



WASHOE COUNTY

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CM/ACM	<u>↙</u>
Finance	<u>DN</u>
DA	<u>BC</u>
Risk Mgt.	<u>N/A</u>
HR	<u>N/A</u>
Other	<u>N/A</u>

STAFF REPORT BOARD MEETING DATE: March 25, 2014

DATE: March 5, 2014

TO: Board of County Commissioners

FROM: Laura Schmidt, Chief, Information Management Officer,
Technology Services, 328-2355; lschmidt@washoecounty.us

THROUGH: Kevin Schiller, Assistant County Manager
328-2008, kschiller@washoecounty.us

SUBJECT: Acknowledge the status and progress of the Regional License and Permit Executive Committee towards contracting for a regional license and permit program to replace the Permits Plus program. (All Commission Districts.)

SUMMARY

The Washoe County Commission will receive an update from members of the Regional License and Permit Executive Committee on the status and progress of the Committee towards contracting for a regional license and permit program to replace Washoe County's aging Permits Plus program. The Committee is comprised of members from the City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County.

Washoe County Strategic Objective supported by this item: Economic development and diversification.

PREVIOUS BOARD ACTION

The Washoe County Commission directed staff to continue with vendor contract negotiations and financing, to include an interlocal agreement and a possible regional technology fee, for a regional license and permit program at its October 8, 2013 meeting.

BACKGROUND

REGIONAL LICENSE AND PERMIT PROGRAM

The City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County have been cooperatively seeking a new regional license and permit program since April of 2012. The regional team released a Request for Proposal (RFP) in late 2012. After going through a formal requirements and presentation process, the regional team selected Accela in April 2013 and received approval to proceed further in October 2013.

Specific to Washoe County, to include the Health District, the current license and permits program is Permits Plus. Permits Plus is an early 1990's software application which is no longer supported by its parent company (Accela). Permits Plus has significant shortfalls which include no internet or on-line capability and extremely limited mobility access for the County's field staff. Additionally, since the program is no longer supported by its parent company, any failures with the program could potentially leave Washoe County without an electronic license and permit database.

Washoe County must replace the Permits Plus program and, in doing so, the replacement program must meet the internet and on-line expectations of our customers, while providing robust and effective mobility access for the County's field staff. The County approached the Cities of Reno and Sparks to gauge their willingness to participate in a regional solution to license and permit software programs, since both Cities currently possess outdated or outmoded programs¹. Business license staff from the jurisdictions had been meeting through the Shared Services initiative and had agreed in concept to pursue a regional license program.

Washoe County, the Health District, the City of Reno and the City of Sparks banded together to enable a single platform vision for our citizens, promote ease of use and modernization (and therefore regional economic development), and realize cost savings through consolidated purchasing power. The Reno City Manager, the Interim Health Officer, and the Interim County Manager signed a letter of intent concerning the new program on September 25, 2013² (see Attachment A).

SCOPE, CONTRACT AND STATEMENT OF WORK

The four jurisdictions formed a Regional License and Permit Executive Committee in the fall of 2012 to oversee the process to select a vendor for the new program and to guide efforts to reach necessary agreements among the jurisdictions and with the selected vendor.

Scope. The shared platform will consist of three major modules: land management, mobility and citizen access. The land management module provides the tools and programs required to manage all license and permits functions and transactions. The mobility module provides the applications and tools needed for field staff to access the program through off-site hardware (e.g., tablet PCs, smart phones, etc.). The citizen access module provides the interface and functionality for our citizens to access the program through the internet.

Contract Highlights:

- The contract is between Washoe County and Accela.

¹ The exception is the City of Reno's building, planning and code compliance functions, which use the Accela Automation program.

² The Sparks City Council subsequently affirmed their commitment to participate in the regional license and permit program.

- In turn, the Health District, City of Reno and City of Sparks sign an interlocal with Washoe County to partner on the shared platform and system.
- The solution is in Accela's "cloud" / hosted by Accela in their data center.
 - The four jurisdictions can share data and processes on the combined platform.
- Overall costs for year one (implementation plus licensing) are currently estimated at \$1,667,444.32.
 - There is an initial implementation cost per jurisdiction (all Health costs are within the Washoe numbers in the below chart).
 - On-going usage of the platform is through annual subscription costs (see the "On-going Maintenance Row).

