



SUMMARY REPORT

Agenda Date: 5/21/2024

To: Board of Supervisors

Department or Agency Name(s): Permit Sonoma

Staff Name and Phone Number: Michelle Arellano 707-565-2296

Vote Requirement: 4/5th

Supervisory District(s): All

Title:

Accela Subscription Services Agreement

Recommended Action:

1. Authorize the Director of Permit Sonoma to execute an agreement with Accela, Inc. for database migration, licensing, service, and maintenance of Accela Cloud based platform for permit management software in an amount not to exceed \$2,331,572 for a 7-year term ending June 23, 2031.
2. Authorize the Director of Permit Sonoma to execute amendments to the agreement and to execute Change Orders to the Statement of Work if needed for an additional 50 licenses for up to \$60,000 annually for a total not-to exceed contract amount of \$2,751,572 provided that such amended terms or Change Orders do not substantively modify the terms of the original agreement or Statement Work, with approval as to form by County Counsel.
3. Adopt a resolution authorizing a budget adjustment to the Permit Sonoma Department FY 2023-24 Final Budget in the amount of \$622,540 to fund the first two years of the agreement financed with FY 2023-24 General Fund Contingencies. (4/5 vote required).

Executive Summary:

In 2014 Permit Sonoma implemented the Accela Automation permit management system, an online permit portal that tracks all permitting and project activities through all stages until completion and offers functionalities such as providing the public the ability to apply for permits online, schedule inspections, check the status of applications, and pay fees. The system is hosted within the County Data Center and currently operates on the most up-to-date version of the platform. However, Accela has shifted their software solutions to a cloud-based approach, known as Software-as-a-Service, and advised that further system upgrades will not be made available for self-hosted customers and that support will end in 2025. The cloud-based model offers several benefits that the on-premises version does not provide, such as ensuring that the most current version of Accela is always in place, improved resiliency, enhanced security features, increased response time for critical issues reported, and an all-inclusive model encompassing licensing, hardware, operating systems, support services and maintenance. To ensure that the County continues to maximize performance of the Accela permitting platform and service delivery to clients, the Department recommends migrating to the modern cloud hosted software.

The Department is requesting authority to enter into an agreement with Accela, Inc. to migrate the Accela on-premises platform to the Accela Cloud, licensing, maintenance, and subscription services in an amount not to exceed \$2,331,572 for a seven-year term. The Department is also requesting authority to amend the

agreement to increase the number of user licenses if needed by up to 50 licenses (\$60,000 annually), and authorization to utilize FY 2023-24 General Fund Contingencies in the amount of \$622,540 to make advanced payment for the first two years of the agreement as a condition of securing the negotiated reduced price over the term of the agreement.

Discussion:**Background**

In 2014 Permit Sonoma transitioned from Permits Plus permitting software to Accela Automation permit management system, an innovative system that offered more efficient functionalities through its online permit portal. This locally hosted on-premises platform tracks all permitting and project activities and provides the public the ability to submit for electronic plan check, track projects, schedule inspections, view results, receive automated notifications, and pay on-line. The system also integrates mapping and narrative detail into a single view and provides reporting capabilities. The system is one of the most utilized software programs at Permit Sonoma and is used by various divisions including Building, Planning, Code Enforcement, Engineering, and Well and Septic. It is also utilized by several County departments, including the Department of Agriculture/Weights & Measures for the processing and tracking of their various department permits, Sonoma Public Infrastructure and Sonoma Water for review of Permit Sonoma's permits, and the Clerk-Recorder-Assessor, County Counsel, and Board District staff for viewing progress on projects of interest.

The original agreement, entered into in June 2014, was for a five-year term with an option to extend for three additional years, and annual licensing, software and maintenance fees. Since 2022 the County has executed year-to-year agreements for the on-premises software with a cost of approximately \$95,000 annually as Accela ceased renewing agreements beyond one year for self-hosted customers due to transitioning their systems to a cloud-based platform. The current one-year agreement expires on June 23, 2024.

