CITY OF MORGAN HILL

CITY COUNCIL STAFF REPORT
MEETING DATE: May 20, 2020

PREPARED BY: Michelle Bigelow, Deputy City Clerk
APPROVED BY: City Manager

APPROVE PURCHASE AND IMPLEMENTATION OF UPGRADED DOCUMENT MANAGEMENT SOLUTION

RECOMMENDATION(S)
Authorize the City Manager to approve a purchase order and execute any related software subscription agreement, with ECS Imaging for the purchase and installation of an upgraded Laserfiche Avante document management system for $80,987.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities	2020-2021 Strategic Priorities
Fostering a Positive Organizational Culture	Financial Sustainability
Preserving and Cultivating Public Trust	

REPORT NARRATIVE:
Staff recommends that the City Council approve the purchase and implementation of an upgraded document management system from ECS. Integrated document management systems are a standard business tool for local government organizations which allow all departments within the City to coordinate work flow and business processes, share information, store data and records in conjunction with the City's records retention schedule, provide public access to records that are public, and facilitate customer service. While most cities in the region and throughout the state currently utilize such systems, Morgan Hill relies upon a mixture of non-integrated paper tracking systems and software systems that are often duplicative and very time intensive to carry out the City's many business processes.

Currently every day, information is used, moved, and archived in a very manual process which includes searching, copying, and routing. The process is tedious and very time-consuming, and the inefficiencies of this process divert staff from the crucial business of acting on this information. Now more than ever, it is critical that we update our processes to maximize our resources and staff time. With the current hiring freeze and reduction in contract staff, streamlining our business processes will support maintaining customers service levels. Staff is recommending moving forward with this software acquisition ahead of the budget adoption in order to 1) utilize this time when many of our facilities are closed due to the shelter-in-place orders to implement the variety of workflows and improve business processes and 2) in anticipation of re-opening many facilities, to have these processes in place as many of our current business processes may no longer be viable in our new normal.

The City currently uses a legacy Laserfiche product called Laserfiche United which is limited to retention of records. The software used is over 14 years old and does not provide business process automation, electronic forms management, or public access. The proposed document management system provides integrated and automatic workflows across departments throughout the City, integration with many software systems already in use by the City, unlimited electronic forms for use both internally and for the public, access through a public facing portal to records that are deemed public records, integrated document management in conjunction with the City's records retention schedule, and increased accuracy with automated OCR (Optical Character Recognition) and indexing of records.

The document management software is intended to provide significant process efficiencies throughout the organization. Below are some processes that will be improved and where teams will save time:
- Contract routing
- Special event permits
- Teammate onboarding
- Budget development
- Accounts payable
- Accounts receivable
- Utility services application
- Credit card statement review
- Travel reimbursement requests
- Ethics and sexual harassment prevention training
- Vendor registration
- Public record requests
- Records management
- Development process inquiries
- Field or recreation facilities use/applications
- Recreation Facility Membership and Program Registration Forms Management

The business processes above will be improved through the use of automated workflows that enable automated document routing that saves time and money by reducing the time it takes to photocopy, the time it takes to hand deliver and any lag time, and the manual process of recording the end product. We will develop a rules-based routing system to streamline document handling procedures, automatically notify teammates when documents require them to take action, track every step of the process, and monitor the process to ensure efficiency and that we are meeting deadlines. We will also use a combination of custom and existing tested workflows and forms available in the Laserfiche library. As new forms and workflows are created by different organizations, they are uploaded to the Laserfiche Library for all clients to use. We would also be able to take an existing workflow and customize it to our needs. The ability to use these existing tools will offer significant time savings in developing the workflows for all of the City's various business processes. Efficiency will also be added through our ability to have increased communication and collaboration as the product can be accessed remotely, online, or on mobile devices. This will allow for uninterrupted

workflows as teammates can access the system from anywhere.

COMMUNITY ENGAGEMENT: Inform
This report serves to inform the community of the recommendation by staff for the City Council to authorize the purchase and implementation of a document management system.

ALTERNATIVE ACTIONS:
The City Council could choose to not approve purchase of the document management system. Staff would continue to utilize the existing processes and evaluate other areas where staff time savings and efficiencies could be gained.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:
Not applicable.

FISCAL AND RESOURCE IMPACT:
Total funding necessary to purchase the document management system would be $80,987, which includes the first year's annual maintenance cost of $14,515. The annual maintenance cost of $14,515 would mean an increase in the on-going annual expense of $8,815, as compared to the current annual maintenance cost of $5,700. The system would be funded by the Information Technology Fund (730), which has sufficient fund balance and budgetary appropriations to accommodate this purchase in the current fiscal year.

CEQA (California Environmental Quality Act):
Not a Project.
Since the resulting activity is an administrative program that will not result in a change to the physical environment, this action is not a project under the California Environmental Quality Act.

LINKS/ATTACHMENTS:
1. Quote Upgrade to Avante