



# WASHOE COUNTY

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## STAFF REPORT

**BOARD MEETING DATE:** February 26, 2019

**DATE:** Friday, February 22, 2019

**TO:** Board of County Commissioners

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**THROUGH:** Christine Vuletich, Assistant County Manager  
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**SUBJECT:** Recommendation to approve the resolution to augment the Regional Permits Capital Fund in the amount of [\$44,455.24] from existing fund balance for the fiscal year 2019 budget, so that the cities of Reno and Sparks can be appropriately refunded the funds due to them; and authorize the Comptroller's Office to make the necessary budget amendments. (All Commission Districts.)

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### **SUMMARY**

The purpose of this agenda item is to request an augmentation to the existing budget for the Regional Permits Capital Fund (Fund 430) so that refunds can be processed to the Cities of Reno [\$26,055.54] and Sparks [\$18,399.70] for contingency funds paid by those agencies but not needed for the project.

**Washoe County Strategic Objective supported by this item:** Stewardship of our Community.

### **PREVIOUS ACTION**

March 04, 2016. The Board of County Commissioners approved a change order request from the Regional License and Permit Program Vendor, Accela, to extend the program's contract until the project is ready to go live. All entities reimbursed Washoe County for their portion of this change order, fund from the original contingency amount of \$87,369.66 were not used for the change order.

June 17, 2014. The Board of County Commissioners approved and executed an Interlocal Agreement with the City of Reno, the City of Sparks, and the Washoe County Health District concerning the governance and implementation of a regional license and permit program. The Board also approved a project budget of \$1,667,444.32, which includes a contract with Accela, Inc. for \$1,580,074.66 for subscription licensing and

**AGENDA ITEM # \_\_\_\_\_**

implementation services and includes a contingency amount for all four entities of \$87,369.66. Additionally, the Board authorized the Purchasing and Contracts Manager to execute the Accela contract.

March 25, 2014. The Board of County Commissioners received an update from members of the Regional License and Permit Executive Committee on the status and progress towards the contracting for a regional license and permit program to replace Washoe County's aging Permits Plus program.

October 8, 2013. The Board of County Commissioners acknowledged the Regional License and Permit Executive Committee work and the selection of Accela, Inc. as the winning software vendor, as a result of Request for Proposal (RFP) 2828-13. The Board directed staff to continue with vendor contract negotiations and financing, to include an interlocal agreement and a possible regional technology fee, for regional license and permit program.

### **BACKGROUND**

As noted the Board approved the following at their June 17, 2014 meeting:

- A contract with Accela, Inc. for the regional license and permit program. The contract includes a detailed statement of work. Washoe County is the contracting agency for the regional license and permit program.
- The Interlocal Agreement between Washoe County, the City of Reno, the City of Sparks, and the Health District that governs, and states the terms for implementing, the regional license and permit program. In this, the interlocal agreement outlines the responsibilities and obligations of each jurisdiction concerning such matters as budget, payment of contract and subscription costs, and program oversight. The Interlocal Agreement also established a Management Oversight Group consisting of the Managers for the City of Reno and the City of Sparks, the District Health Officer, and the County Manager. The Oversight Group is empowered to make financial decisions concerning the project within certain specified amounts and to make recommendations to the jurisdictions' elected bodies.
- A loan from Washoe County to the City of Reno for sufficient funds to cover the first year's project costs, which includes both implementing the permits and licensing program and first-year subscription costs. The Interlocal Agreement covers Reno's repayment of the loan. The City of Reno is current on payments.
- A commitment by Washoe County to perform duties as fiscal agent for all four jurisdictions concerning the regional license and permit program. As the contracting agency and contract administrator, Washoe County is responsible to pay the first year's project costs and subsequent years' subscription costs for the program. The County created a special revenue fund for accounting purposes to support the costs and reimbursements for the program as outlined in the interlocal agreement.

### **CONTRACT AND ASSOCIATED STATEMENT OF WORK WITH ACCELA, INC.**

- As noted, Washoe County is the contracting agency and the contract administrator for the contract with Accela, Inc. for the regional license and permit program.

Washoe County Technology Services Department leads the project, based on its success with large, multi-department and -agency software programs.

