

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO (A) NEGOTIATE AND EXECUTE THE SECOND AMENDMENT TO THE AGREEMENT FOR INTEGRATED PERMITTING SYSTEM WITH CSDC SYSTEMS, INC. (AUSTIN, TX); (B) NEGOTIATE AND EXECUTE AMENDMENTS, CHANGE ORDERS, AND SALES ORDERS TO THE AGREEMENT WITH AVOLVE SOFTWARE CORPORATION EXECUTED ON SEPTEMBER 20, 2016; AND (C) INCREASE CONTINGENCY BY \$150,000 FOR A MAXIMUM CONTINGENCY OF \$563,000 FOR BOTH AGREEMENTS TO ADDRESS UNANTICIPATED CHANGES OR SERVICES REQUIRED TO SUPPORT PROJECT IMPLEMENTATION DURING THE INITIAL TERM ENDING JULY 31, 2026, SUBJECT TO THE APPROPRIATION OF FUNDS

WHEREAS, on September 20, 2016, the City of San José (“City”) entered into an agreement with CSDC Systems, Inc. (“CSDC”) for an Integrated Permitting System (“IPS”) to be implemented in the first quarter of 2019; and

WHEREAS, the City also executed a separate software license and support agreement with Avolve Software Corporation (“Avolve”) for software used to streamline permit submission, review, and approval processes, but all purchases of Avolve software and services were included in the contract with CSDC; and

WHEREAS, in May 2018, the City contracted with Gartner, Inc. to conduct a “health check” technology audit and make summary recommendations on how to reset the IPS implementation project to achieve a successful outcome; and

WHEREAS, staff considered several options for the project after the Gartner assessment and decided to pause all work on the project, make changes to the IPS project in accordance with the Gartner recommendations, and restart the project; and

WHEREAS, the City desires to continue the partnership with CSDC and Avolve by amending their respective agreements so that the revised IPS project, which will enable business productivity and customer service improvements through key digital capability enhancements for permit application, issuance, enforcement, and transparency, can be implemented;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT the City Manager is hereby authorized to:

- (a) Negotiate and execute the Second Amendment to the Agreement for Integrated Permitting System with CSDC Systems, Inc. (Austin, TX) to significantly reduce the scope of work, revise the schedule of performance and payments, add funds for scope-related supplemental services, and reduce maximum compensation by \$3,775,463 for a total not-to-exceed compensation of \$4,334,244 for the initial term ending on July 31, 2026, subject to the appropriation of funds;
- (b) Negotiate and execute amendments, change orders, and sales orders to the agreement with Avolve Software Corporation executed on September 20, 2016 to directly purchase additional licenses, support, maintenance, and related professional services for a not-to-exceed compensation of \$629,158 for the initial term ending on July 31, 2026 and exercise options to extend the agreement for up to ten (10) one year option terms through July 31, 2036, subject to the appropriation of funds; and

- (c) Increase contingency by \$150,000 for a maximum contingency of \$563,000 for both agreements to address unanticipated changes or services required to support project implementation during the initial term ending July 31, 2026, subject to the appropriation of funds.

ADOPTED this ____ day of _____, 2019, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk