



INNOVATION & TECHNOLOGY DEPARTMENT

CITY HALL

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CITY COUNCIL STAFF REPORT

Meeting: November 21, 2017

Subject

Authorize the City Manager to execute an agreement with Active Network, LLC for recreation management software.

Recommended Action

Authorize the City Manager to execute a five-year Product and Services Agreement with Active Network, LLC, in the amount of \$1,058,754 for enterprise recreation management software implementation, hardware, and subscription (Attachment A). Authorize the City Manager to negotiate and execute contract extensions at the end of the initial five-year contract period for one two-year term.

Description

Staff recommends entering into the agreement for ACTIVE Net recreation management software from Active Network, LLC for software licensing, maintenance, technical support, cloud hosting, implementation services, and hardware. The proposed web-based software will allow the Recreation & Community Services Department to provide online and in-person transactions for activity registration, membership management, facility reservations, and point of sale services.

Discussion

Background

A Recreation Management System is a key part of the Recreation and Community Service Department's ability to provide quality services. The software currently in use (CLASS) at Quinlan Community Center, the Senior Center, and Blackberry Farm is scheduled to be phased out by the vendor, Active Network. Separate software systems are in use at the Sports Center and Blackberry Golf Course. In 2015, the City Council authorized staff to negotiate and execute a contract for recreation software and allocated funding for the project. Funding for that project is recommended to be reallocated to the ACTIVE Net implementation.

Market Scan and Research

In mid-2017, the City determined the need to procure a well-established, reliable, and stable recreation management software that would meet the City's business needs and

could be implemented in a reasonable time frame. City staff began evaluating options and conducted a preliminary market scan of recreation management software solutions. A high level assessment of seven identified vendors' market reach and software solutions was completed. Staff also identified the software currently in use by peer recreation agencies in the City's immediate market area of Santa Clara County.

This preliminary analysis yielded two vendors with extensive recreation agency experience, expansive market share and reach, and modules that meet the majority of the City's business needs: Active Network's ACTIVE Net and Vermont Systems' RecTrac. To assess these two products, staff contacted seven recreation agencies using the products. Agencies were asked about their experience with the vendor and software including functionality, implementation, and support. The following cities were contacted: San Jose, Campbell, Mountain View, San Mateo, Santa Cruz, and Saratoga, as well as the Bend Park and Recreation District. Both vendors were found to offer solid products that would meet the majority of the City's business needs. A major differentiating factor was length of time each product has been on the market and a related record of performance.

Active Network's current web-based product, ACTIVE Net, has been in use at recreation agencies for 15 years and is currently in use by over 1,300 organizations. Vermont Systems' web-based solution, RecTrac 3.1, was first implemented in the past few years and is not yet as widely in use. Based on the City's goals and business needs, staff recommended proceeding with an upgrade to ACTIVE Net.

Product Assessment/Evaluation

As ACTIVE Net is owned by the City's current recreation software vendor, staff requested a proposal to upgrade from Active Network's CLASS software to ACTIVE Net. Active Network submitted a proposal outlining ACTIVE Net functionalities, a project management approach for implementation, the Software as a Service model, and a competitive fee package. Active Network also led an on-site demonstration with 11 Recreation and Community Services and Innovation & Technology staff and answered questions about functionality and support.

City staff conducted reference checks with four ACTIVE Net customers, using an extensive questionnaire to assess the agencies' experience with functionality, performance, implementation, and ongoing maintenance and support. The agencies contacted included: the City and County of San Francisco, California; City of Boulder, Colorado; City of Santa Monica, California; and Carol Stream Park District, Illinois.

Staff also conducted a site visit to view ACTIVE Net in a live production environment. Key Recreation and Community Services Department staff visited the City of Campbell to observe facility reservations, activity registration, point of sale, membership management, and reporting.

Informed by a market scan and research, Active Network's proposed solution and on-site demonstration, reference checks, and a site visit, ACTIVE Net is recommended as the product that best meets the City's business needs for a well-established, reliable, stable recreation management software.

Proposed Solution

ACTIVE Net is a fully hosted, Software-as-a-Service (SaaS) solution allowing City residents and staff to complete transactions from any computer with an internet connection. It supports an unlimited number of workstations, users, and concurrent users in the application as well as unlimited number of internet sessions for customers registering online. Active Network was founded in 1999 and is based in Dallas, Texas. The company's technology solutions support more than 35,000 organizations and 100 million transactions annually.

Demonstrated Software Functionality - ACTIVE Net includes automated program registration, facility reservations, membership management, point of sale, reporting, and customer relationship management. It includes the capacity for participant online access via mobile and desktop interfaces, integrated payment processing, and built-in communication tools such as targeted email and text messaging. ACTIVE Net is capable of supporting large, complex recreation agencies with high volumes of customer transactions, including San Jose, San Francisco, and the Chicago Park District.

