



Staff Report

INFORMATION PROGRESS REPORT ON SOFTWARE SELECTION PROCESS AND TECHNOLOGY MASTER PLAN UPDATE

Honorable Mayor and Council Members:

Summary

This is an informational report only. No action is requested at this time. SoftResources, LLC conducted interviews with key personnel from all City departments to assess the City's current systems, deficiencies and future technology interconnectivity needs for maximum efficiency. The Finance system is considered to be a legacy information system, while adequate when first implemented, has become obsolete due to growth, changes in operations, and advances in technology. A Human Resources Information System (HRIS) was promised by the vendor but never went into production.

Once interviews were completed, SoftResources researched vendors, based on their final assessment for the selection of Finance, Human Resources and other departmental software. The focus was to integrate computer capabilities to take advantage of emerging technologies, with particular emphasis on E-commerce.

SoftResources has completed its software selection project for the City of Belmont and determined a short list of software vendors. Staff will now invite selected vendors to scripted demonstrations of their respective products.

Background

The first technology master plan was established in 1999. This master plan was developed to determine the most effective and efficient way possible to support its operations and business activities through software and hardware upgrades and/or replacements. The plan was later updated and approved by the City Council in 2004. Three years later, in the year 2007, technology has changed significantly. It was now time to conduct current software and hardware needs assessments, and identify changes, additions and updates to current systems through a newly created Technology Master Plan.

The City retained the software selection consulting firm SoftResources LLC of Kirkland, Wash., to assess current software practices and then identify a general strategy, framework, policies, programs, and activities necessary for technological improvement, including a detailed plan, budget, and timetable for implementing those programs.

Major emphasis was placed on the City's need to replace the current financial accounting software. The current software has been in place, with regular updates for approximately 15 years. While this system has performed well, it is deficient in many areas to provide all of the functions the City requires for its day-to-day operations, as well as the capability of being exposed to the Internet for citizen and vendor access.

Discussion

Research and analysis

Consultants from SoftResources interviewed key staff and a cross section of users over the course of two days. In its conversations, SoftResources identified four key, overarching criteria:

1. E-vision – Full City services must be available 24 hours of the day, seven days a week for Belmont citizens and council members.
2. Functionality – While supporting Belmont's e-vision, the financials software must be fully functional. To achieve full functionality a "best-of-breed" approach is acceptable.
3. Technology – The software's underlying technology must be forward-looking, able to present over the Internet, and able to support integration of best-of-breed applications currently in use.
4. Implementer – A value-added reseller (VAR) of software developed by a vendor, or the vendor's own implementation team. The implementer's view of the municipal software world must match Belmont's, its corporate culture must be compatible, it must possess similar values and use similar communication styles.

SoftResources found the City's "e-vision," a term coined to denote Belmont's vision of allowing citizens and Council to have 24/7 access to city government, to be the most unusual differentiator and the most difficult to achieve through available software. Unusual because most cities of Belmont's size are reluctant to embrace the risk new technologies entail; difficult to obtain because municipal software companies cater to most cities' risk-averse requirements. Attachment A is a simplified diagram of mature software architecture typically chosen by cities, and the approach Belmont took when selecting Cayenta for its financial software. Such software was written using old code that is very stable, having been tested and refined over many years, and it provided functionality for almost every internal process the city was required to do. Although the applications were architected before the Internet and other new technologies, many vendors have attempted to make the code Internet-capable, usually allowing only limited access to data. Because the code is proprietary, it is difficult to integrate the older architecture of the mature applications with a best-of-breed group of applications. Typically, instead of integrations, these applications use interfaces which rely on imports and exports of data from one application to another, or they resort to vendor enhancements of the application. Such enhancements are not the core competency of the vendor and take the software out of the upgrade path, are not typically recommended or supported, and consequently are often corrupted or severed when upgrades to the core application are installed. Mature vendors prefer to keep all their customers on the same functional path. Therefore it would be difficult-to-impossible for Belmont to achieve

its e-vision using the underlying architecture of mature systems.

In contrast, attachment B represents Belmont's e-vision with portals for exposing as many aspects of City business to the Internet as possible and relative ease of integrating various best-of-breed applications. Belmont already makes such services as Parks and Recreation, Council meeting minutes and agendas, downloadable permit applications and allowing applicants to track applications through the approval process through its Web page. Using business license applications as one example, it is possible to provide a much higher level of service by accepting electronic applications and payments over the Web. As well, Belmont's goal is to allow any citizen to pay any fee, lodge a complaint and track its disposition, research Council actions, investigate City purchases, in short interact with the City in any way. To provide this, certain applications must communicate with each other, for example the public works software should be able to obtain data from the GIS. And most crucially, each application that handles money must communicate seamlessly with the core of City business activity, the financial software. An open architecture easily integrated with other applications is necessary and is not provided with the current software installation.

