



CITY OF LONG BEACH

DEPARTMENT OF TECHNOLOGY AND INNOVATION

333 WEST OCEAN BOULEVARD • LONG BEACH, CA 90802 • (562) 570-6455 • FAX (562) 570-5270

July 14, 2015

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager to execute a Master Agreement with Open Counter Enterprises, Inc., of Santa Cruz, CA, for software subscription licensing and implementation services in an amount not to exceed \$70,500 for the first year and, thereafter, in an annual amount not to exceed \$40,500 for the subscription fee for year two, with the option of renewing for two additional one-year periods, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into a master agreement with Open Counter Enterprises, Inc. (Open Counter), for a hosted, public facing, web application for business licensing and permitting. Open Counter is an online, easy to use system that allows entrepreneurs to quickly and simply see the zoning requirements, fees, and processing time needed to establish a business or location in the City of Long Beach. The web-based system will be configured using City ordinance criteria and will provide a user-friendly interface to step through an online questionnaire to determine appropriate zones and required fees. By making it easier for entrepreneurs to get started, Open Counter helps cities foster economic development and job creation. The product has been endorsed by the Economic Development and Finance Committee, the Economic Development Commission, as well as the Business Improvement Districts, as a key component to assist with bringing businesses to the City of Long Beach.

In an effort to streamline the process of business registration in the City, a team of staff from the Departments of Economic and Property Development and Technology and Innovation, together with members of the Council of Business Associations in Long Beach, conducted market research into possible products that offered business-friendly capabilities to guide new businesses through the registration and zoning requirements of the City's ordinances. Key requirements for the product were for it to be web-based with modern design and data structures in order to guide potential businesses through the City's processes related to zoning, permits, fees and licenses, all in one unified onboarding sessions, at no cost to the end user, while collecting the data that the City needs to ensure compliance and public safety.

The team's research concluded that Open Counter was the only vendor that would provide the "out of the box" desired capabilities. Other vendor products that were reviewed shared some similarities, but did not meet all of the desired capabilities without further development, resulting in a higher cost to the City.

Open Counter was built through a partnership between the City of Santa Cruz, CA, and Code for America in 2012. Its growth has been supported by the John S. and James L. Knight Foundation and the Code for America Accelerator. Some cities that have contracted with Open Counter include Boston, MA, Indianapolis, IN, Salinas, CA, Fremont, CA, Los Gatos, CA, Seaside, CA, Pacific Grove, CA, Yuba City, CA, Truckee, CA, Denton, TX, and Santa Cruz, CA.

City Charter Section 1801 requires that contracts for City purchases be awarded to the lowest responsible bidder after a competitive bid process, but allows for awards without a competitive bid process if accompanied by a Resolution adopted by the City Council.

This matter was reviewed by Deputy City Attorney Kendra Carney on June 15, 2015 and by Budget Management Officer Victoria Bell on June 18, 2015.

TIMING CONSIDERATIONS

City Council action to adopt the attached Resolution and execute a contract concurrently is requested on July 14, 2015 to ensure that the contract is in place expeditiously. Open Counter is a hosted solution and the implementation of the system will be done by the vendor. Minimal work will be required by Technology and Innovation, Business License, Building and Planning. Implementation should be relatively short; a duration of five to six months is anticipated. The vendor is prepared to begin work immediately.

FISCAL IMPACT

The first year cost is \$70,500, which comprises a one-time implementation and professional services fee of \$30,000 as well as the annual subscription fee of \$40,500. Sufficient funds for the first year cost are budgeted in the General Fund (GF) in the Financial Management Department (FM). The FY 16 Proposed Budget for the Development Services Department (DV) includes a one-time request of \$40,500 for the second year subscription fee, to be funded by technology surcharge revenue that is restricted to technological improvements for the Development Services Center. Funding for future years will be assessed as part of the FY 17 budget process. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



BRYAN SASTOKAS
DIRECTOR OF TECHNOLOGY AND INNOVATION



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE A MASTER SERVICE AGREEMENT WITH OPEN COUNTER ENTERPRISES, INC., WITHOUT ADVERTISING FOR BIDS, FOR SOFTWARE SUBSCRIPTION LICENSING AND IMPLEMENTATION SERVICES IN AN AMOUNT NOT TO EXCEED \$70,500 FOR THE FIRST YEAR, AND THEREAFTER IN AN ANNUAL AMOUNT NOT TO EXCEED \$40,500 FOR SUBSCRIPTION FEE FOR YEAR TWO, WITH THE OPTION OF RENEWING FOR TWO ADDITIONAL ONE-YEAR PERIODS, AT THE DISCRETION OF THE CITY MANAGER

WHEREAS, the City requires software subscription licensing and implementation services; and

WHEREAS, OPEN COUNTER ENTERPRISES, INC. is the only vendor that provides a hosted public facing, web application for business licensing and permitting purposes intended to foster economic development and job creation in the City; and

WHEREAS, as a result, no useful purpose would be served by advertising for bids for furnishing and delivering this type of parts and services and to do so would constitute an idle and useless act and an unnecessary expenditure of public funds because OPEN COUNTER ENTERPRISES, INC. is the only corporation, firm or individual that could or would bid for the furnishing of software subscription licensing and implementation services to the City;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 follows:

2 Section 1. The City Manager is hereby authorized to enter A MASTER
3 SERVICE AGREEMENT, without advertising for bids, with OPEN COUNTER
4 ENTERPRISES, INC., for the purchase of software subscription licensing and
5 implementation services of a hosted public facing, web application for business licensing
6 and permitting purposes, as may be required by the City in an amount not to exceed
7 \$70,500 for the first year, and thereafter in an annual amount not to exceed \$40,500 for
8 subscription fee for year two, with the option of renewing for two additional one-year
9 periods, at the discretion of the City Manager. If the sole source status of OPEN
10 COUNTER ENTERPRISES, INC. changes, the City shall publicly bid instead of
11 extending the contract.

12 Section 2. This resolution shall take effect immediately upon its adoption
13 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

14 I hereby certify that the foregoing resolution was adopted by the City
15 Council of the City of Long Beach at its meeting of _____, 2015 by the
16 following vote:

17
18 Ayes: Councilmembers: _____

19 _____

20 _____

21 _____

22 Noes: Councilmembers: _____

23 _____

24 Absent: Councilmembers: _____

25 _____

26 _____

27 _____

28 _____

City Clerk