Staff determined that ACTIVE Net is able to support the majority of the City's business needs around activity registration, facility reservations, membership management, point of sale, reporting, and communications. There will be two operational areas not supported by the software: tee timing scheduling at Blackberry Farm Golf Course and point of sale transactions at the Blackberry Farm Café.

Implementation Timeline and Format - If the agreement is executed as proposed, implementation launch would occur by April 2018, with a scheduled project plan to go live in October 2018. This implementation schedule accommodates Active Network's lead time for scheduling and the most advantageous timing to align with Recreation & Community Services program and membership seasons.

Data Centers & Security - The updated delivery model, SaaS, requires Active Network to be responsible for hosting the software and data. Active Network's primary datacenter meets the Uptime Institute's Tier IV (highest rating) datacenter standards and incorporates multiple, active power and cooling distribution paths, redundant fail-overs, providing a very high degree of fault tolerance; resulting in 99.995% application availability. Active Network holds the highest available PCI Compliance certification, a Level 1 Payment Processor Certification for all payment processing.

Marketing & Communication Tools - ACTIVE Net provides the capability to produce targeted email campaigns, social media integration, as well as a brochure export tool for efficient production of the quarterly recreation schedule. It also allows staff to quickly send an email alert to registered participants through the system.

Strong Network of Like Users - Eight Santa Clara County cities use ACTIVE Net software. During the evaluation, staff connected with the cities of Campbell, Palo Alto, Mountain View, and San Jose concerning their experience with ACTIVE Net. The feedback from all cities was favorable. Additionally, key Cupertino Recreation & Community Services Department staff are familiar with the software from previous positions.

Cost

ACTIVE Net fees are based on a transaction-based model, the City is responsible to pay for only what is used and not tied to set licensing and maintenance fees. The transaction fees will cover the full cost of software usage, including: unlimited users, regular maintenance and upgrades, cloud hosting, and payment processing charges. This amount will vary based on transaction volume, payment types, and actual receipts, currently estimated at approximately \$239,000 annually. This results in additional \$17,614 annually over monies paid for the City’s current recreation applications (see Table 1). Additionally, the proposed agreement outlines a one-time cost of \$102,754 for implementation, hardware, and discounted CLASS maintenance.

TABLE 1 – Recreation Management Software Cost

Item	One-Time	Annual	
		Current	Projected
ACTIVE Net			
Implementation			
Professional Services	\$39,100		
Travel	\$ 3,500		
Hardware	\$48,000		
CLASS Maintenance (Dec 2017-Nov 2018)	\$12,154		
Maintenance/User/Payment Processing Fees			\$239,000*
CLASS Software			
Maintenance/User Fees		\$ 23,000	
Payment Processing Fees		\$150,000	
CSI Software (Sports Center Memberships)			
Maintenance/User Fees		\$ 14,886	
Payment Processing Fees		\$ 13,500	
IT Hardware, Software, Staffing		\$ 20,000	
Total	\$102,754	\$221,386	\$239,000*
		Net Annual Increase	\$ 17,614

*Estimated. Annual cost will vary based on transaction volume, payment types, and actual receipts.

The City's maintenance contract with Active Network for the CLASS software is a year-to-year contract at an annual cost of \$23,000. The annual maintenance rate was scheduled to increase in November 2017 to \$69,000, an increase of 300%. Under the terms of the proposed agreement, CLASS maintenance costs will be waived from December 1, 2017 to May 30, 2018, and again after go-live. From June 1 to November 1, 2018, Active Network will charge the City a reduced fee of \$12,154 for CLASS maintenance and support.

The membership management software in use at the Cupertino Sports Center is through an agreement with CSI Software at an annual cost of \$14,886. The current contract expires May 2019 and staff is negotiating an amendment to maintain support through the ACTIVE Net Go Live date.

Sustainability Impact

The ACTIVE Net software is anticipated to reduce the volume of paper currently used for customer transactions, conserving natural resources and reducing greenhouse gases generated during the production and disposal of paper. When possible, staff will leverage the improved software to email receipts and permits. Additionally, in time, more customers are anticipated to complete activity registration online further reducing vehicle travel and use of paper. Implementation of paperless office strategies like this one are prioritized in Cupertino's Climate Action Plan (M-SW-1).

Fiscal Impact

Existing recreation software implementation funding is allocated in the Recreation & Community Services Department to fully fund the implementation of ACTIVE Net as outlined in the recommended agreement. As shown in Table 1, the annual net impact to the City is projected at \$17,614 to migrate to ACTIVE Net. Budget actions will be brought forward at Mid-Year FY2018-2019 to align the budget with adjusted revenue and expenditures.

Prepared by: Mariah Dabel, Recreation Manager

Reviewed by: Bill Mitchell, Chief Technology Officer

Approved for Submission by: David Brandt, City Manager

Attachments:

A – Product and Services Agreement