

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST
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Policy Analysis Report

To: Supervisor Jackie Fielder
From: Budget and Legislative Analyst's Office
Re: OpenGov Procurement
Date: June 15, 2026



Summary of Requested Action

Your office requested that the Budget and Legislative Analyst conduct a review of the procurement of a permitting and licensing software system from OpenGov and to determine if the procurement adhered to City rules and requirements and best practices governing procurement.

For further information about this report, contact Fred Brousseau, Director of Policy Analysis, at the Budget and Legislative Analyst's Office.

Executive Summary

- The City and County of San Francisco entered into a contract in October 2025 with technology company OpenGov to develop a Citywide cross-departmental permitting tool. The firm was selected in February 2025 pursuant to the Mayor's Executive Directive 25-01 which established PermitSF, a multi-department initiative to reform the City's permit processes. The directive identified technology as one of three priority areas of reform and set a one-year timeline, or by February 2026, for launching the first phase of a Citywide permit solution.
- Software company OpenGov was selected by the Mayor's Office and PermitSF to address the technology element of the Executive Directive through a \$5.9 million one-year contract. The contract was awarded without a competitive solicitation process as allowed by the City's Administrative Code for technology procurements under certain circumstances which were determined by City staff to be applicable to the OpenGov selection.
- The contract was awarded subsequent to a Request for Information process, which is not a competitive solicitation instrument. Though not required by City codes, the Mayor's Office and PermitSF still could have conducted a competitive bidding process for the permitting software procurement to ensure a fair, transparent process subject to City procurement safeguards and controls.

Budget and Legislative Analyst

- It is not uncommon for City departments to conduct Requests for Information to help identify potential vendors and approaches to address their needs, then subsequently issue a Request for Proposals requesting vendors to submit proposals in response to more specifically defined needs and requirements. Though the permit system Request for Information document explicitly stated it was not a solicitation, it did result in selection of OpenGov to revamp the City's permitting systems.
- The OpenGov selection process did not violate City requirements, but it did not conform to typical City practice or best practices regarding Requests for Information (RFIs) and Requests for Proposals (RFPs). Given the size and scope of the contract, City practice suggests that the contract should have been competitively procured following the RFI research and information gathering processes.
- Relative to other new software contracts procured that are determined by the City to be exempt from competitive bidding requirements, the OpenGov contract is much larger in scope and contract amount.

Formal, competitive bidding for the permitting system would have added time to the vendor selection process but would have incorporated controls and safeguards to avoid potential vendor favoritism and to provide assurance that the contract price was the best value for the City.

- The City's competitive Request for Proposals process is time consuming; the process can easily take six months to a year. This would not have been compatible with the schedule outlined in Executive Directive 25-01 to have the first phase of the new system rolled out by February 2026. Timing was a key reason cited by the Mayor's Office and PermitSF for bypassing a competitive Request for Proposals process though the typical time required for competitive bidding was known by City staff at the time the Executive Directive timeline was set.
- The absence of a competitive bid approach for the OpenGov procurement made the basis of vendor selection less transparent. While we did not find evidence of impropriety or unfair advantage given to any bidders, there is less assurance that none occurred since:
 - Structured standardized evaluation criteria and scoring rubrics were not applied by staff evaluators to all vendors to document that the selection process was fair, nor were such criteria provided to all vendors in advance of their submitting proposals to ensure fair competition.
 - Assurances were not in place to ensure that City staff did not communicate with or provide information or other forms of advantage to any vendors.
 - Costs cannot be fairly compared across finalist vendors because they were not asked to submit cost proposals based on the same set of assumptions and City-required deliverables.

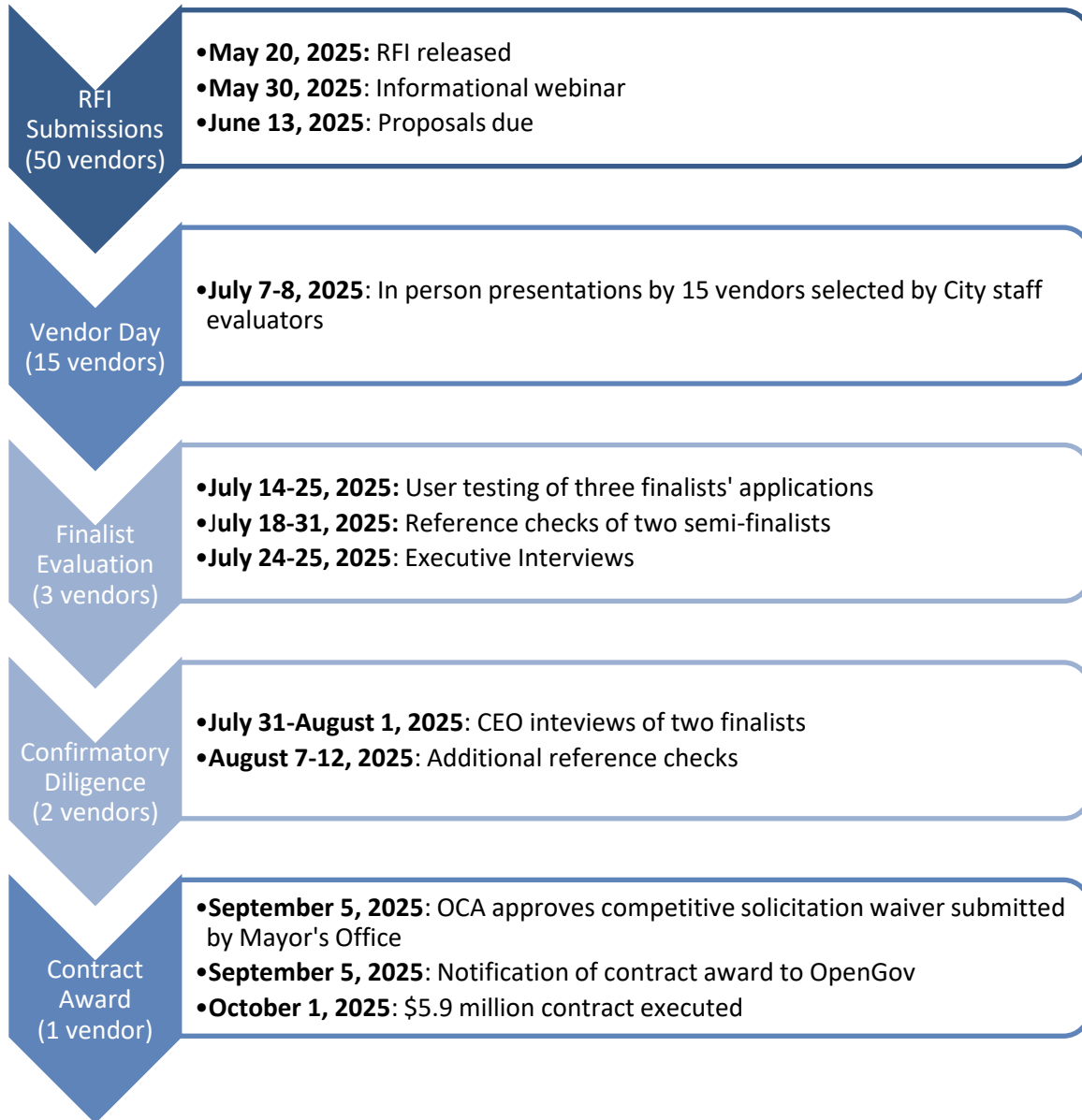
- Vendors were not asked to report any conflicts of interest or collusion to the City though collusion disclosures are not a typical requirement in San Francisco.
- The OpenGov Request for Information process consisted of outreach to a large pool of vendors, evaluation of vendor proposals, and a narrowing down of the pool of potential vendors leading to the selection of OpenGov for contract award. The evaluation process included vendor presentations to City staff involved in permitting, City staff testing select vendors' products, multiple rounds of vendor interviews, and reference checks.

Exhibit A below depicts the Request for Information and ensuing process that led to awarding the permitting software contract to OpenGov.

The RFI process lacked structured evaluation criteria and consistent vendor scoring rubrics for staff evaluation of vendors

- In a competitive Request for Proposal process, all proposals would typically be assessed by all evaluators against the same criteria with weights attached to each criterion to reflect its importance. Though multiple evaluations of vendors took place in the OpenGov procurement, none used a standardized approach where all evaluators assigned scores against consistent criteria that considered key dimensions of the vendors' proposals such as firm experience, technical approach, timeline, cost, etc.
- For evaluations of the proposals submitted in response to the City's Request for Information, staff evaluators were asked to simply vote on whether they thought the vendors should be invited to make a presentation to City staff. Through this process, 15 vendors were invited to one of two Vendor Day events.
- More than 70 City staff from 13 agencies were invited to attend Vendor Day presentations and provide feedback in a survey to indicate the extent to which they believed the vendors' proposed tools would meet the City's needs in six areas (e.g., centralized permit intake, real time status tracker, others). However, less than 10 percent of staff completed the survey and structured scoring of the results did not occur. Mayor's Office and Permit SF staff report that staff opinions were considered in assessing Vendor Day presentations and selection of six vendors to advance in the process as finalists by the leadership team for this initiative.
- It is not clear how the leadership team selected the six finalist firms. By our compilation of staff evaluations, the finalist firms asked to participate in user testing were not those with the highest staff evaluation scores of their Vendor Day presentations. However, as noted above, less than 10 percent of staff invited to Vendor Day completed the staff evaluation survey. The six finalist firms were asked to allow City staff to test their products.

Exhibit A: OpenGov Selection Process



Three vendors were removed as finalists for the permit system contract well into the process when the Mayor's Office and PermitSF decided that partial solutions would not be a satisfactory approach

- Three finalist firms were removed from consideration before user testing occurred because they offered partial solutions and City staff concluded at this point that they only wanted comprehensive solutions. A change in direction about what type of solution was wanted and removal of certain vendors from consideration would be unusual at this stage in a formal competitive bid process as it could indicate vendor favoritism. The three vendors offering partial

solutions were told there might be future opportunities for them to submit proposals again for their partial solutions.

- Staff testing of vendor products took place for the three remaining finalists' applications. Staff evaluations were prepared but different staff members used different approaches to scoring, making results difficult to compile and subject to interpretation.

Finalists for the City's permit system contract were not required to submit cost proposals to allow staff to compare vendor prices against each other based on a common set of project specifications

- City contract awards for professional services and software are generally not based on cost alone though cost is typically one factor considered along with technical approach, firm experience, deliverable timing, and others. In the initial RFI, vendors were asked to include prices in their proposals for their proposed approach, but this was for the City's research and information-gathering purposes, not consideration of a contract award. After that, vendors were not asked to provide cost proposals again, even at the point where the City had identified finalists for consideration of the contract award and had developed more specifics about what the new permit system should provide.
- Costs initially submitted by vendors in response to the RFI varied considerably as they were not based on a set of City assumptions and specifications for the permit system. Had such cost proposals been required by the City and provided by the finalist vendors, it would have allowed for a fair comparison of vendor costs against one another, including annual and one-time implementation costs for a clearly defined scope of services and details on the costs of project team staffing.
- In lieu of finalist vendors submitting their proposed costs themselves, City staff estimated the costs for Clariti, the other contender after the third finalist, LeapThought, was eliminated from consideration by City staff. OpenGov prepared a cost proposal as part of the contract negotiation process, but no other bidders were asked to submit their costs for comparison. Mayor's Office staff report that they negotiated with OpenGov to arrive at the final \$5.9 million contract amount.

Though three vendors had been selected as finalists to compete for the permit system contract, the Mayor's Office requested a waiver from competitive bidding from the City's Office of Contract Administration

- After user testing of the three finalists' products, one of the three comprehensive solution vendors was eliminated from the competition by staff. The two remaining finalists were subsequently interviewed, references checked, and company executives interviewed.
- Though never designated as a formal competitive bid subject to the City's regulations, the process changed course from what had become a competition among finalists when the Mayor's Office submitted a request to the City's Office of Contract Administration for a waiver from competitive bidding requirements. The request was approved in September 2025 pursuant to Section 21.30

of the City’s Administrative Code which allows waivers from competitive bidding for software licensing procurements when the deliverables are available from only one licensor. On that basis, the waiver was approved by the Office of Contract Administration. There are many municipal permitting systems available on the market, but any vendor that offers a particular permitting software that is not available from other vendors may be eligible for a Section 21.30 exemption.

- While the OpenGov procurement was determined to have met the standards for a waiver from competitive bidding requirements, it was atypical compared to Section 21.30 waivers granted in FY 2024-25. A review of those waivers shows that they were less commonly granted for new software, such as what OpenGov proposed providing, and when they were granted, the average contract amount was less: \$740,641 compared to the one-year \$5.9 million OpenGov contract, or nearly eight times larger than the average. The records also show that most Section 21.30 waivers were for vendors continuing to provide existing software where the procuring department did not have a choice of vendors without discontinuing use of their existing software. The OpenGov contract is for new software.

Exhibit B: Section 21.30 Waivers Approved by OCA in FY 2024-25

New or Existing	OCA Approved Waivers	Total Requested Amount	Average Amount
New Software	14	\$10,368,974	\$740,641
Existing Software - Upgrade	8	12,798,355	1,599,794
Existing Software - No Upgrade	37	62,872,769	1,699,264
Unknown	9	11,108,448	1,234,272
Total	68	\$97,148,546	\$1,428,655

Source: Office of Contract Administration

OpenGov contract scope and timeline

- The \$5.9 million one-year contract with OpenGov executed on October 1, 2025 is based on \$1,900,000 for implementation and training services and \$4,000,000 for application and hosted services for the initial one-year term. The contract allows for two additional one-year terms, with five percent cost increases allowed each year.
- Though only a small subset of City permit types will be processed using OpenGov in its first year of implementation, the \$4 million in subscription fees covers other permit types that are not included in the current scope of the contract such as permits issued by the Recreation and Parks Department, Environmental Health, and the San Francisco Public Utilities Commission. According to Mayor’s Office of Innovation staff, these fees are included because they cover required parts of the Citywide solution that PermitSF leadership expects from this engagement.

- As of February 13, 2026, the new system launched for a limited number of permit types, with additional permit types to be added as part of the initial scope by June 2026 (rather than March 2026 as originally anticipated). In general, the permits that will be processed by OpenGov software in the first year are for simpler projects such as window and door installations. As of the writing of this report, a timeline was not in place for expanding use of the new application to more complex housing and commercial developments that require multiple agency review.

Conflict of Interest Disclosures

- Five City staff from the Mayor’s Office and PermitSF who participated in the final selection process signed statements of impartiality and confidentiality regarding the evaluation process for the top three bidders (OpenGov, Clariti, and LeapThought). The statements asserted that these staff did not have any conflict of interest or financial interest in the top three bidders that would prevent them from using impartial judgement. These staff did not sign impartiality statements regarding the other 47 vendors eliminated in prior rounds of the RFI, and City staff involved in evaluations and making determinations in prior rounds did not sign impartiality statements.