	Reno	Sparks	Washoe	Reno Stand-alone	Sparks Stand-alone	Washoe Stand-alone
On-going Maintenance	\$ 130,279.77	\$ 41,824.02	\$ 147,310.53	\$ 154,829.37	\$ 64,374.42	\$ 176,220.93
Implementation	\$ 345,955.35	\$ 407,988.14	\$ 594,086.51	\$ 469,405.00	\$ 484,427.00	\$ 797,470.00
TOTAL	\$ 476,235.12	\$ 449,812.16	\$ 741,397.04	\$ 624,234.37	\$ 548,801.42	\$ 973,690.93
Stand-alone Difference				\$ 147,999.25	\$ 98,989.26	\$ 232,293.89
	\$ 1,667,444.32		\$ 2,146,726.72			
^ Shared Platform-Total Project Cost ^				^ Going Alone-Total Project Costs ^		
\$ 479,282.40						
^ Savings by Doing Regional Approach ^						

- The Committee is negotiating to include a 5% to 10% contingency fee for unforeseen project costs as part of the total project implementation costs. Staff's experience with technology programs of this size and scope (e.g., the County's integrated enterprise human resources, finance and payroll system - SAP) is that contingency cost components are critical to ensure the project moves forward according to schedule.

Statement of Work Highlights:

- The statement of work outlines the responsibilities of Accela and each of the four jurisdictions during project implementation.
- The statement of work establishes work plans, documentation requirements, staff assignments, and other components essential to complete all actions and steps necessary to bring the program “on line” within the time frame stipulated in the contract.
- The current timeline calls for a 16 month implementation.
- To reduce implementation costs, the project approach relies heavily on staff to perform the majority of the work and tasks to actually re-engineer updated processes and workflows, transfer the data into the new program, to create the interfaces for staff and customers to access the program, and to develop the reports and forms required from the program (e.g., printed invoices).

FINANCING AND REGIONAL TECHNOLOGY FEE

Financing. The County initially investigated the possibility of financing the regional program through Accela or one of its partner companies. However, further research into State Law and State financing procedures made such a financing arrangement unfeasible.

Therefore, the County will act as the contracting agency, the fiscal agent for the regional license and permit program, and the financing entity. The County Commission will be presented with the final contract and will be asked to approve that contract for the regional license and permit program. At the same time, the County Commission and the other three jurisdiction's governing bodies will be asked to execute an interlocal agreement which will stipulate each jurisdiction's roles in the regional program and establish how contract costs will be repaid to the County (as the financing entity for the program).

Through the financing mechanism, the County will offer the City of Reno and the City of Sparks the option to either pay their share of the project implementation costs as stipulated in the contract over the 16 month project time frame or to pay their share over a five year period, with a built-in interest component (currently proposed to be 1.99%). The financing mechanism will outline dates and repayment amounts for either option. The interlocal agreement will enable early payment of the costs with no penalties.

Starting in the second year of the contract, each jurisdiction will be responsible to pay Washoe County for its share of the annual subscription costs independent of any repayment for project implementation costs and/or for year one subscription costs. The interlocal agreement will stipulate when and how the annual subscription costs will be paid.

Regional Technology Fee. At its October 8, 2013 meeting, the County Commission directed staff to research a potential regional technology fee to recover some or all of the project implementation costs and/or the annual subscription costs. The Committee arranged meetings with our region's license and permits customers to discuss the potential regional technology fee. These customers included:

- Builders Association of Northern Nevada
- Associated General Contractors
- The Chamber
- All jurisdiction's business license customers

Customer reaction to the potential fee was positive overall, provided that any fee was specifically identified and "set aside" for the regional license and permit program. The customers were comfortable with the proposed fee amounts (4% for permits, \$5 for annual business licenses, and \$2 for quarterly business licenses). The consensus from the customers was to start the fee only when the program "went live" (i.e., 16 months after contract signing) and to consider ending the fee when all project implementation costs are recovered (estimated to be around five years after fee collection starts).

NEXT STEPS

Staff from all four jurisdictions remains firmly committed to a regional license and permit program. The Committee is very close to completing a draft interlocal agreement (with financing plan) to bring before each of the four jurisdiction's governing bodies. The Committee is prepared to recommend that each jurisdiction's governing body

endorse a regional technology fee, with details to be provided as part of the actual mechanism to implement such a fee.

