



**DATE:** July 10, 2018

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT** Authorization to Execute a Professional Services Agreement with HdL Companies for the Purchase of Business Tax and Licensing Software

### **RECOMMENDATION**

That the City Council adopts a Resolution (Attachment II) authorizing the City Manager to execute a professional services agreement with HdL Companies for the purchase and licensing of a business tax and licensing software in an amount not to exceed \$80,040 for the first year and \$25,000 for each additional year.

### **SUMMARY**

Currently, City business licenses are issued and maintained within the Citywide ERP system MUNIS. This system lacks online functionality, which prevents business owners and taxpayers from conducting tasks online. HdL Companies' Prime software offers a robust website with online features that will allow many tasks currently completed manually by either business owners or City staff to be completed online – saving both parties time and money. Also, HdL Prime has more powerful reporting capabilities than MUNIS, which will allow staff from multiple departments to easily gather information on City businesses and revenue trends.

### **BACKGROUND**

In June 2017, the City issued a RFP for a business tax and licensing software system. Two companies responded with proposals (HdL Companies and eGov), and staff chose to award the agreement to HdL Companies based upon both price and functionality.

### **DISCUSSION**

HdL Companies has partnered with California local governments for over 30 years, and has a stellar reputation amongst the many neighboring jurisdictions that currently use their software, such as Walnut Creek, Alameda County, and San Leandro. Their main software program—HdL Prime—is designed specifically for local governments, and it has been refined through collaboration with hundreds of municipalities.

In addition to the increased efficiencies HdL Prime will offer to staff, this software also includes a user-friendly website that business owners can use to apply for a business license,

renew their license, and pay their business license tax. Currently, the City is unable to offer this functionality, and it should save both staff and business owners time, money, and effort.

Finally, HdL Prime has robust reporting capabilities built into the system, with the ability of staff to customize reports easily. This feature will allow staff from multiple departments to easily gather information on City businesses and revenue trends, allowing for a much more detailed level of data analysis than is currently available.

### **ECONOMIC IMPACT**

There is no economic impact associated with this action.

### **FISCAL IMPACT**

The total cost for the first-year of this agreement will not exceed \$80,040, and will be funded entirely from technology fees paid by local businesses when renewing their business licenses. Subsequent years will not exceed \$25,000, and will also be funded entirely from collected technology fees.

### **STRATEGIC INITIATIVES**

This item is a routine operational item and does not relate to the strategic initiatives.

### **PUBLIC CONTACT**

There has been no public contact associated with this item.

### **NEXT STEPS**

Following approval from City Council, staff will work with HdL Companies to install and implement the HdL Prime software system. Staff anticipates that the software will be fully operational by the end of 2018.

*Prepared by:* Michael Barnes, Management Analyst II

*Recommended by:* Dustin Claussen, Director of Finance

Approved by:



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Kelly McAdoo, City Manager