In August 2023 Accela notified the County that they would be ending support for self-hosted configurations effective in 2025 as a consequence of shifting their software solutions to a cloud-based platform. While the County's existing Accela Automation platform is operating on the most current version, Accela advised that future releases will no longer be made available for self-hosted customers. In addition, Accela's enhanced cloud-based environment offers features only available to customers under the cloud-based model. To ensure maximum system performance to deliver services to our customers, the Department is recommending migrating to the Accela cloud platform.

Accela Permitting Software-as-a-Service (SaaS)

Accela's cloud solutions known as Software-as-a-Service (SaaS), manages all the infrastructure needed to run the Accela application software in the cloud. Under SaaS, system upgrades are applied more frequently ensuring that the system is operating on the most current version of Accela. SaaS is an all-inclusive product with licensing, support, cloud hosting, and infrastructure software. This includes but is not limited to server hardware, storage devices, virtualization software, SQL server licensing, operating system licensing, and security services. In addition, SaaS also improves operational resiliency by offering redundant systems across multiple geographical areas, ensuring that data remains safe, and services remain available, even during disasters. Under SaaS, Accela support is more efficient because the support team has the knowledge, expertise and immediate access to the system, without the need to maintain credentials to our local network. Given that network credentials will no longer be required for vendor support staff (approximately 27 accounts) the department estimates it will save \$6,662.52 a month or \$79,950.24 a year in ISD baseline rates. These

savings will begin once the system is migrated, and the in-house system is decommissioned.

SaaS is a trend in institutional data solutions. While SaaS provides many benefits, housing critical data off-site in data centers that the County has little knowledge of or control over involves a variety of risks that are not present with on-site hosting. Appropriate consideration has been given to the cloud provider and risk mitigation. The Information Systems Department (ISD) was consulted to assist with assessing the security controls in place for the technology and cloud environment. ISD provided a risk assessment tool that the vendor completed. Upon completion of the assessment, ISD determined that while it is impossible to completely eliminate all risks, the SaaS provider demonstrated that they have strong controls in place that follow best practices for securing both the technology and the cloud environment. ISD recommend the use of Single Sign-On (SSO), which will be implemented, but otherwise, all other risk concerns have been mitigated by the controls that the provider has in place. ISD staff will be available to assist, as needed, but the project team has not identified any specific needs that will require anything beyond baseline support. ISD estimates that the move to the cloud-based model will not result in significant savings to the County. This is because the current servers are virtual and they share network hardware and software that are fixed expenses, lasting for the entire life of the hardware. Additionally, the number of servers being moved to the cloud is relatively small compared to the total number of servers the County uses.

A Single Source Waiver was obtained from Sonoma Public Infrastructure Department, Purchasing Division given the County's long-standing working relationship with Accela as well as the professional experience, knowledge and familiarity with the department's business needs.

Accela improvements are a core component of the implementation of the Department's Management Review and the vendor's requirement to update the contract to align with their cloud platform is needed to avoid custom build of Permit Sonoma's workflow components.

Proposed Agreement and Cost

In August 2023, the County initiated contract negotiations with Accela, Inc. Over the course of the following months, Accela agreed to reduce their proposed annual licensing and maintenance costs from \$540,000 to \$268,800 per year, contingent upon the County entering into a seven-year agreement prior to the existing contract expiration date of June 23, 2024, and agreeing to prepay the first two years of the agreement.

Under the proposed subscription services agreement, Accela will provide software subscription and licensing, maintenance and support, enhanced reporting database and managed application services. Accela will also provide one-time implementation/migration services to the cloud-based system pursuant to the Statement of Work (Attachment 4). The license subscription comes with a limit of 2.5 TB data storage for all cloud environments and includes transaction, configuration, documents and report files, and backup copies. Consulting services include implementation, configuration, and custom training services.

The annual subscription cost is based on a total of 200 users, at a cost of \$1,200 per license and enhanced reporting database cost of \$28,800. A preliminary list of the number of users by department is captured in Attachment 10. The total cost of the agreement over seven years totals \$2,331,572. The annual software subscriptions services are subject to 5% annual increases and are presented in more detail in the Accela Order Form (Attachment 3). One-time implementation cost for data migrating services as described in the

Statement of Work totals \$143,000.