The Washoe County Commission will be asked to review and approve the contract with Accela. County staff is completing has completed its negotiations with Accela and will include Committee approval of the contract's associated statement of work. That contract is now under review by the District Attorney's Office and should be ready for County Commission action very soon.

The Committee intends to have all components (contract, interlocal agreement and regional technology fee endorsement) completed in April-May 2014. Once all components are complete, then the Committee's role will morph into project oversight with project management the responsibility of the County's Technology Services Department.

FISCAL IMPACT

Members of the Regional License and Permit Executive Committee are in final contract negotiations with Accela, the selected vendor for the regional license and permit program. The contract will specify all costs associated with the program, and the payment plan for those costs. Program implementation costs will include project implementation costs (one-time costs) and the first year's subscription costs for all four jurisdictions. That cost is currently a total of \$1,667,444.32. Washoe County's share of the program implementation cost is \$741,397.04 (includes the Health District's share of that cost). As noted in the October 8, 2103 staff report to the County Commission, sufficient authority was adopted in the Fiscal Year 2013-2014 budget in support of technology application infrastructure preservation within PW920203.

Annual subscription costs after the first year's program implementation are currently \$319,414.32. Washoe County's share of the annual subscription costs are \$147,310.53 (includes the Health District's share of that cost). The initial payment for annual subscription costs after project implementation will occur one year after contract signing. Staff will provide the County Commission with specifics on cost centers and accounts for those subscription costs as part of the contract approval item at an upcoming County Commission meeting.

RECOMMENDATION

It is recommended that the Board of County Commissioners acknowledge the status and progress of the Regional License and Permit Executive Committee towards contracting for a regional license and permit program to replace the Permits Plus program.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:

“Move to acknowledge the status and progress of the Regional License and Permit Executive Committee towards contracting for a regional license and permit program to replace the Permits Plus program.”

Attachments: A. Letter of Intent, dated September 25, 2013

xc: Regional License and Permit Executive Committee members



September 25, 2013

To: **Andrew Clinger, City Manager, City of Reno**
Kevin Dick, Interim Health Officer, Washoe Health District

Dear Andrew and Kevin,

Through the combined efforts of the regional project team over that past year, the cities of Reno and Sparks, Washoe County and the Washoe County Health District have collaboratively determined a regional path forward for a more on-line, citizen-centric and automated solution for permits and business licensing.

The vision for the new platform – any license or permit, anytime, anywhere – is responsive to community and business needs, shares resources across the entities, provides substantial savings to each participating entity, enables critical on-line access and paves the way for other entities to join the shared platform.

As the project lead, Washoe County, is through this letter, asking you to affirm the commitment of your respective entity to share a regional permits and business license platform, using Accela as the software solution according to the proposed terms:

- Implement a regional permits and business license platform.
- Conclude negotiations with Accela, the winning vendor from our regional request for proposal process.
- Follow-up with an Interlocal Agreement to memorialize the regional platform's partnership, terms, goals, fiscal arrangements, functions, governance, administration, powers, services and additional participants.
- Fund their respective portions of the platform as outlined in the above mentioned Interlocal Agreement. Current project estimates, to be further negotiated, are approximately:
 - o 39% to Reno and 61% to Washoe County and the Washoe Health District.
 - o Of the 61% of the combined Washoe County and Washoe Health District:
 - Washoe County to absorb one-time implementation costs.
 - Washoe Health District to absorb maintenance costs for its Accela core and mobile users.
- Research and possibly implement funding models to financially support and sustain the platform (if directed by the Reno City Council, the Washoe Board of County Commissioners and the Washoe District Board of Health).
- Return to the Reno City Council (Council) and Washoe Board of County Commissioners (BCC) for approvals for Accela final contract and funding (and to Council, BCC and Washoe District Board of Health for other items as needed according to entity procedures).

Finally, on behalf of the county, I want to thank you and your staff members who have served on the project team for their dedication and hard work to bring this project forward which will stand as another example of regional success in developing a shared solution that will benefit our residents.

Page 1 of 2

Signed,



Andrew Clinger
City Manager,
City of Reno



John Berkich
Interim County Manager,
Washoe County



Kevin Dick
Interim Health Officer,
Washoe Health District.