

# ORDINANCE No. 186217

Amend contract with The Active Network, Inc. to add \$1,500,000 to provide a web hosted, integrated recreation software solution and to extend the term by five years (Ordinance; amend Contract No. 30000729)

The City of Portland ordains:

Section 1. The Council finds:

1. The Bureau of Parks and Recreation (Parks) is responsible for establishing and safeguarding the parks, natural resources, and urban forest that of the city; developing and maintaining facilities and places for public recreation; and providing and coordinating recreation services and programs that contribute to the health and well being of residents of all ages and abilities.
2. Parks currently processes recreation program registration, facility booking, memberships and payments by point of sale using CLASS software provided by ActiveNetwork (TAN) and hosted on City servers and workstations.
3. Since 1998, the current software vendor TAN, has released various upgrade versions of CLASS for Windows. The 1998 version was a fully integrated facility booking and program registration software. In 1999, CLASS added memberships followed up with a release of online registration (eConnect) in 2005 and point-of-sale in 2008. CLASS version upgrades have been deployed since 1998 to 2009 every 1 ½ years. Since 2009 to current, PCI requirements have increased the upgrade frequency to include all version upgrades and security patches. The frequency of upgrades and patches are now 3 times per year.
4. The City negotiated and signed a new Product and Services Agreement with TAN effective July 31, 2009, which licensed The TAN's software for operation on City computer and included language which could be activated by contract amendment for a future transition to contractor-hosted software and services.
5. The most efficient and cost effective way to meet the future needs of Parks and the customers of its facilities, services, and programs is to transition to a hosted service for enhanced self-service, added functionalities not available in the current CLASS or eConnect models and improved marketing and management reporting tools. The added functionalities not included in the current CLASS/eConnect software are;
  - In addition to standard computer browser access, ActiveNet incorporates a mobile optimized web interface with functionalities intact for all popular mobile devices.
  - Online membership management will allow customers to manage their memberships for the purpose of creating new or editing existing memberships with reoccurring payment options.
  - Online facility rentals will allow customers to request or reserve Parks facilities with interactive maps and scheduling tools.
  - Online preschool will allow customers to securely register, tailor child care session detail, enter emergency contacts, enter authorized pick-up and pay online.
  - Online private lessons will allow customers to match schedules with instructors.
6. PP&R currently incurs annual costs of up to \$100,000 for software licenses, nearly \$100,000 in BTS costs for servers and PCI compliance, and \$50,000 in extra front desk seasonal staff to

answer phones during registration seasons. Nearly all of these costs will be replaced with a fees paid to ActiveNet for their hosting of these services. The costs for this new contract are projected to be just over \$250,000 annually, with a small increase as customers shift from in-person business to online. The five-year highest potential impact scenario is up to \$500,000 annually in fees, which would be offset with a minimal transaction fee that is passed onto the customer for online transactions only. In addition, it is anticipated that the project will require roughly \$100,000 in consulting, hardware and training costs as a one-time cost during conversion. Between both one-time conversion costs and a five-year forecast of probable fees based on other jurisdictions, it is projected with a high level of confidence that this contract will need to be roughly \$1,950,000 million to cover the full five years payments, with the funding being existing general fund funding and revenues generated from programming.

7. Because TAN's future development will be focused on their hosted solution and not the CLASS software. TAN has also posted notice that they will only provide one additional major release on CLASS software and fully intend to de-support CLASS in favor of their hosted solution.
8. As allowed for under Portland City Code 5.33.220 D.12,, Parks wishes to enter into a contract amendment for an additional five year term with The Active Network.

NOW, THEREFORE, the Council directs:

- a. The Chief Procurement Officer is hereby authorized to execute an amendment to City Contract No. 30000729 in a form substantially in conformance with the amendment attached as Exhibit A.

Passed by the Council:

Mayor Charlie Hales

SEP 04 2013

Prepared by: Glenn Raschke

Date: July 30, 2013

**LaVonne Griffin-Valade**

Auditor of the City of Portland

By

*Susan Larson*

Deputy

~~792~~ = 828

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Agenda No. **186217**  
**ORDINANCE NO.**

Inc. Title **1,500,000**

Amend contract with The Active Network (TAN), to add \$2,100,000 to provide a web hosted, integrated recreation software solution and to extend the term by five years (Ordinance; amend Contract No. 30000729)

<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Fritz</b>	<b>CLERK USE: DATE FILED</b> <u>AUG 09 2013</u>
<b>COMMISSIONER APPROVAL</b>	<p>LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: <u>[Signature]</u> Deputy</p> <p><b>ACTION TAKEN:</b> <b>AUG 14 2013 PASSED TO SECOND READING</b> <b>SEP 04 2013 9:30 A.M.</b></p>
Mayor—Finance and Administration - Hales	
Position 1/Utilities - Fritz <u>[Signature]</u>	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Novick	
<b>BUREAU APPROVAL</b>	
Bureau: Parks and Recreation Bureau Head: Mike Abbate <u>[Signature]</u>	
Prepared by: Glenn Raschke Date Prepared: 7/30/2013	
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date <b>8/14/2013</b>	
<b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter <u>[Signature]</u>	

<b>AGENDA</b>
<b>TIME CERTAIN</b> <input type="checkbox"/> Start time: _____  Total amount of time needed: _____ (for presentation, testimony and discussion)
<b>CONSENT</b> <input checked="" type="checkbox"/>
<b>REGULAR</b> <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<input checked="" type="checkbox"/>	
4. Novick	4. Novick	<input checked="" type="checkbox"/>	
Hales	Hales	<input checked="" type="checkbox"/>	