Department of Technology RFI Practices

- The Department of Technology has issued Requests for Information as part of their procurement process for various software contracts. However, they have issued competitive solicitations following the RFIs and do not award software contracts based on RFI responses. Department of Technology contracting staff report that in FY 2024-25 they awarded the majority of software contracts through some form of competitive process, but that competition typically occurred among resellers rather than software developers. Staff report that they have rarely procured new software over the last five years due to budget reductions and they consider it a matter of professional judgment whether or not to use a Section 21.30 solicitation waiver or a competitive solicitation to award a contract for new software.

Policy Options

The Board of Supervisors should consider the following actions:

1. Request that the City Administrator’s Office prepare guidelines for the Request for Information process to ensure that it is not used as a substitute for the City’s competitive formal solicitation processes and regulations, including the appropriate relationship between Requests for Information for information gathering and market research and Requests for Proposals and Requests for Qualifications for subsequent formal competitive bidding with its attendant internal controls.
1. Request that the City Administrator’s Office, in consultation with Department of Technology contracting staff, update the Chapter 21 Rules and Regulations for Section 21.30 solicitation waivers for software to provide guidance to departments on when they should consider competitive solicitations instead of solicitation waivers. The guidelines should consider

whether the software is new or existing, the contract amount and/or annual spending, and the presence of competitors providing a similar product.

2. Request that the City Administrator's Office provide recommendations on strategies to improve the procurement process for technology to reduce the timeline to procure.

Project Staff: Fred Brousseau, Christina Malamut

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New Permit System Procurement Process

Permitting Reform

On February 13, 2025, Mayor Lurie issued Executive Directive 25-01 to create a permitting process that caters to the needs of San Francisco residents and businesses and is streamlined across departments. The directive established the PermitSF initiative to reform the City's permitting processes. While the initiative was comprehensive in scope, the intent was to focus on housing and small business permitting initially. PermitSF is staffed by representatives of key City departments involved in permitting. The leadership team includes:

- Director of Current Planning
- Chief of Housing and Economic Development
- Director of the Department of Building Inspection
- Executive Director of the Office of Small Business
- Director of the San Francisco Permit Center
- Deputy Director of Support Services of Public Works
- Fire Marshal, Assistant Deputy Chief of San Francisco Fire Department
- Acting Director of Environmental Health of Public Health

Technology is identified in the directive as one of three priority areas of reform. Among other actions, the directive requires PermitSF to create a consolidated permit application that allows all permits to be filed online and to launch the first phase of a cross-department permit tool within one-year (i.e., by February 2026). The directive did not discuss how the permit tool would be developed or procured but whatever the approach, it would need to be in place within a year.

On February 13, 2026, PermitSF launched the PermitSF portal to provide customers and staff with the first phase of a cross-department permit tool, discussed in detail below.

New Permit System Procurement

The Mayor's Office and PermitSF leadership selected OpenGov to develop a cross-department permitting tool following issuance of a Request for Information (RFI) and an evaluation of vendor responses, product testing, presentations, as shown in Exhibit 1 and described below. The Mayor's Office of Innovation administered the RFI process on behalf of PermitSF leadership.

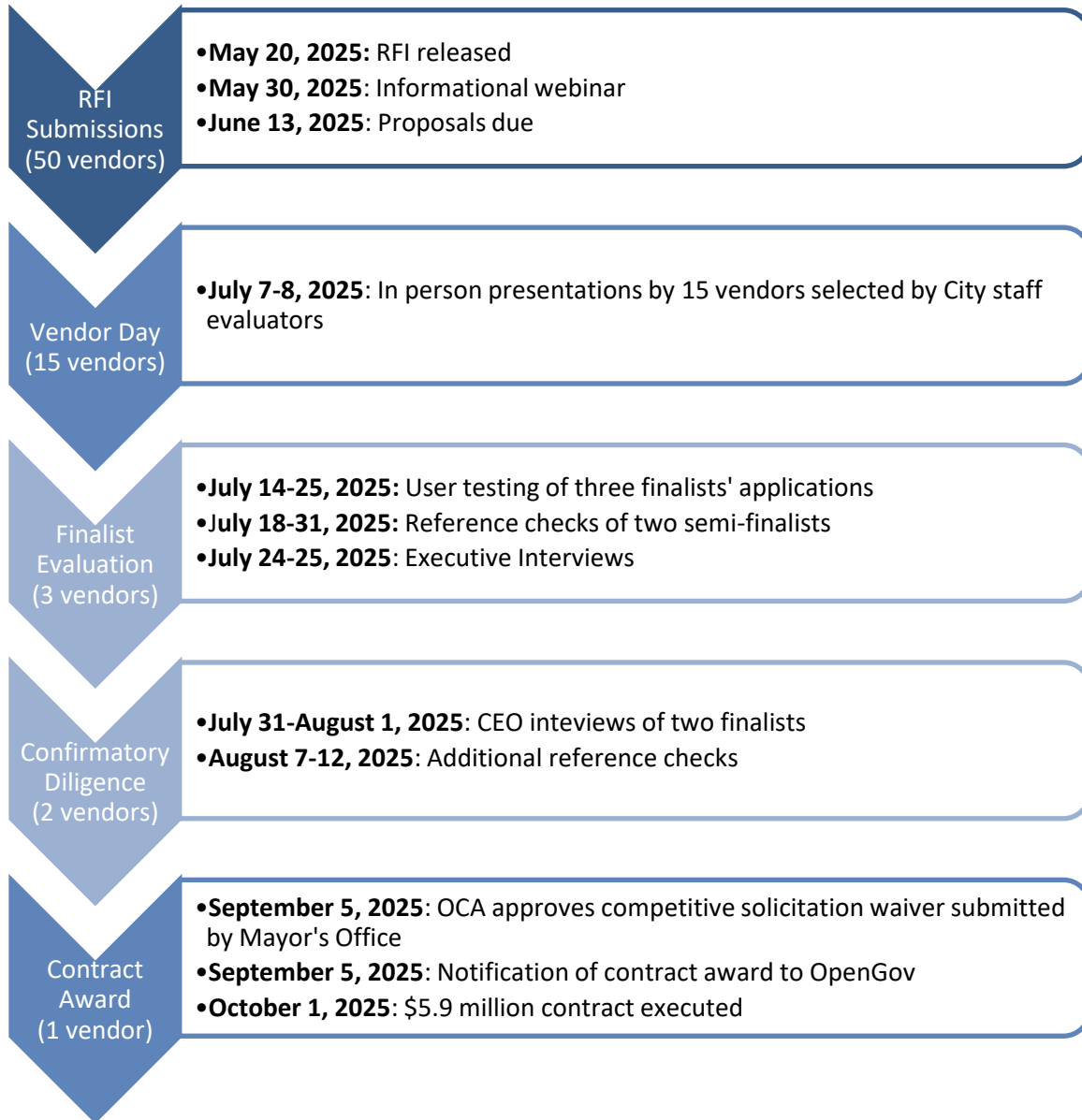
An RFI is not a competitive solicitation instrument and the selection of OpenGov was not made through a competitive bidding process, which is required by the City for most software purchases over \$20,000. Instead, the firm was selected pursuant to San Francisco's Administrative Code Section 21.30 which allows competitive bidding requirements to be waived for software procurements if the vendor has proprietary rights to the software. However, the RFI process had

elements of a competitive bidding process but without the safeguards that ensure a fair, transparent process and minimize the potential for unfair advantages being given to any bidders.

