



City of Culver City

Staff Report

File #: 20-1057, Version: 1

Item #: C-4.

CC - (1) Approval of an Amendment to the Existing Professional Services Agreement with ACTIVE Network, LLC for Activity Registration and Facility Reservation Software Services Based on the Percentage Rates/Fees Presented in the Proposal for a Three-Year Term Subject to Automatic Renewal as Agreed Upon by Both Parties; and, (2) Adoption of a Resolution Establishing a 4% Administrative Fee for Activity Registration/Facility Reservation Processing to be Charged by the Culver City Parks, Recreation and Community Services Department, Effective July 1, 2020.

Meeting Date: June 22, 2020

Contact Person/Dept.: Corey Lakin/PRCS Department

Phone Number: (310) 253-6682

Fiscal Impact: Yes No

General Fund: Yes No

Public Hearing: **Action Item:** **Attachments:**

Commission Action Required: Yes No **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (06/18/2020)

Department Approval: Corey Lakin, PRCS Director (06/11/2020)

RECOMMENDATION

Staff recommends the City Council (1) approve an amendment to the existing professional services agreement with ACTIVE Network, LLC ("ACTIVE") for activity registration and facility reservation software services based on the percentage rates/fees presented in the proposal for a three-year term subject to automatic renewal as agreed upon by both parties; and (2) adopt a resolution establishing a 4% administrative fee for activity registration/facility reservation processing to be charged by the Culver City Parks, Recreation and Community Services (PRCS) Department, effective July 1, 2020.

BACKGROUND/DISCUSSION

Amending the Existing Professional Services Agreement with ACTIVE Network, LLC

Companies providing licensed software services charge fees for processing certain types of transactions such as registrations and online payments. Currently, those wishing to register for an

activity or reserve a facility that is under the purview of the Culver City PRCS Department may do so in person at the Recreation Registration Office located at the Veterans Memorial Building or online using the City's contracted registration/reservation software services company, ACTIVE Network, LLC ("ACTIVE").

ACTIVE is a software provider that processes activity registrations and online payments for organizations in multiple markets, such as endurance (running, swimming, cycling), team sports (baseball, basketball, football, soccer), camping (reservations), communities (park and recreation centers), business conferences, and school-affiliated groups. ACTIVE's facility and program management software is known as "ActiveNet."

On July 28, 2011, the City of Culver City entered into a professional services agreement with ACTIVE Network, LLC ("Active") for activity registration and facility reservation software services (the "Agreement"). Terms of the Agreement state that it will automatically renew with the same terms every three years until either party gives written notice to terminate the Hosted Software no less than twelve (12) months prior to the expiration of the then-current term. Since the end of the current term was nearing, PRCS Department staff contacted Active in order to secure the most favorable terms possible for their services. A comparison of the rates under the current Agreement and the proposed amendment to the Agreement is provided as Attachment 1.

Fiscal Year 2018/2019 financial information was used to calculate the projected savings on Attachment 1 because this is the most recent full year of data that has been recorded and it demonstrates how the terms of the proposed amendment to the Agreement will affect finances in a more "typical" year. Staff acknowledges that due to the coronavirus pandemic this year and possibly next year will not be typical years with relation to the number of registration/reservation transactions that are processed.

To summarize, one of the main differences between the Agreement and the proposed amendment to the Agreement, instead of consulting and support costs being incorporated into a higher percentage for fee charges, these services are parceled out and paid for as part of an add on "Annual Service Package." On Attachment 1, projected savings from lower per fee percentage rates result in a net savings to the City despite the addition of the add on Annual Service Package. In addition, the proposal results in a cost savings to the customer.

This procurement is exempt from formal bidding procedures per Culver City Municipal Code (CCMC) Section 3.07.055.E, which exempts bidding requirements where items to be purchased are computer software, hardware maintenance services or software maintenance services.

Adoption of a Resolution Establishing an Administrative Fee for Activity Registration/Facility Reservation Processing

Under the current Schedule of User Fees and Charges, there is no PRCS Department administrative fee for activity registration/facility reservation processing. Staff is proposing that a 4% activity registration/facility reservation processing be established by resolution of the City Council (Attachment 2). The administrative fee will help the City recover a portion of the costs that it takes to process activity registrations and facility reservations, while keeping the costs to the community low and equally spread out across all registrations and reservations. This fee will not include the staff

time that it takes to process registration or reservations or any other overhead costs.

The City has been paying the ActiveNet fees since 2011. The cost to the City of these fees has increased annually as registrations increased to more than \$140,000 annually over the last few years. In order to assist the PRCS Department in meeting the desired cost recovery for the City, this small percentage will allow most of the software's processing fees to be recovered since it will be applied across the board regardless of the nature of the transaction (i.e., in person or online). The 4% will be applied to the base rate of the registration/reservation fee. For example, if the cost of a class or reservation is \$100.00, the customer will pay \$104.00. There are no additional credit card or electronic check fees.

In FY 18-19, less than 12% of the PRCS registrations were paid online. In this COVID-19-era, it is highly desirable to increase online transactions and decrease potential exposure through in-person transactions. By eliminating the current and higher (5.41%) fee for the online customers and replacing it with a lower (4%) administrative fee across all transactions, it is our goal to increase online transactions, saving those customers money and decreasing the in-person transactions.

FISCAL ANALYSIS

Pending the City Council's adoption of the Fiscal Year 2020/2021 Budget, there will be sufficient funds for costs related to the amendment to the Agreement in 10130100.520210 (PRCS Administration / ActiveNet Fees).

ATTACHMENTS

1. 2020-06-22 - ATT 1 Current ActiveNet Rates versus Proposed Rates
2. 2020-06-22 - ATT 2 Proposed Resolution

MOTION

That the City Council:

1. Approve an amendment to the existing professional services agreement with ACTIVE Network, LLC ("ACTIVE") for activity registration and facility reservation software services based on the percentage rates/fees presented in the proposal for a three-year term subject to automatic renewal as agreed upon by both parties; and
2. Authorize the City Attorney to review/prepare the necessary documents; and
3. Authorize the City Manager to execute such documents on behalf of the City; and
4. Adopt a resolution establishing a 4% administrative fee for activity registration/facility reservation processing to be charged by the Culver City Parks, Recreation and Community Services (PRCS) Department, effective July 1, 2020.

