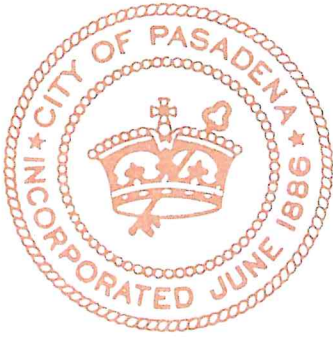




Agenda Report

August 17, 2026

TO: Honorable Mayor and City Council

FROM: Finance Department

SUBJECT: **AUTHORIZE THE CITY MANAGER TO ENTER INTO A THREE-YEAR CONTRACT WITH OPENGOV INC. FOR A BUDGETING SOFTWARE SOLUTION FOR AN AMOUNT NOT TO EXCEED \$879,918**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a "project" subject to the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code §21065 and within the meaning of State CEQA Guidelines §15378;
2. Authorize the City Manager to enter into a three-year contract with OpenGov, Inc. through July 31, 2029, for continued use of the Budgeting & Planning software solution, including subscriptions, configuration support, training, and maintenance, for an amount not to exceed \$879,918. Competitive price bidding is not required pursuant to City Charter §1002(F) (contracts for professional or unique services); and
3. Grant the recommended contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code §4.08.049(B), contracts for which the City's best interests are served.

BACKGROUND:

On June 12, 2023, the City Council authorized a contract with OpenGov for operating budget preparation, personnel budgeting/forecasting, process and data management, financial reporting, dashboard analytics, and online budget book development. It is a centralized software that offers a full-featured, cloud-based, budgeting software designed for public agencies.

OpenGov's Budgeting & Planning suite is purpose-built for public agencies and has been embedded in the City's annual budget process for the last three years. It includes Operating Budget, Workforce Planning, and Online Budget Book, along with reporting and transparency tools that align budget decisions with Council priorities and resident engagement. The platform continues to evolve, including workflow-driven budget timelines

with task tracking and notifications, and Performance Management for goal-setting and Key Performance Indicator reporting with publishable dashboards. Maintaining a single, integrated software solution remains the most cost-effective approach given the City's ERP and its specific requirements for multi-fund personnel allocations. As a specialized professional service, the continuation of OpenGov's public-sector workflows and integrated Online Budget Book preserves configuration and institutional knowledge accumulated since 2023.

The City maintains two contracts with OpenGov: one for Budgeting & Planning and another for Procurement. The current contract expired July 31, 2026. Staff considered consolidating the two solutions into a single master contract to improve efficiency. However, due to timing constraints, the OpenGov Budgeting & Planning contract must be renewed separately at this time. Moreover, in February 2024, OpenGov was acquired by Cox Enterprises, a provider of communications and automotive services; as such, the acquisition prompted a renegotiation of contract terms, delaying the new contract. Staff reviewed the proposed renewal terms and found the proposed pricing and cost escalation to be consistent with the preceding three-year contract, including the annual 5.0% cost escalator. These amounts cover the costs associated with the annual software subscription fee and applicable support services.

Staff recommend that the City Council grant an exemption from competitive selection for this contract, as OpenGov's Budgeting & Planning software meets the City's requirements, ensures continuity of the budget development process, and avoids the cost and disruption of replacing an established system that continues to sufficiently meet the needs of the City. The software has replaced labor-intensive spreadsheets with an end-to-end solution that streamlines workflows and improves efficiency. Maintaining the software allows the City to leverage ongoing improvements while enabling staff to focus on budget planning and service-delivery evaluation rather than manual administrative work.

COUNCIL POLICY CONSIDERATION:

The proposed action is consistent with the City Council's Strategic Plan Goal to maintain fiscal responsibility and stability.

ENVIRONMENTAL ANALYSIS:

CEQA excludes, from environmental review, actions that are not "projects" as defined by Public Resources Code Section 21065 and within the meaning of CEQA Guidelines Section 15378. Sections 21065 and 15378 define a project as an action which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Section 15378(b) excludes from the definition of "project" continuing administrative or maintenance activities, such as purchases for supplies and services. The actions proposed herein, authorizing the City Manager to enter into a new contract with OpenGov for its budgeting software solution, is an administrative activity for the purchasing of services, and therefore is not a "project" as defined by

CEQA. Since the action is not a project subject to CEQA, no environmental document is required.

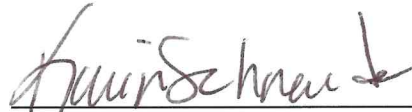
FISCAL IMPACT:

The total cost of this action is approximately \$879,918 over a three-year period concluding July 31, 2029, as shown below, which includes an annual 5.0% cost escalator; \$279,117 will be spent in the current fiscal year.

FY 2027	\$279,117
FY 2028	\$293,073
FY 2029	\$307,727
Total	\$879,917

The software cost for the first year will utilize existing General Fund appropriations in the Finance Department's FY 2027 Adopted Operating Budget. The costs for the remaining years will be addressed by General Fund appropriations budgeted and approved through the annual operating budget process.

Respectfully submitted,



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Director of Finance

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Approved by:



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