

City of Bethel Action Memorandum

Action memorandum No.	20-64		
Date action introduced:	December 22, 2020	Introduced by:	Peter Williams, Interim City
Date action taken:	December 22, 2020	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Denied
Confirmed by:	KM		

Action Title:

Authorizing Administration to negotiate and execute a contract with Questca to purchase budgeting performance software

Authorizing Administration to utilize CARES Act Funding for the first year of the Contract and to bypass the Request for Proposal requirements in conjunction with the response to the ongoing emergency.

Route to:	Department/Individual:	Initials:	Remarks:
	Interim City Manager Williams		
	Libby Bakalar, Legal		
	Carmen Jackson, Finance Contractor		

Amount of fiscal impact:	Account information:
Funds are budgeted for FY20	50-66
This is a 7 year, multi-year contract approval, the Council will be authorizing the use of the funds from CARES Act if FY 20 but will be agreeing to using general funds for all additional years of the contract term.	

Summary of Need

The City of Bethel Administration wishes to improve the effectiveness of the budget development, adoption and presentation processes by contracting with Questica to create a cloud-based budget solution.

The City of Bethel operating and capital budgets development require multiple steps throughout the organization. The Finance department currently uses a 90+ Microsoft Excel worksheet in their budget development process, manually entering each of the cells. The file used in the creation of the budget has been used and manipulated over the years and now presents inaccuracies in the budget presentation caused by hidden cells, broken links and incorrect formulas. This manual entry process of the budget from start to finish is a cumbersome, inefficient, erroneous, and now an archaic way of creating and managing budget documents, reports and presentations.

The solution available through Quetica would allow internet based collaboration on the budget with permissions set by Finance for accessibility and review approvals. The budget presented by Administration to Council would be through the same cloud-based system with the ongoing amendment to the budget during their review reflect real time changes as opposed to follow-up paper printouts to the budget document. Additionally, if the amendments made to the budget affected other areas of the budget, the solution would integrate those changes throughout the entire document, eliminating missed cell corrections and resulting in a more accurate budget.

This cloud-based solution would also provide a compressive easy to understand display of the budget and reports for staff, the council, committee/commissions and the public. With integrated

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graphs and comparables available through dashboards (staff and Council) and online through the city's website the City's financial picture will be more easily understood resulting in better oversight of the City's finances.

Summary of COVID-19 Impact

The impacts of COVID-19 and the ongoing risk of person to person contact, make the normal budget development, review, and implementation process difficult. Staff members are no longer safe collaborating in person. The council members and committee and commissions are no longer holding in person meetings. It is necessary to find a solution to provide timely access to information without the need for complicated paper budgets, with the corresponding multitude of amendments, to help protect the continued well being of our staff and our local government volunteers.

The upgrades to the existing budget development, review and modification process is a necessary expenditure as it will provide collaborators the ability to work through the budgeting process from anywhere.

Summary of Evaluation

The City Clerk's Office evaluated OpenGov, ClearGov and Questica, three similar companies that provide cloud-based budgeting solutions. In the evaluating of these tools, the City Clerk's Office with summary evaluation by Administration, found that Questica's budgeting and performance platform presented the best solution at the most competitive price point for the City of Bethel.

Following the approval of the contract the City will initiate the setup of the interface with Questica, getting our budget descriptions and line items to them so they can develop our dashboard. After about thirteen weeks of development, Administration will be able to begin using the system to develop our FY22 budget. Following the creation of the dashboard, the Finance Director would be able to open access to departments allowing direct input of draft budget numbers. These inputs will have an automated review process prior to being finalized and ready for distribution to Council. We are hopeful this process will be ready for implementation around the first of April.

City Administration recommends a seven-year with Questica, the solutions included in the agreement with quick links to the solutions webpage:

[Budget Book](#)

[Open Book](#)

[Performance](#)

[Budget](#)

The solutions provide the following features:

- Dashboards for quick reference of reporting information.
- Operational and capital budget development.
- Multi-year budgeting and reporting
- Staff Planning/scheduling
- Position, salary and benefit planning
- Workflow approvals
- Departmental transfer/allocation management
- Project explore for capital budgets
- Performance amendment
- Reporting and auditing
- Statistical ledger
- Financial statements module
- Alerts/reminders for measure due dates
- Advanced Search features
- Data sharing through all social channels
- Date display with interactive charts, tables, bars and graphs not just in platform but on City's website.

Cost Evaluation of Vendors

Questica: Founded 1998, working with Municipality of Anchorage

	<u>7 year</u>	<u>5 year</u>	
Y1	9,500	19,250	Y1 normal rate (19,500 AR+9,500 Setup)
Y2	19,500	19,500	
Y3	19,500	19,500	
Y4	20,085	20,085	3% increase after 3rd year
Y5	20,085	20,085	
Y6	20,085	T 98,420 (19,684 PY)	
Y7	20,085		
T	128,840 (18,405 PY)		

<p>OpenGov: Founded 2012</p> <p>Y1 23,692 AR + \$50,000 Setup</p> <p>Y2 23,692</p> <p>Y3 23,692</p> <p>Y4 23,692</p> <p>Y5 23,692</p> <p>Y6 23,692</p> <p>Y7 23,692</p> <p>T 215,844</p>	<p>OpenGov's solutions was very similar to Questica however evaluating their similarities and comparing their costs, Questica is determined to be the better solution for the City.</p>
<p>ClearGov: Founded 2015, working with the Municipality of Nome</p> <p>Y1 14,587.50</p> <p>Y2 19,450</p> <p>Y3 19,450</p> <p>Y4 19,450</p> <p>Y5 19,450</p> <p>T 92,387.50</p>	<p>ClearGov is the least expensive of the options; however, their system does not directly integrate with our Caselle system which means that updates to the date would have to be through document transfer from us to them, therefore preventing the "near to real time responses" in our budget data. The other two companies will link their cloud-based system directly with Caselle; they each have a number of clients that also work with the Caselle.</p>

Exemption from standard procurement requirements in response to an ongoing emergency.

Bethel Municipal Code Chapter 4.20.190 A.1. states, the source selection for general equipment material and supplies, the procurement of any single item or purchase order transition expected to cost twenty thousand dollars or more shall be required to follow the competitive bid process. The agreement with Questica is below the threshold of this amount for the first three years and exceeds the amount by \$85 for the remaining four years. In accordance with subsection A.2. of this chapter, the City has obtained three formal quotes from three vendors providing similar products.

In accordance with BMC 4.20.150, Waiver of Formal Bidding Process, the City Manager may waive formal bidding processes when there is not sufficient time to comply with the formal bidding procedures if the City's best interest will be serviced by such action. The solution setup is expected to take 14 weeks, which is just before the budget submission deadline to the Council, April 1. If we follow the procurement requirements, we can expect to add at least two months on to the timeline. The City has no idea how long we will be facing limitations from COVID-19. With the accessibility of our use of CARES Act funding expiring on December 30, it is necessary to act now to authorize the expenditure.