Internally, this structure could enable:

- A paperless work order system for assigning, tracking and billing maintenance to City buildings, vehicles, grounds and infrastructure.
- Transparent financial reporting with a "single source of truth" enabling visibility of revenue and expenses across all departments.
- A streamlined annual budgeting process.
- A complete view of each citizen's interactions with the City.
- Increased efficiency using bi-directional integration with MS Office applications.
- Analysis and projections based on readily available land and parcel information.

Using the four key criteria as a guide, SoftResources collated the information gathered in the interviews into a "differentiating criteria" document which lists key features and functionalities unique to Belmont. Each criterion was assigned a rating of required, important or nice-to-have, indicating how critical it was to the final decision. The differentiating criteria were delivered to Staff for approval, and then used to analyze possible software products to determine which would provide the best possible match of features required to features available. Software packages that were missing a significant number of required features were eliminated. Vendor research was then begun.

In performing its research SoftResources used its library of software data collected during recent software selection projects to reduce the field of potential vendors and implementers. In addition to vendors and implementers who specialize in applications written specifically for municipalities, packages written with a focus on the private sector were considered. All non-government packages were rejected because they lack or are weak in functionality essential to city government operations: fund accounting, grant management, requirements specific to California such as CalPers (California Public Employees Retirement System), the ability to

manage linear infrastructure such as roads and pipelines and associated GASB 34 reporting, work order management links to the linear assets, and specific experience with governments.

Having reduced the list of potential vendors and implementers from a long list of 25–30 companies to a medium list of about ten, SoftResources conducted high-level telephone conversations with each medium list company to determine if they were able to satisfy Belmont’s e-vision based on the key criteria listed above. Those companies able to execute Belmont’s e-vision were questioned about Belmont’s key functional requirements.

Five vendors and implementers apparently able to match Belmont’s e-vision and show satisfactory functionality in essential areas were asked to give detailed responses to the differentiating criteria. SoftResources questioned them in conference calls lasting three-to-five hours each, drilling into details such as how integrations are achieved, the level of experience achieving similar integrations, the level of experience supporting California government agencies, the long-term viability of the product, and the ability to integrate the product with other best-of-breed applications.

Short list determination

SoftResources determined as the product of this research the following packages should constitute the short list of software alternatives (see attachment C):

- Cogsdale Corporation as implementer (VAR) with Microsoft Dynamics GP
- Eskel Porter Consulting as implementer (VAR) with Microsoft Dynamics GP and Hansen Technologies
- Innoprise, a new vendor with untested technology and incomplete feature set, was disqualified by SoftResources based on its inexperience with California cities and lack of full functionality. Staff feels Innoprise’s promising forward-looking technology merits further investigation and requested it be returned to the short list.

Staff would also like to advise the City Council that the City of Belmont is being considered for a Case Study for Microsoft Corporation. The City has been forward thinking in its technology vision and Microsoft has expressed an interest in pursuing the conceptual idea of a “Virtual City Hall” (E-Vision). Case studies demonstrate how companies use technology to cut TCO (Total Cost of Ownership), improve developer and end-user efficiency, reduce administrative chores, and increase profits. This Case Study could be of financial benefit to the City as well as notoriety within the Local Government arena.

Next steps

The next steps in the software selection process are:

- Product demonstrations (“scripted demos”) – SoftResources has provided Belmont with a draft script customized to guide product demonstrations. Staff will finalize the script and invite the three short listed companies to demonstrate their products. Each scripted demo will last two full days and be attended by key staff who will grade each product against the

others.

- Vendor evaluation – Staff will tally the grades and use the results to disqualify one or two products.
- Due diligence – Staff will investigate the remaining product(s) through interviews and site visits with similar cities that have purchased the software.
- Final decision – Staff will use the information gained from conducting scripted demos, vendor evaluations and due diligence, and recommend its choice to Council.
- Contract negotiations – Belmont and the selected software vendor together will refine plans for the new software system, identify required modifications and enhancements, and obtain best and final pricing.
- Technology Master Plan update – SoftResources will prepare a five year Technology Master Plan, to reflect the steps required to implement Belmont’s e-vision. This plan will include three cost scenarios (best, average and worst case).
- Implementation

General Plan/Vision Statement

This project will support Belmont’s vision “to plan, fund and utilize cost-effective technologies to provide improved information for decision making, personnel productivity, and public access to City information” (1999 Technology Master Plan, p. I-2).