On behalf of PermitSF leadership, the Mayor’s Office of Innovation solicited and reviewed information from 50 technology companies regarding their products and services that could potentially provide a solution to the City’s permitting needs. Out of that pool, OpenGov was selected without a formal competitive bidding process as the Mayor’s Office and PermitSF leadership determined that that company was the only firm that could meet the City’s needs, and the Office of Contract Administration approved an Administrative Code Section 21.30 waiver of competitive bidding requirements because OpenGov has proprietary rights to its software. The Mayor’s Office entered into a one-year contract with OpenGov with the option to extend for two additional years. According to Mayor’s Office of Innovation staff, the contract has a one-year initial term to allow the City to set clear metrics for success and evaluate OpenGov’s performance before committing to a multi-year contract.

Exhibit 1 depicts the timeline and process by which OpenGov was selected.

Exhibit 1: OpenGov Selection Process



Request for Information

On May 20, 2025, the Mayor's Office of Innovation issued a Request for Information (RFI) on behalf of PermitSF leadership for technology solutions to streamline the City's permitting system by February 2026 pursuant to Executive Directive 25-01. An RFI is a formal process to research and gather information about the capabilities and services of selected vendors. RFIs are not solicitation methods; they are typically conducted by City departments to gather information about products and services possibly in advance of formal solicitations such as competitively bid

Requests for Proposals or Requests for Qualifications, with specific procurement needs informed by the results of the RFI process.

The RFI stated that the City was seeking vendor support to create a “single front door” for customers to submit any permit application for a project and status tracking for customers and staff as part of a centralized permitting system. The RFI’s purpose was “to gather data and insights to inform planning and procurement efforts.” The RFI stated explicitly that it was not a solicitation but that responses “may be used to develop future solicitations”, seemingly meaning formal procurement processes in the future such as a Request for Proposals. However, the timeline provided in the informational webinar for interested vendors on May 30, 2025 did not include sufficient time for a subsequent competitive solicitation process.

As shown in Exhibit 2 below, the Mayor’s Office of Innovation anticipated the procurement and contract process to start in late July and to take less than a month. Typically, Request for Proposals processes in San Francisco take six to 12 months or more according to slides on City contracting prepared by the Government Operations Recovery Initiative, which is under the Office of the City Administrator, for the June 5, 2023 Civil Service Commission Meeting.

Exhibit 2: Anticipated Timeline presented to Vendors at RFI Informational Webinar, May 2025

Milestone	Date
RFI Issuance	May 20, 2025
Webinar for RFI Respondents	May 30, 2025, 2:00PM PST
Deadline for Questions	June 9, 2025, 12:00PM PST
RFI Responses Due	June 13, 2025, 3:00PM PST
Trial Weeks Participants Notified	June 20, 2025
Vendor Showcase	July 7-8, 2025
Follow-up Discussions	July 9-20, 2025
Commence procurement/contract process	Late July – Early August
City and vendor(s) discovery phase	Mid August kickoff
Solution design & build phase	Early September kickoff

Source: Informational Webinar for RFI Respondents, May 30, 2025

No further details about an ensuing procurement/contract process, such as whether and when an RFP would be issued, were provided at the May webinar for interested vendors or in formal communications between the City and vendors. It appears that the RFI process became a de facto solicitation as it resulted in selection of a vendor but without the benefits of a formal

competitive solicitation: multiple vendors bidding on the same specifications, additional safeguards to minimize conflicts of interest and corruption, and evaluation of all bids by standardized criteria so the City can determine which bidder would best meet their needs at the most favorable (but not necessarily the lowest) price. On the other hand, the process employed for this procurement was quicker and engaged a broader set of vendors than a typical formal competitive bid process.

Competitive Solicitation Requirements Not Applicable to RFIs

Formal competitive solicitations for commodities, professional services, and general services in the City are governed by Chapter 21 of the Administrative Code and related regulations and typically include staff and/or subject matter evaluators who evaluate all bids against standardized predetermined criteria. While the RFI process engaged staff from many City departments to attend vendor presentations and, for some vendors and staff, test vendor products, it lacked standardized structured evaluation criteria so that all vendors could be compared and ranked against the same measures (e.g., technical approach, vendor experience, price, etc.).

Another feature of competitive solicitations lacking in the RFI process as it evolved into something like a solicitation was additional and stricter safeguards restricting communications between vendors and City staff and officials and ensuring City staff and officials disclose any conflicts of interest. While the City's ethics laws prohibit staff from providing "selective assistance" to anyone seeking to do business with the City and also prohibit staff from participating in contracting determinations when they have a conflict of interest, the purpose of the additional City procurement safeguards such as prohibiting *any* communications between pertinent staff and bidders is to ensure that no vendor gains an unfair advantage by obtaining inside information from staff not made available to other vendors or influences the staff evaluation and selection process through unscrupulous means.

Based on a City template for Requests for Proposals¹ for best value solicitations (cases where price is not the only determining factor), the following is a curated list of requirements that did not apply to the RFI process. Since it was never designated as a formal solicitation, the administrators of the RFI did not explicitly impose these requirements.

Solicitation Requirements not Applied to the Permit System Procurement

- No direct communications by City employees involved in the process with bidders/proposers conveying information related to the solicitation.

¹ P-690 template, Office of Contract Administration

- No disclosure of confidential information by City employees involved in the process about specifications, scope of work, and vendor qualifications that could provide an unfair advantage to a prospective bidder.
- No discussion of solicitations by involved City employees with other City employees not involved in the solicitation.
- Once advertised, City employees involved in the process are required to direct all inquiries regarding the solicitation from internal or external parties to the contract administrator for the solicitation.
- All solicitation-related documents must be secured so that they are not knowingly or inadvertently made available to external parties or non-authorized recipients.
- City employees involved in the process must disclose any conflicts of interest during the solicitation process to the appropriate authority such as the contracting division or department head.
- Solicitation evaluation panels, which must consist of at least three neutral subject matter experts, are to be reviewed by the City's Contract Management Division (CMD).

While these and other Request for Proposals requirements can add time to the process, they are intended to provide fair, transparent, and objective evaluation processes that serve as safeguards against favoritism or certain bidders getting unfair advantages, collusion between vendors, collusion between City staff and vendors, prevention and disclosure of City staff conflicts of interest, and identification of any deviations from City technology standards. Formal requirements such as these were not implemented during the permit system RFI process or the steps that led to OpenGov's contract award because it was never designated as a formal solicitation.

The OpenGov contract award was made under the authority of the City's Administrative Code Section 21.30 which allows for waivers of competitive bidding and related requirements such as an evaluation panel to include subject matter experts. The process did not include safeguards to prohibit or limit City staff communications with vendors beyond City ethics laws restricting employees from disclosing confidential information to vendors. In RFP processes, as identified above, City employees are frequently prohibited from having any communications with vendors and vendors are instructed not to contact any employees other than designated staff. Except for Sunshine Act and certain information technology requirements, Administrative Code Section 21.30(b) removes all requirements of City codes that would otherwise pertain to a formal competitive bid process such as the requirement that a portion of the contract be granted to a certified Local Business Enterprise (Administrative Code Chapter 14B).

RFI Response Guidelines

The RFI stated that written responses should be a maximum of 10 pages and should include:

- respondent information (company overview and government experience),
- a solution overview,
- product description,
- a description of the product informed by user research and service design,
- implementation considerations,
- estimated timeline,
- resource requirements,
- estimated costs, and
- references.

Respondents could propose comprehensive or partial solutions (also referred to as specialized solutions) that addressed some but not all the goals of the RFI.

Solution Showcase and Product Testing

The RFI stated that the City would host a “PermitSF Solution Showcase” on July 7 and 8, 2025 (each referred to as a Vendor Day) to receive presentations from selected respondents, with product testing and follow-up discussion occurring within a two-week period after the Vendor Days. The RFI did not include criteria by which respondents would be selected to attend a Vendor Day.

