



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Community Services

Meeting Date: December 2, 2024

Report #:2407-3320

TITLE

Approval of Contract Amendment Number 1 to Contract Number C23186719 with CivicPlus, LLC in the amount of \$48,265 for Additional Features and Security for Existing Recreation Management Software for a new not-to-exceed of \$783,330; CEQA Status – Not a Project.

RECOMMENDATION

Staff recommends the City Council approve and authorize the City Manager or designee to execute Amendment No. 1 to Contract C23186719 (Attachment A), with CivicPlus, LLC for additional facility rental features and added cybersecurity with the Recreation Management software in an amount not to exceed \$48,265 for Recreation Management Software. This amendment results in a revised total contract not-to-exceed amount of \$783,330 through December 31, 2028.

BACKGROUND

The Community Services Department (CSD) uses the Recreation Management Software CivicPlus, LLC, formerly known as CivicRec, to process program registrations, facility rentals, field rentals, membership sales, ticket sales, and point of sale transactions throughout the department.

The current contract, approved on January 23, 2023 ([CMR 2301-0764](#)¹), with CivicPlus covers the term of January 1, 2023 through December 31, 2028, this includes \$705,836 for basic services and \$29,229 for the performance of additional services.

In September 2024, CSD initiated task order 1 to transition to a dedicated hosting platform for increased cyber-security and ease of access for our community during high usage times. This task order absorbed the \$29,229 allocated for additional services. Dedicated hosting with CivicPlus is normally \$20,000 per year, after negotiations with CivicPlus, staff was able to acquire dedicated hosting for \$5,000 per year for the rest of our time utilizing the Recreation Management Platform.

ANALYSIS

The current fee schedule reflects the industry average of service rates increasing at 5% per year. The City's contract states that CivicPlus reserves the right to reevaluate our annual transaction volume and adjust our annual fees if we are surpassing our projected goals.¹ This amendment addresses two operational cost factors: 1) the City has surpassed projected transaction and revenue goals, causing our current annual fees to be lower than the average of what we should be charged and 2) CivicPlus has increased our fees to 1.2% higher than the current contract rates. In addition, these two operational cost factors allow the City to have rates lower than new clients using the platform. CivicPlus, Recreation Management, has made additional enhancements to their system that the City has immediate access, including, but not limited to:

- An equipment rental feature to help manage inventory of items available to rent with or without a reservation of facilities (e.g., sporting equipment, tables, chairs, A/V equipment.)
- Addition of single sign-on (SS) services for all organizations using CivicPlus' Recreation Management solution.
- Enhanced cybersecurity protections and hosting enhancements that leverage Amazon Web Services' solutions to safeguard administrative and resident data from continually evolving cyber threats and digital extortionists.

When CivicPlus presented the City with the cost increase, staff conducted a market survey by meeting with a variety of service providers to compare cost, discuss features and functionality of the alternatives, and the City's required functionalities of a new system. At this time, no alternatives were identified that could support all CSD's current needs that would result in minimal service disruption. As a result, an exemption to competitive solicitation pursuant to Palo Alto Municipal Code section 2.30.360(b2) was approved by the City Manager.

FISCAL/RESOURCE IMPACT

The contract with CivicPlus provides the authority for the contractor to increase fees given certain conditions outlined above. CivicPlus has accordingly increased our fees by 1.2% each fiscal year. This increase is only reflected for the annual fee, the dedicated hosting fees will remain at \$5,000. With this 1.2% increase we are also acquiring a new equipment rental feature and increased cyber security. Funding for this contract is available in the Fiscal Year 2025 Adopted Operating Budget approved by City Council on June 17, 2024. Funding for future years is subject to City Council approval through the annual budget process.

¹ City Council, January 23, 2023; Agenda Item #10; SR #23-1098, <https://portal.laserfiche.com/Portal/DocView.aspx?id=59275&repo=r-704298fc&searchid=9581dd66-dae0-406e-919d-2ddd39c739bc>

Table # 1 CivicPlus Annual Fee Breakdown

Fiscal Year	Original Contract Annual Fee	Amended Annual Fee	Dedicated Hosting Fee	Contingency	Cost Increase/ Fiscal Year**	Total per Fiscal Year
FY23 Jan 1- June 30*	\$50,378	PAID	N/A	-	-	\$50,378
FY24	\$105,793	PAID	N/A	-	-	\$105,793
FY25	\$111,082	\$111,082	\$4,290	\$5,000	\$9,290	\$120,372
FY26	\$116,636	\$124,802	\$5,000	\$5,000	\$18,166	\$134,802
FY27	\$122,469	\$131,042	\$5,000	\$5,000	\$18,573	\$141,042
FY28	\$128,591	\$137,594	\$5,000	\$5,000	\$19,003	\$147,594
FY29 July 1- Dec 31*	\$70,887	\$75,849	\$2,500	\$5,000	\$12,462	\$83,349
TOTALS:					\$77,494	\$783,330

*Prorated for partial year.

**Cost increase per fiscal year does not reflect contingency funds from the original contract being utilized.

STAKEHOLDER ENGAGEMENT

Staff worked closely with the contractor and the Purchasing Division during the development of this contract amendment.

ENVIRONMENTAL REVIEW

This contract for software does not constitute a Project as defined by the California Environmental Quality Act (CEQA).

ATTACHMENTS

Attachment A: Contract with CivicPlus, LLC; C23186719, Amendment No. 1

APPROVED BY:

Kristen O'Kane, Community Services Director