



## Agenda Report

19-546

Agenda Date: 6/25/2019

### REPORT TO COUNCIL

#### **SUBJECT**

Action on Amendment No. 2 to Master Agreement with Questica, Inc. for Budget and Financial Planning System

#### **BACKGROUND**

In August 2014, the City Council authorized the City Manager to execute a master agreement with Questica, Inc. for a new budgeting software. Questica was originally selected through a competitive process and currently provides the City with a hosted software service that allows for the development and monitoring of the City's budget.

In November 2016, the City executed Amendment No. 1 to the Agreement to migrate the budget software from on-premise to cloud-based hosting. The current master agreement will expire on June 30, 2019.

#### **DISCUSSION**

The original agreement with Questica included fixed pricing for software, maintenance and support, hosting, and professional services for custom software development and as-needed support services. Amendment No. 2 maintains the current number of software licenses and software maintenance, support and hosting services.

Amendment No. 2 also incorporates an open data portal which allows the sharing of budget information on the City's website in an interactive way with dynamic dashboards and a Municipal Fee Schedule into the budget system. Currently, the Municipal Fee Schedule is published using Microsoft Excel spreadsheets that require departments to manually review and update user fees. The incorporation of a municipal fee module into the budget system would allow for more collaboration of fee-related cost and revenue data elements into a central system and for a more efficient production of the Municipal Fee Schedule publication.

The current agreement with Questica has a total not-to-exceed amount of \$521,000. Amendment No. 2 increases compensation by \$356,038 for a revised not-to-exceed maximum compensation amount of \$877,038. The term of Amendment No. 2 is five years, ending on August 25, 2024. The fixed pricing maintenance, support, and hosting costs during the amendment period includes a 2% annual escalation provision; thus, capping the City's exposure to unexpected or unreasonable price increases.

#### **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**

Amendment No. 2 includes a one-time cost of \$42,000 to incorporate a Municipal Fee Schedule into the system, extends the term of the agreement through August 25, 2024 and increases compensation by \$356,038 for a revised not-to-exceed maximum compensation amount of \$877,038.

Funding for years 1 and 2 of this agreement is included as part of the Proposed Fiscal Year 2019/20 and 2020/21 Biennial Operating Budget in the Finance Department Contractual Services account. The one-time cost to implement the Municipal Fee Schedule is expected to be absorbed by the Finance Department General Fund budget or Capital Improvement Project 6501 - FHRMS Update Project. Additionally, the City’s funding of this Agreement is subject to annual appropriations and will be considered as part of future years’ budget development process beyond fiscal year 2020/21.

### **COORDINATION**

This report has been coordinated with the 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**

Authorize the City Manager to execute Amendment No. 2 to the Master Agreement with Questica, Inc. to extend the term of the agreement through August 25, 2024 and increase compensation by \$356,038 for a total maximum amount not-to-exceed \$877,038 for Budget and Financial Planning System.

Reviewed by: Angela Kraetsch, Director of Finance

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Amendment No. 2 to the Agreement with Questica, Inc.