



**Date:** November 4, 2013

**To:** T.C. Broadnax, City Manager

**From:** Peter Huffman  
Interim Director, Planning and Development Services

**Subject:** Authorization of Direct Negotiation for Professional Services and Personal Services over \$25,000 – for Accela Permitting Software as a Service Budgeted from the Surface Water, Wastewater and Permit Services Funds

For your review and recommendation. TMC 1.06.256 requires competitive solicitation of all services. Wherever possible, services should be procured as a result of a request for bids, request for proposals or request for qualifications, as appropriate. TMC 1.06.256 (B) allows for direct negotiation of professional services and personal services, excluding architectural and engineering services, when determined by the city manager or director of utilities/CEO, or their respective designees, to be in the best interest of the City.

**RECOMMENDATION:** In accordance with TMC 1.06.256 (B), Planning and Development Services requests a waiver of the competitive solicitation process and authorization to directly negotiate with **Accela, Inc., San Ramon, California**, for a web-based software used to process Building, Land Use and Site Development permits, for an estimated amount of \$1,622,744, sales tax not applicable.

It is recommended that Accela Automation Land Management Solution be purchased as a software as a service hosted in the Accela Cloud rather than on premise. This will help the City of Tacoma move from a Capital Expenditure (CapEx) model to an Operational Expenditure (OpEx) model by eliminating hardware, software and resource costs associated with staffing and maintaining IT infrastructure.

**EXPLANATION:** Accela software services will provide a comprehensive permitting tool City staff can use in the permit application process. The Accela software tool provides a centralized location in which permit related activities can be processed and monitored. In addition, applicants and citizens will have access via the internet to apply for permits, check status of permits, and to request inspections. The benefits of purchasing and implementing Accela automated permitting software include increased staffing capacity by reducing duplicative work efforts and allowing for the concurrent review of permit applications and plans by all necessary departments. Customer service improvements include enhanced on-line permitting application, review tracking and inspection scheduling capacity. Accela will increase both external and internal transparency of the permit review and inspection processes resulting in greater accountability and effectiveness of the City's permitting process. It is anticipated that Accela will initially increase permit review capacity by 10 percent resulting in significant reductions in permit review times and improved levels of service for permit applicants.

In addition, purchasing Accela as a software as a service will allow the City of Tacoma to focus on delivering streamlined processes and service and not IT support. This approach will save time and labor cost by reducing the need for staff to configure, administer and keep systems current. Software as a service is more flexible and scalable providing elasticity for agencies to scale up-and down-IT capacity. Nearly half of the permitting agencies surveyed in making this recommendation are planning to invest within the next 12 months in new permitting, licensing and asset management systems that utilize cloud solutions rather than on premise hardware.

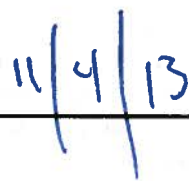
**JUSTIFICATION FOR DIRECT NEGOTIATION:** The City researched and evaluated software technology options used in other jurisdictions for similar permitting purposes. No other software is used as extensively, nor with such high regard as Accela. Accela is the 'best in breed' choice for permitting software. In addition to being the industry standard for permitting software, Accela especially meets the City's configuration needs by its ability to interface with SAP systems and other software systems used by permitting partners like TPU and the private sector. In addition, Accela's emphasis on mobile web-based customer interfaces will allow the City to continue to enhance the on-line permitting applications currently in use and expand future capacity into such areas as asset management and code enforcement.

**FUNDING:** Funds for this purchase are available in the 4301 ES Surface Water, 4300 ES Wastewater, and 4110 PDS Permit Services Funds. The purchase amount will be paid in a first installment of approximately \$950,000 for implementation services and first year operations with four subsequent annual payments of approximately \$150,000 each for the remainder of the contract period. After the five year contract period expires the contract will be renegotiated and it is anticipated that future cost of the service will be slightly higher than \$150,000 annually taking into account inflation and other services that may be desired as part of the renegotiated contract. Funds for the contract extension will come from the same sources.

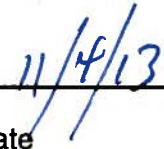
**HUB COMPLIANCE:** HUB staff were contacted on 10/3/2013.  
There are no HUB-qualified vendors at this time.

**PROJECT COORDINATOR:** David Johnson, Planning and Development Services Department, 253-229-6663.

  
\_\_\_\_\_  
Peter Huffman, Interim Director Planning and Development Services

  
\_\_\_\_\_  
Date

**AUTHORIZED:**  
  
\_\_\_\_\_  
T.C. Broadnax, City Manager

  
\_\_\_\_\_  
Date

cc: Chuck Blankenship, Senior Buyer, Finance/Purchasing