- The regional license and permit program will be hosted by Accela, Inc. in their data center (i.e., the program will be “on the cloud”) and consists of three major modules: land management, mobility, and citizen access. The land management module provides the tools and programs required to manage all license and permits functions and transactions. The mobility module provides the applications and tools needed for field staff to access the program through off-site hardware (e.g., tablet PCs, smart phones, etc.). The citizen access module provides the interface and functionality for our citizens to access the program through the internet.
- Accela, Inc. will create a regional license and permit program with each of the four jurisdictions housed as a separate tenant within the larger regional database. This design will facilitate the flow of license and permit information between and among the four jurisdictions. The regional database will enable the sharing of common customer information between the jurisdictions, and will reduce the need for a customer to enter their information multiple times within the program. The regional program will be designed to share common license and permit workflows and business processes among the four jurisdictions whenever feasible. The program will also be designed to start the customer at a common “regional” entry point and then direct the customer seamlessly into the individual jurisdiction’s business process to complete a license or permit transaction. Finally, the regional program is also scalable, in that other jurisdictions can join in the future to share the common license and permits workflows and business processes.
- The total implementation cost, with a 5.5% project contingency component, and first year subscription cost is \$ 1,667,444.32. The jurisdiction sharing of the total cost was as follows:

<b>Jurisdiction</b>	<b>Contribution %</b>	<b>Contribution amount</b>
Reno	28.5%	\$ 475,221.63
Sparks	26.9%	\$ 448,542.52
Washoe County (includes Health District)	44.6%	\$ 743,680.17
<b>Total Project Cost</b>		<b>\$ 1,667,444.32</b>

- Note: The contribution amount includes the 5.5% project contingency.

The Regional License and Permits Project kicked off September 2, 2014 and was targeted as a 16-month implementation with all regional partners participating. The contract was purposely very “lean” for a project of this size—involving four jurisdictions and over 30 combined departments—to reduce the overall cost of the contract. Negotiations were conducted during the height of the economic downturn when all jurisdictional budgets were very tight. The initial project plan that was delivered by Accela was very aggressive and only included those tasks which were the responsibility of Accela. A fundamental precept of the contract was that Accela would “teach” the jurisdictions “how to fish” in creating the bulk of the program. The initial project plan did not account for the work by the four jurisdictions to take the project to completion.

Issues that the Program has faced throughout the implementation include vendor mandated upgrades, which halted progress at several different times during the project;

vendor delays in delivering key functionality, reorganizations of assigned lead Accela management staff for the project, implementation process complexities with lean training provided by the vendor, and lengthy timelines for review of project components delivered by Accela. The agencies' were also short staffed during some critical timelines and there was no funding to backfill or enhance staff for the project. The project fell behind schedule and deadlines for delivering key statement of work deliverables were delayed, resulting in the missed date of the original planned go live on, December 21, 2015. The Regional Project Management team raised concerns with the overall project plan to Accela's new management team and the Project reset occurred on October 19, 2015, which established a new project go live date as August 22, 2016. The actual go live date was October 31, 2016.

This change order increases Accela's and the agencies' accountability by establishing concrete timelines and deliverables in the project plan included within this change order. For instance, if either Accela or an agency falls behind more than 5 days on critical task, payment may be withheld to Accela or the Agency will need to make up the time elsewhere in the project plan or another change order may be warranted.

The revised project plan was approved on January 21, 2016 by the Management Oversight Group. At the same meeting, the Oversight Group directed staff to bring the proposed change order to each governing body (each City Council and the Board). The Health District's share of the funding is through Washoe County, so there was no direction to bring the Change Order to the District Board of Health.

The refunds for the contingency amounts that were prepaid by the City of Reno and the City of Sparks were approved on December 4, 2018 by the Management Oversight Group.

Nevada Revised Statute (NRS) 354.598005 and Nevada Administrative Code 354.410 set for the requirements for budgetary augmentations. Available resources for a mid-year budget augmentation are:

- An opening balance which is larger than anticipated;
- Revenues in excess of those budgeted;
- Revenues generated from previously unbudgeted sources; or
- An unappropriated ending balance of a fund for capital projects.

In this case, since these are capital projects, the County can augment any of the unappropriated ending fiscal year 2019 fund balance from the Capital Improvements fund.

### **FISCAL IMPACT**

If approved, \$44,455.24 of refund monies are available in the fiscal year 2019 unappropriated fund balance of \$1,002,260.94 as of 1/31/19.

<b>Cost Object</b>	<b>G/L Account</b>	<b>Amount</b>
<b>Source of Funds:</b>		
Unappropriated Fund Balance	Cash Account 4301	\$44,455.24
<b>Revenues/Expenditures/Transfers:</b>		

C430040 Reno Regional Permits Capital	710400 – Payments to Other Agencies	\$26,055.54
C430030 Sparks Regional Permits Capital	710400 – Payments to Other Agencies	\$18,399.70

**RECOMMENDATION**

It is recommended that the Board of County Commissioners approve the resolution to augment the Regional License and Permit Program in the amount of [\$44,455.24] so that the cities of Reno and Sparks can be appropriately refunded the funds due to them; and authorize the Comptroller's Office to make the necessary budget amendments.

**POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be: "Move to approve the resolution to augment the Regional License and Permit Program in the amount of [\$44,455.24] so that the cities of Reno and Sparks can be appropriately refunded the funds due to them; and authorize the Comptroller's Office to make the necessary budget amendments."