Minimum Requirements

Unlike formal competitive solicitations, the RFI document did not include minimum qualifications for vendors, but the informational webinar on May 30, 2025 included the following minimum requirements on a slide deck presented at that event:

- Solutions must integrate with City technology platforms.
- Solutions must meet the City’s standards for digital accessibility, cybersecurity, and data protection.
- Vendors must be willing to sign a Business Associate Agreement.
- Vendors must provide knowledge transfer and training to City staff.
- Vendors must register as official bidders through the City’s Peoplesoft Supplier Portal.

RFI Results

The Mayor’s Office of Innovation received responses from 50 vendors, including 29 vendors proposing comprehensive solutions, 15 vendors proposing specialized solutions, five vendors proposing consulting services, and one vendor, which was not scored or categorized by Mayor’s

Office of Innovation staff because it was determined not to be responsive. A group of 13 City staff from eight City agencies (as shown in Exhibit 3) scored 47 of the 50 responses² on a scale consisting of:

- Zero: Does Not Need to Come to Vendor Day,
- One: Maybe should Come to Vendor Day – For Group Discussion,
- Two: Should Definitely Come to Vendor Day.

Though vendors were requested to provide a cost for their proposal, cost was not a criterion for the staff evaluations of proposals.

Of the 13 reviewers, some scored all the proposals for consistency, while others were split into two groups, with each group scoring half the proposals. Mayor's Office of Innovation staff report that this approach helped to keep the workload manageable for reviewers, so they could focus on a smaller set of the 47 proposals. Due to the odd number of people scoring half the proposals, some responses were scored by nine members of the group of 13 City staff, and others were scored by only eight members of the group, which impacted the final tally of the scores.

After the scores were tallied and ranked by total score, the group met on June 18, 2025 to discuss the proposals and make final determinations. According to Mayor's Office of Innovation staff, selections were made based on discussion and debate, not on the preliminary scores. The group selected 15 vendors to invite to Vendor Day. This included seven vendors proposing partial (or specialized) solutions and eight vendors proposing comprehensive solutions.

According to Mayor's Office of Innovation staff, the group considered the platform the solution was based on in addition to the evaluation score to ensure they saw a range of offerings at Vendor Day. Because many of the responses were based on a Salesforce platform, some vendors with solutions based on alternative platforms that received relatively lower staff scores were invited to Vendor Day instead of other vendors that may have received higher scores but were proposing solutions based on a Salesforce platform. As noted above, while the RFI and informational webinar described key attributes of the permitting tool the City was seeking, the RFI did not include the criteria that would be used for selecting respondents to attend Vendor Day and did not state that some vendors with otherwise responsive proposals would not be invited to Vendor Day due to their solutions being based on a Salesforce platform.

Adding selection criteria after proposals had been submitted would not occur in a formal solicitation where the criteria would typically have been published in the Request for Proposals

² Three responses were not scored because they were submitted late or were determined not to be responsive by Mayor's Office of Innovation staff.

and used for evaluating bids. However, because this was an RFI process and not a formal competitive solicitation, staff evaluating the vendors could establish or change selection criteria during the process even if it meant that otherwise qualified vendors were excluded from the pool of vendors advanced in the process. According to Mayor’s Office of Innovation staff, this allowed them to adapt the evaluation as they learned more about their requirements and the vendor pool.

Vendor evaluation scores are shown in Appendix 1. Exhibit 3 below shows the 15 vendors invited to Vendor Day and the results of subsequent phases of the process including the six vendors initially invited to provide their applications for user testing by City staff, the three firms selected as finalists, the two firms selected for confirmatory diligence (additional interviews), and the firm awarded the contract. Exhibit 4 shows the 35 vendors that were not invited to Vendor Day. Exhibit 5 shows the City agencies involved in each phase of the process.

Exhibit 3: Procurement Results for 15 Vendors Selected for Vendor Day

Vendor	Invited to Vendor Day/Type of Solution	Asked to Share Application for User Testing	Finalist Evaluation	Confirmatory Diligence	Contract Award
OpenGov	Comprehensive	Comprehensive	x	x	x
Clariti	Comprehensive	Comprehensive	x	x	
Leapthought	Specialized	Comprehensive	x		
Archistar	Specialized	Specialized*			
Brain Co.	Comprehensive	Specialized*			
CivCheck	Specialized	Specialized*			
Accela	Comprehensive				
Anthropic	Specialized				
cBrain	Comprehensive				
Hugo	Specialized				
Ichi	Specialized				
Nava PBC	Comprehensive				
Salesforce	Comprehensive				
Slalom	Comprehensive				
Stanford RegLab	Specialized				
Total Count	15 <i>8 Comprehensive 7 Specialized</i>	6 <i>3 Comprehensive 3 Specialized</i>	3	2	1

Source: Mayor’s Office of Innovation

*Note: Specialized solutions were removed from user testing before it commenced.

Exhibit 4: 35 Vendors with RFI Responses Not Selected for Vendor Day

Comprehensive (19)	Specialized (10)	Consultant (5)
Accenture	Ascot Software	Bloom Works
Alvarez & Marsal	Centific	Capital Partnerships Inc.
Autocene	Docusign	Gartner
BlueVector AI & Sapient	Esri	GenSigma
Carollton Enterprise Services	Google Public Sector	Larios Consulting Services
CODICE	GovStream.AI	
Consultadd	Infilla	
DataBank	Permit Haven	Not Categorized (1)
Deloitte	Qualtrics	Cloverinfotech
IBM	Symbium	
Ignyte Group		
MTX Group		
Oracle		
Pacific Point		
ServOs		
StackNexus		
SuccessMetrics		
Timmons Group		
Tyler Tech		

Source: Mayor's Office of Innovation

Exhibit 5: City Agencies Participating in RFI Review

Office/ Department	Submissions (50 vendors)	Vendor Day (15 vendors)	Finalist Evaluation (3 vendors)	Confirmatory Diligence (2 vendors)
Mayor's Office	X	x	x	x
Planning	X	x	x	x
Building Inspection	X	x	x	
DataSF (ADM ¹)	X	x	x	
Digital Services (ADM ¹)	X	x	x	
Permit Center (ADM ¹)	X	x	x	
Public Works	X	x	x	
Treasurer	X	x	x	
Fire		x	x	
Controller		x		
Office of Small Business (OEWD)		x		
Public Health		x		
Technology		x		
Count	8	13	9	2

Source: Mayor's Office of Innovation

¹ Office/department part of City Administrator's Office

Vendor Day

Of the 50 vendors that submitted proposals, 15 were invited to make 45-minute presentations at a Vendor Day based largely on staff assessments of whether they should be invited to participate. The seven vendors proposing “specialized solutions” presented on July 7, 2025, and the eight vendors proposing comprehensive solutions presented on July 8, 2025. The instructions to vendors proposing specialized solutions directed them to present on how their solutions would meet the City’s permitting needs. The instructions to vendors proposing comprehensive solutions directed them to demonstrate how their platforms would provide solutions to four scenarios reflecting permit process pain points and the needs of the City. Each scenario described technology capabilities of interest, such as integration of City datasets and notifications to staff and applicants when a status changes or an action is required. The four scenarios were:

- Scenario 1: Customer starts a project and submits linked permits
- Scenario 2: Cross-departmental review of a plan
- Scenario 3: Workflow automation and tracking permit status
- Scenario 4: Demonstration of unique capabilities of platform

City Staff Participation and Feedback

The PermitSF leadership team and Mayor’s Office invited more than 70 City staff from 13 agencies to attend the Vendor Day presentations, as shown in Exhibit 5, and to provide feedback on the presentations through a survey. The survey asked respondents to assess the extent to which they believed the solution meets the City’s needs in the following six areas:

1. centralized permit intake
2. real-time status tracker
3. integrated task and workflow automation
4. backend database
5. solution integrations
6. implementation plan

The staff survey also asked open-ended questions on the proposal’s biggest strength, staff concerns with the proposal, and additional feedback. Based on the survey results, each vendor received feedback from between three and seven staff. Survey results are summarized in Appendix 2. As discussed in Appendix 2, only ten percent of participating staff responded to the vendor evaluation survey.