Fiscal Impact

No fiscal impact will result from this report. Preliminary rough estimates from the vendors suggest cost of software and implementation will be between \$500,000 and \$600,000. Best and final pricing will be obtained after all implementation requirements are defined and contract negotiations are complete. The final cost of this project will be financed over a period of 3 to 5 years and will be detailed in the Technology Master Plan.

Public Contact

Posting of City Council agenda

Recommendation

This is an informational report. No action is requested at this time.

Alternatives

1. Refer back to staff for further information

Attachments

- A. Mature Apps E-Vision
- B. Belmont E-Vision
- C. Short List Mind Map

Respectfully submitted,

Valerie Harnish
Information Services Manager

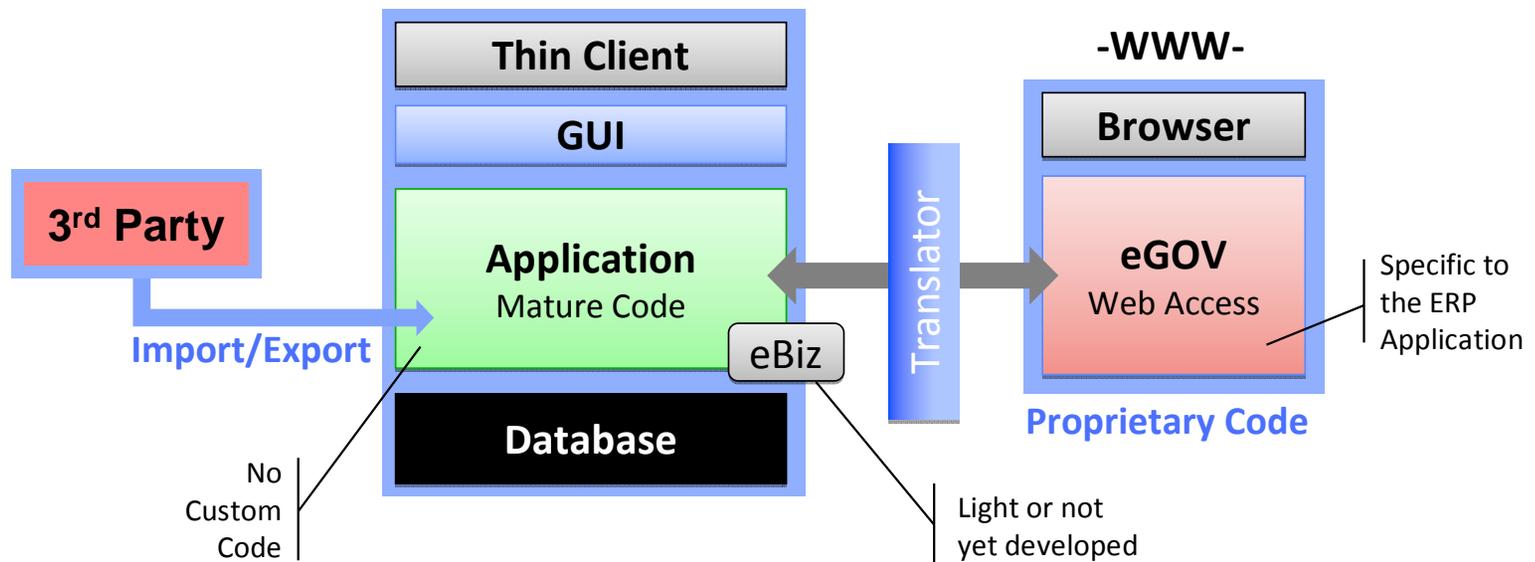
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Mature Apps E-Vision

