow the City to procure additional professional services to complete system implementation and fulfill specific service requests by department staff and purchase additional software licenses including ongoing support and maintenance services. In addition, staff recommends authorizing the City Manager to execute up to seven (7) one-year options to extend the term of the agreement through April 30, 2030 at the sole discretion of the City and assuming all options are exercised, and subject to the appropriation of funds to allow continuity of the platform.

The amended and restated agreement would have two major components as follows:

#### Professional Services

A maximum compensation of \$400,000 for professional services during the initial term ending April 30, 2023 to undertake the business transformation projects described above in this report. Actual projects or assigned work will be issued by service orders pursuant to the terms of the amended and restated agreement.

#### Software

Under the 2017 Agreement, 200 perpetual software licenses were purchased. Staff anticipates purchasing up to 300 additional software licenses (for a total of 500). Additional software purchases will be made incrementally via purchase orders when they are required to prevent over buying licenses that are not utilized. The table below illustrates the current and potential cost to the City.

Software Cost	Current (200 Licenses)	Proposed (300 additional licenses for a total of 500) <sup>1</sup>
One-Time Software License Fee (300 additional licenses)		\$207,000
Annual Software Support and Maintenance Services	\$51,510	\$92,910

<sup>1</sup>Unit cost is subject to price adjustments not to exceed 3% annually after April 30, 2023, subject to the approval of the City.

In order for the City to continue its work on key priorities identified in the fit-gap assessment conducted with all City departments, it is recommended that the City proceed with the procurement of additional software licenses and support services.

### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Furthermore, the action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

### **FISCAL IMPACT**

The initial term of the Amended and Restated Agreement is retroactive to May 1, 2020 and ends on April 30, 2023 with an option to extend up to seven additional one-year terms through April 30, 2030. The not-to-exceed compensation for Professional Services in the initial term is \$400,000, subject to budget appropriation.

In addition to Professional Services, the Agreement includes a component for the City to purchase up to 300 additional licenses totaling \$207,000 in one-time software license fees, which would also increase the annual software support costs by \$41,400 (from \$51,510 to \$92,910). Additional software purchases will be made incrementally when they are required and depending on the actual need. Staff anticipates purchasing approximately 75 to 100 additional licenses in FY 2020/21.

The Adopted FY 2020/21 and FY 2021/22 Biennial Capital Improvement Program Budget includes \$500,000 in the Agenda and Document Management Systems CIP Project. Of that amount, \$400,000 is available for Professional Services and \$100,000 for licensing costs, which would be sufficient to cover the additional licenses expected in FY 2020/21. Staff will incorporate the necessary additional costs in future budget development processes should funding allow.

### **COORDINATION**

This report has been coordinated with the Finance Department and City Attorney’s Office.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

### **RECOMMENDATION**

1. Authorize the City Manager to negotiate and execute the Amended and Restated Agreement with ECS Imaging, Inc. for the Laserfiche Enterprise Document Management System for a term retroactive to May 1, 2020 and ending on April 30, 2023 with a not-to-exceed maximum compensation of \$400,000 for professional services, and execute up to seven (7) additional one-year options to extend the term through April 30, 2030, subject to the appropriation of funds.
2. Authorize the City Manager to execute purchase orders and/or required order documents with ECS Imaging, Inc. for the purchase of up to 300 additional software licenses and annual software support and maintenance services through April 30, 2030, subject to the appropriation of funds and the terms and conditions of the Restated Agreement with ECS Imaging, Inc.
3. Authorize the City Manager to negotiate and execute amendments to cover any unanticipated system and/or service requirements as required by the City, subject to the appropriation of funds.

Reviewed by: Nora Pimentel, Assistant City Clerk

Reviewed by: Gaurav Garg, Director of Information Technology/CIO

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. 2017 Agreement with ECS Imaging, Inc.
2. Amended and Restated Agreement for Services with ECS Imaging, Inc.