Selection of Six Vendors for User Testing

Leadership staff from the Mayor’s Office, Building Inspection, Planning, Digital Services, DataSF, Public Works, Treasurer and Tax Collector, the Fire Department, the Department of Technology, and the Permit Center were invited to a meeting on July 9, 2025 to discuss the vendor

presentations. During the meeting, the group chose the three finalists from the vendors that proposed comprehensive solutions (Clariti, OpenGov, and LeapThought) and the three finalists from the vendors that proposed specialized solutions (BrainCo, Archistar, CivCheck). It is not clear how the leadership team made the determination or how they considered staff feedback from the Vendor Day staff survey. As shown in Appendix 2, the bidders selected as finalists did not necessarily receive the highest staff evaluations as we have compiled them, but those surveys were completed by only ten percent of the staff that attended Vendor Day presentations.

According to Mayor's Office of Innovation staff, leadership made the decision based on meetings with staff to debrief on their Vendor Day feedback and debate and discussion at the July 9th meeting. Although the RFI response review committee determined that LeapThought's solution was specialized, the leadership team determined that LeapThought's solution was comprehensive based on their presentation at Vendor Day according to staff. Its inclusion as one of three finalist vendors is surprising because it scored below many other vendors in staff assessments of Vendor Day. Staff that responded to the survey rated LeapThought below average compared to the other vendors.

Finalist Evaluation

The Finalist Evaluation stage included user testing, executive interviews, and reference checks for the three comprehensive solution vendors as described below. Though the process still was not officially designated a solicitation, identification of finalists and user testing of the vendors' products would indicate that a process was underway to select a firm to develop and implement permit processing software. These steps would typically be included in a formal competitive process subsequent to evaluations and scoring of all proposals against consistent criteria.

At this point, PermitSF leadership decided to prioritize identifying a comprehensive solution over identifying specialized solutions even though fifteen vendors had submitted proposals for specialized solutions, of which seven vendors had been invited to present at a Vendor Day. Therefore, they informed the specialized vendors that the City was pausing consideration of vendors offering specialized solutions, that the City might resume engagement with them in 2026 but that for now, the City wanted a broader set of capabilities. A change in selection criteria such as this at this point in the process that removed certain vendors from the remainder of the process would not be customary in a formal competitive solicitation, where evaluation criteria is typically established at the outset of the process and remains in effect until contract award. These vendors were informed by City staff that their participation was being paused and that they might be considered for future related solicitations.

User Testing

The now three comprehensive finalist vendors following the removal of three finalists that had proposed specialized solutions provided temporary access to their platforms to allow City staff to test the usability and functionality of the platforms. Staff from eight City agencies conducted user testing. Plan checkers and reviewers were not able to test because the functionality was not built out in the platforms' testing environments, but they provided feedback on the strengths and challenges of the platforms.

User testing and feedback for the three comprehensive solutions is summarized in Exhibit 6 below. Permit SF Leadership asked staff to provide feedback to their Department Head or Division Director and did not provide standardized evaluation criteria to use for the assessments. According to Mayor's Office of Innovation staff, PermitSF leadership decided on this approach because they wanted department leaders to be accountable for the evaluation process and to provide a comprehensive recommendation based on the needs of their department and consideration of staff feedback.

In the absence of standardized criteria, City staff developed their own approaches to organize and evaluate the results of their user testing, as shown in Exhibit 6. For example, one staff member conducting the DataSF Assessment³ assigned an overall score between one and five to each vendor. Seven IT staff created their own rubric and assigned scores between one and five across eight categories (such as data management and reports and dashboards) and summed the scores to rank the vendors. The Usability Analysis did not score or rank vendors but described the strengths, limitations, and general impressions of the solutions. In a formal competitive solicitation, the same evaluation criteria and scoring rubric would be used by all evaluators to ensure a fair and objective process. With different scoring approaches used by different evaluators, it was not possible to draw objective conclusions about the staff evaluation results.

³ The assessments were broken down into topics including the application's compatibility with DataSF, system administration functions, and usability.

Exhibit 6: User Testing and City Staff Feedback by Assessment Area and City Agency

Assessment Area/City Agencies	How feedback was provided	Recommendation
<u>DataSF Assessment</u> DataSF	One staff assigned an overall score to each vendor and detailed the data integration strategy and pros and cons for each vendor	Ranking: (1) Clariti ; (2) OpenGov; (3) LeapThought
<u>System Admin Assessment</u> Digital Services, Technology, Fire, Permit Center, Planning, Building Inspection	7 staff assigned numeric scores from 1 to 5 to each vendor across eight categories (such as data management and reports and dashboards) and two scores were eliminated in the final recommendation	Ranking: (1) Clariti ; (2) OpenGov; (3) LeapThought
<u>Usability Analysis</u> Digital Services	One staff described the strengths, limitations/concerns, and general impression for each vendor regarding the usability of the platforms	Results were not scored or ranked but OpenGov received better feedback compared to the other two platforms and was described as "the most user-friendly and intuitive solution evaluated"
<u>Plan Checker Feedback</u> Planning	Could not test because plan checking functionality not built out, but two staff provided feedback without conducting user tests on the strengths and challenges for each platform	No ranking or summary of results
<u>Plan Reviewer Feedback</u> Building Inspection, Fire, Public Health	Could not test because plan review functionality not built out, but approximately five staff provided feedback without conducting user tests on the strengths, challenges, and questions for each platform	No ranking or summary of results

Source: Documentation of testing and feedback provided by the Mayor’s Office of Innovation

According to the summary slide deck on the vendor selection process prepared by the Mayor’s Office of Innovation, the majority of staff (but not all) who provided written feedback expressed support for Clariti over the other two platforms after user testing. Overall, OpenGov outperformed Clariti on its usability, but staff had concerns that the platform’s simplicity would limit functionality, including the ability to bulk import/export data from external sources and the ability to configure fees. In contrast, Clariti had more comprehensive capabilities and familiarity with the City’s permitting systems, but staff had concerns that the platform would be overwhelming for applicants to use. Staff had concerns with both the usability and the functionality of LeapThought. There was no definitive vendor recommendation from staff at the conclusion of this stage.

Executive Interviews

Leadership staff from the Mayor's Office of Innovation, the Department of Building Inspection, Planning, the Permit Center, and the Office of the Treasurer and Tax Collector conducted interviews with the three finalist vendors offering comprehensive solutions on July 24, 2025 and July 25, 2025. Though finalist interviews such as these are a typical step in formal competitive solicitations, this process was still not designated as a competitive solicitation though we assume vendors knew they were being considered for a contract award as they were interviewed and advanced through the process in competition with other vendors.

Reference Checks

Permit Center and Mayor's Office of Innovation staff conducted reference checks for Clariti and OpenGov. Staff did not complete reference checks for LeapThought. Reference checks are a typical step in formal competitive solicitations, and it would be unusual for one finalist to be excluded from the process.