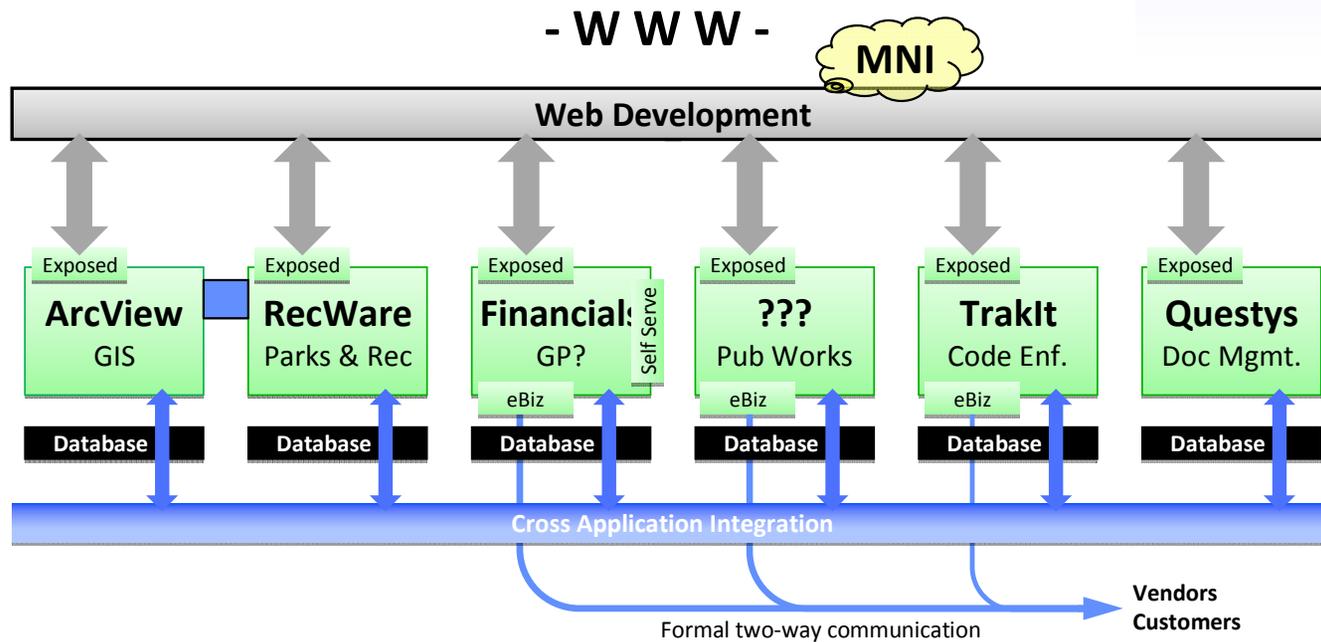
General Municipal ERP Visions



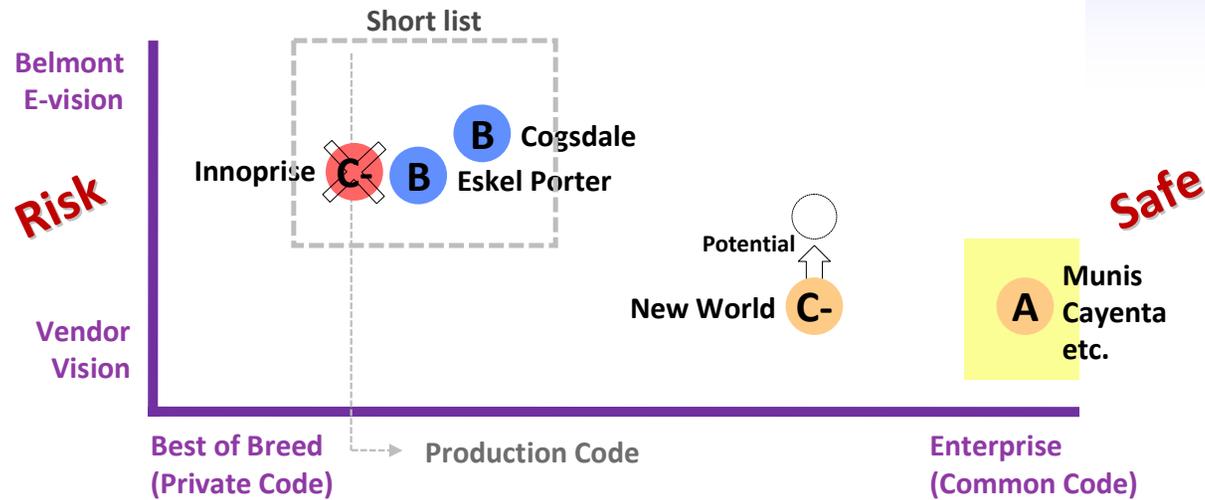
Common code for all cities



Belmont E-Vision



Short List Mind Map



	Eskel	Cogsdale	Innoprise	New W	Munis
E-vision	B	B+	B	D	D
Function	B	B	C-	C-	A
Technology	B+	B+	A-	A-	D
Implementer	A-	A-	A	C	C
Private code	4	4+	4++	1	0