Subscription Agreement and Statement of Work Pricing Summary

Year 1:	\$268,800
Year 2:	\$282,240
Year 3:	\$296,352
Year 4:	\$331,169.60
Year 5:	\$326,728.08
Year 6:	\$343,064.49
<u>Year 7:</u>	<u>\$360,217.70</u>
Subtotal	\$2,208,571.87

Statement of Work \$143,000

Total **\$2,331,572**

To secure the negotiated pricing, the Department is requesting Board approval to use \$622,540 in FY 2023-24 General Fund Contingencies to prepay Year One \$268,800 and Year Two \$282,240 costs including 50% of one-time implementation costs due at signing, \$71,500.

Staff estimate that the increase in annual cost beginning in Year Three, once offset by the current system cost of \$95,000 annually and annual costs associated with the deletion of 27 vendor network accounts of \$79,950, will result in a net increase of approximately \$121,402. Expenses in Year Three and beyond will become part of the fees and charges for services cost recovery calculation and a contribution from the Department of Agriculture, Weights and Measures estimated at \$19,845 annually based on 15 user licenses.

Implementation Plan and Next Steps

Accela will provide services to migrate the Accela on-premise platform (Accela Automation, Citizen Access, GIS, and Mobile) to the Accela cloud based system. Scope of services to be performed are as follows:

- Import/upgrade of MS SQL databases (Development, Test, Production)
- Assistance migrating 11 specific interfaces
- Migration of up to 150 SQL Server Reporting Services reports
- Assist in integrating Azure Single Sign On
- Up to 40 hour of issue resolution and testing assistance during User Acceptance Testing
- Go live planning and cutover assistance

Upon execution of the proposed agreement, an implementation plan will be developed for the project. A sample plan is attached as seen in Attachment 9. The project is expected to take 6 months and will require the Accela system to be offline for a 3-day weekend with minimal to no disruption to regular operations. Based on the expected timing, this may align well with County Holidays in January or February 2025.

Strategic Plan:

N/A

Racial Equity:**Was this item identified as an opportunity to apply the Racial Equity Toolkit?**

No

Prior Board Actions:

6/17/14 Agreement with Accela, Inc. for purchase, implementation, and maintenance of the Accela Automation permit management system.

FISCAL SUMMARY

Expenditures	FY23-24 Adopted	FY24-25 Projected	FY25-26 Projected
Budgeted Expenses		\$71,500	\$296,352
Additional Appropriation Requested	\$622,540		
Total Expenditures	\$622,540	\$71,500	\$296,352
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other		\$71,500	\$296,352
Use of Fund Balance			
General Fund Contingencies	\$622,540		
Total Sources	\$622,540	\$71,500	\$296,352

Narrative Explanation of Fiscal Impacts:

Additional appropriations are requested in FY 2023-24 totaling \$622,540 utilizing FY 2023-24 General Fund Contingencies to prepay Year One \$268,800 and Year Two \$282,240 agreement costs and 50% of one-time implementation costs due at signing of \$71,500. Expenses in FY 2024-25 of \$71,500 are associated with the balance of implementation costs due at completion and are included in the department's FY 2024-25 Recommended Budget. Beginning in FY 2025-26 (Year Three) and beyond annual software subscription cost will be funded by Permit Sonoma fees and charges for services and a contribution from the Department of Agriculture, Weights and Measures of approximately \$19,845 annually.

In the event that the department determines a need to amend the agreement to increase the number of users not to exceed 50 additional licenses and by up to \$60,000 annually, the increased cost will be financed by permit fees and charges for services.

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Attachment 1: Budget Resolution

Attachment 2: Accela Subscription Services Agreement

Agenda Date: 5/21/2024

Attachment 3: Accela Order Form

Attachment 4: Accela Statement of Work

Attachment 5: Accela Support Services

Attachment 6: Accela Data Storage Policy

Attachment 7: Accela Consulting Services Policy

Attachment 8: Accela Service Availability and Security Policy

Attachment 9: Preliminary Implementation Plan

Attachment 10: User Licenses by Department

Related Items “On File” with the Clerk of the Board:

N/A