Vendor Evaluation

Leadership staff from the Mayor's Office, Building Inspection, Planning, Digital Services, DataSF, Public Works, Treasurer Tax Collector, the Fire Department, the Department of Technology, and the Permit Center met on July 31, 2025 to review the vendor evaluations of the two finalists prepared by the Mayor's Office of Innovation summarizing the staff and leadership teams' assessments up to this point in the process and to determine the final vendor recommendation. However, as discussed below, the group did not make a final determination.

According to the summary slide deck on the vendor selection process prepared by the Mayor's Office of Innovation for the meeting, vendors were evaluated by over 40 testers as well as 10 Department Heads for a total of over 50 people during the Finalist Evaluation round based on: (1) **vendor track record**, including experience with other large cities and experience with change management and delivering on time and on budget; (2) **technical assessment**, including City staff's technical evaluation of data management, security, user interface, etc., and integration feasibility; (3) **product functionality**, including supporting a single front door and status tracker, as well as support of internal workflows and support to improve permit issuance and applications; and (4) **path to procurement**, including the feasibility of contracting within a timely manner and cost. However, an evaluation of each vendor against each criterion was not documented. This type of evaluation would be a typical step in a formal competitive solicitation.

According to the summary slide deck, staff recommended eliminating LeapThought during user testing due to concerns regarding usability and functionality and leadership confirmed this decision at the meeting according to Mayor's Office of Innovation staff. Incorporating input from staff, the Mayor's Office of Innovation identified strengths and weaknesses for the two

remaining finalist vendors, OpenGov and Clariti. Overall, OpenGov was described as having strengths in change management and implementation (including a commitment to having robust staffing on site) and experience delivering on time, but staff had concerns regarding the product limitations. As discussed above, Clariti had more comprehensive capabilities, but staff had concerns with implementation, including the amount of vendor staffing that would be on site and the ability to deliver on time and on budget. According to the slides, OpenGov addressed outstanding concerns in the opinion of Mayor's Office and PermitSf Leadership, but Clariti did not sufficiently address outstanding concerns on implementation and approach to partnership. The slides did not compare costs of the Clariti and OpenGov platforms.

According to e-mail correspondence from Mayor's Office staff to the meeting group, Mayor's Office and PermitSF leadership staff wanted to have additional conversations with the top two vendors (Clariti and OpenGov) before making a final decision.

Confirmatory Diligence

Mayor's Office and PermitSF leadership staff conducted additional interviews with the top two vendors and additional reference checks as part of the final phase of the RFI. According to summary slides prepared in October 2025 by the Mayor's Office of Innovation on the vendor selection process, Mayor's Office and Permit SF leadership staff selected OpenGov due to its previous experience delivering on-time and on-budget and its long-term partnership approach.

Cost Comparison

Because there was wide variance in RFI responses, it is difficult to compare costs across responses. In their initial RFI responses, OpenGov's estimated costs were greater than Clariti's. Clariti, OpenGov, and LeapThought did not submit additional cost proposals during the subsequent evaluation phases nor did any other bidders. According to the October 2025 summary slides, PermitSF leadership and Mayor's Office staff found OpenGov's and Clariti's costs to be comparable based on internal staff estimates of their costs rather than the costs included in their proposals. PermitSF leadership and Mayor's Office staff estimated it would cost between \$15 million and \$16 million to implement Clariti as a Citywide permitting software, which was comparable to PermitSF leadership and Mayor's Office staff's estimate for implementing OpenGov as a Citywide permitting software.

The Clariti estimate was not based on a cost proposal submitted by the company: it was based on an existing contract between Clariti and the Department of Public Works, which was for 150 users and approximately \$2.7 million. PermitSF leadership and Mayor's Office staff increased the amount proportionately based on the estimated number of users for Citywide permitting software that would need to serve more than 10 departments. According to Mayor's Office of Innovation staff, Clariti stated that they would likely need to enter into contracts with additional

vendors, such as Clariti integrators and professional service providers. We do not know if this is how Clariti would have priced their product and services and use of subcontractors. There was no comparable cost estimate prepared by LeapThought by City staff. OpenGov did provide an updated cost estimate at this stage as part of its finalist negotiations with the City.

Conflict of Interest

Five City staff from the Mayor’s Office and PermitSF who participated in the final selection process signed statements of impartiality and confidentiality regarding the evaluation process for the top three bidders (OpenGov, Clariti, and LeapThought).⁴ The statements asserted that these staff did not have any conflict of interest or financial interest in the top three bidders that would prevent them from using impartial judgement. According to Mayor’s Office of Innovation staff, these were the same staff that conducted the final vendor selection as part of the Confirmatory Diligence phase.

These staff did not sign impartiality statements regarding the other 47 vendors eliminated in prior rounds of the RFI, and City staff involved in evaluations and making determinations in prior rounds did not sign impartiality statements. These staff members were not mandated to disclose any conflicts of interest as they would have been if this were a formal selection process via competitive solicitation, according to City procedures.⁵ Vendors were not asked to disclose or certify that they were not making contributions to or conducting fundraising for any elected officials while their response was being considered or to provide any disclosures or affidavits declaring they had not participated in collusion with other vendors or that they did not have conflicts of interest regarding the solicitation. Such requirements are part of public sector formal solicitations in some jurisdictions though not typically in San Francisco.

Contract Award

PermitSF leadership and the Mayor’s Office selected OpenGov following the RFI process to implement a new permit management system under Administrative Code Section 21.30 which allows departments to procure software without adhering to competitive bidding solicitation requirements if the vendor has proprietary rights to the software. The City Office of Contract Administration (OCA) approved the waiver in September 2025, and the Mayor’s Office executed a contract with OpenGov on October 1, 2025.

⁴ The following staff signed statements of impartiality: (1) the Mayor; (2) the Mayor’s Chief of Staff; (3) the Mayor’s Chief of Housing and Economic Development; (4) the Director of the Mayor’s Office of Innovation; and (5) the Director of PermitSF.

⁵ See OCA procurement template P-690.

The OpenGov agreement has a one-year term through September 30, 2026 with an option to extend for two additional years and a not-to-exceed amount of \$5,900,000, including \$1,900,000 for implementation and training services and \$4,000,000 for application and hosted services for the initial term (this is similar to software licensing or license fees often charged per user). The contract does not include costs for the options to extend but caps the annual increase for application and hosted services at five percent per year. Comparable cost proposals were not prepared by Clariti or LeapThought before they were eliminated from the competition so, unlike a competitive bid process, the City staff evaluators could not compare the relative costs of the finalist vendors to determine if the selected vendor offered the best value relative to their price.

Scope and Current Timeline

Exhibit 7 below shows the permit types that are included under the contract with the estimated go live dates based on the current schedule, or when these types of permits could be processed using the new software. The estimated schedule in the contract anticipated an initial subset of these records would go live on February 13, 2026 with all permit types under the initial scope delivered by March 16, 2026, with dates subject to adjustment based on mutual agreement. As of February 13, 2026, the new system has launched with five permit types, and the current schedule delivers all permit types under the initial scope by June 2026 (rather than March 2026 as originally anticipated). In general, the permits that will be processed by the OpenGov software and shown in Exhibit 7 are for simpler projects, many that can be approved over the counter. There is not currently a timeline for expanding use of the new application to more complex housing and commercial developments that require multiple agency review.

Exhibit 7: Permit Types under OpenGov Permit Management Contract

<u>Go-Live Date: February 13, 2026 (Executed)</u>	<u>Go-Live Date: April 2026 – June 2026</u>
<ul style="list-style-type: none">• Fire Construction Permit – Fire Alarm• Fire Construction Permit – Fire Sprinklers• Over-the-Counter (OTC) Window Permit• OTC Doors Permit• OTC Siding Permit• Special Event Permit	<ul style="list-style-type: none">• Fire Construction Permit – Water Flow Inspections• Fire Operational Permits• Instant Online Bath Remodel Permit• Instant Online Electrical Permit• Instant Online Kitchen Remodel Permit• Instant Online Solar Permit• Instant/OTC Reroofing Permit• Sign Permit• Small Mechanical Permit

Source: OpenGov Contract, Mayor’s Office of Innovation

According to Mayor’s Office of Innovation staff, the permit types within the scope of the contract were determined based on: (a) department readiness and need to transition to a new system; (b) impact to San Francisco residents based on the most commonly requested permits or biggest

pain points; and (c) feasibility to allow PermitSF to learn from implementation of simpler permits before implementing more complex permit types.

The current scope reflects select permit types from the Fire Department, the Department of Building Inspection, and the Office of Small Business. According to Mayor's Office of Innovation staff, PermitSF plans to add additional permit types to the contract scope through 2028, including permits issued by the Department of Public Works, Planning Department, Public Utilities Commission, the Port, the Department of Public Health, and the Recreation and Parks Department.

In spite of the limited implementation in the first year of the OpenGov rollout, the annual subscription fee of \$4 million included in the contract reflects a full rollout to all permit types. Work may be underway on permit process software for these other departments though it will not be public-facing in the first year.

Contract Budget

The contract budget includes an annual subscription fee of \$4 million based on the permit types to be supported by the platform and a fixed professional services fee of \$1.9 million for a total one-year amount of \$5.9 million. According to Mayor's Office of Innovation staff, the contract budget was negotiated based on OpenGov's response to the RFI.

The subscription fees began on October 1, 2025, rather than the go-live date (February 13, 2026). Though only a small subset of City permit types will be processed using OpenGov in its first year of implementation, we note that the subscription fees include fees for other permitting types that are not included in the current scope of the contract such as permits issued by the Recreation and Parks Department, Environmental Health, and the San Francisco Public Utilities Commission. According to Mayor's Office of Innovation staff, these fees are included because they cover required parts of the end-to-end Citywide solution that PermitSF leadership expects from this engagement. However, the contract, which has an initial term ending in September 2026 does not obligate OpenGov to deliver additional permit types. In future years, the annual subscription fee may increase by a maximum of five percent.⁶ The agreement does not include additional implementation and training services fees to configure additional permit types. Exhibit 8 below shows the contract budget.

⁶ If the City elects to extend the contract, the annual amount for application and hosted services could be increased by a maximum of \$175,000 which was calculated as five percent of \$3.5 million, rather than the \$4.0 million amount for the first year of the contract per Section 3.3.1(b) of the agreement.

Exhibit 8: One Year OpenGov Contract Budget: October 2025 - September 2026

Contract Fees	Amount
Annual Subscription Fees	
<u>Permitting & Licensing Fees</u>	
Building Permits & Inspectional Services	\$499,930
Health Permits & Licenses	306,775
Public Works Permits	306,775
Code Enforcement	227,241
Fire & Burn Permits	204,516
Planning & Zoning	204,516
Office of Community Investment and Infrastructure	204,516
San Francisco Port	204,516
Entertainment Commission	204,516
Recreation and Parks Department	204,516
San Francisco Public Utilities Commission	204,516
Additional Instance of Permitting and Licensing	134,803
<i>Subtotal, Permitting & Licensing Fees</i>	<i>\$2,907,134</i>
<u>Integration and Support</u>	
Advanced Reporting Integration	238,602
Autofill Interface Quantity: 100	235,461
Permitting and Licensing - Mobile App	113,620
Contractor License Verification	37,357
Accounting & Finance Export Quantity: 2	9,416
Document Management Interface	5,604
Bluebeam Integration	4,708
Master Address Table or Assessor System Integration	4,708
Record Data Export	4,708
Esri ArcGIS Integration	2,355
Flag Integration	2,355
Permitting and Licensing Expert Services Quantity: 3	398,074
Premium Support	35,899
<i>Subtotal, Integration and Support</i>	<i>\$1,092,866</i>
Total Annual Subscription Fees	\$4,000,000
One-Time Professional Services Fee	\$1,900,000
Total Not to Exceed Amount	\$5,900,000

Source: OpenGov Contract

Conformance with City Policies and Best Practices

The Request for Information process generated participation from 50 vendors. City staff from 13 agencies were involved in the evaluation process and had the opportunity to provide feedback and test the top three platforms under consideration. The RFI solicited responses to solve a defined problem and did not focus on specifications that were overly prescriptive, which is a best practice for RFI and Request for Proposals (RFP) development in technology procurement according to recommendations from a 2017 report issued by the National Association of State Chief Information Officers and the National Association of State Procurement Officials.⁷

While the selection process did not violate City requirements, it did not conform to typical City practice or best practices regarding Requests for Information and Requests for Proposals. Given the size and scope of the contract, City practice suggests that the contract should have been competitively procured following the RFI research and information gathering processes. Relative to other software contracts procured via an Administrative Code Section 21.30 solicitation waiver, it was much larger in scope and contract amount, particularly compared to contracts for new software, as discussed below.

According to Mayor's Office of Innovation staff, the Mayor's Office did not issue a Request for Proposals following the RFI process because it would add an additional six to 12 months to the delivery timeline, and they considered the RFI evaluation process, which involved 50 companies and over 50 city staff members, to be sufficiently robust. However, this approach is not a choice offered under the City's current procedures; departments can administer Requests for Information as a research tool and Requests for Proposals or Bids as solicitation tools following formal competitive bidding rules and regulations. However, firms can be selected without a competitive solicitation process for technology procurements under certain circumstances, which was the method ultimately used for the OpenGov contract award, as discussed further below.

Issuance of an RFP following the RFI would have provided more transparency to the evaluation criteria and decision-making process and would have allowed the Mayor's Office to compare costs and qualifications across vendors against consistent criteria, with a documented record of a fair and impartial process giving all qualified vendors an equal chance. While the RFI evaluation documentation details why the Mayor's Office selected OpenGov over LeapThought and Clariti, the Mayor's Office criteria for eliminating the other vendors offering comprehensive solutions is not clear. Because there was wide variance in RFI responses, it was difficult to compare costs across responses.

⁷ State IT Procurement Negotiations: Working Together to Reform and Transform

It is likely that awarding the contract through a Request for Proposals process following the RFI would have pushed the delivery date beyond the Mayor's February 2026 deadline. However, City requirements and timelines for procuring technology, as time-consuming as they may be, were known at the time the Executive Directive was issued. Given the visibility and importance of the City's permitting system, ensuring that the contract was awarded fairly and competitively justifies a lengthier process. The tradeoff for a longer process and slower ramp-up of a new permitting system would have been greater assurances that all vendors were evaluated fairly and consistently, that there was no inappropriate communications or favoritism between City staff and vendors, and that the price for the selected vendor provided the best value to the City. While we did not find any evidence of impropriety in the process, the absence of objective standardized evaluation criteria and a process governed by a set of rules aimed at eliminating conflicts of interest can create the appearance of impropriety and can damage public trust in procurement.

Waiver Justification

For Administrative Code Section 21.30 solicitation waiver ("21.30 waiver") requests, the requesting agency must provide a letter affirming that the software is proprietary. In addition, for new software and upgrades to existing software, the requesting agency must explain: (a) the purpose of the software; (b) why the software is the only software that will meet the City's needs; and (c) efforts to obtain the best possible price. This is a challenging standard in that the Mayor's Office of Innovation received 50 proposals from vendors who represented that they could provide a permitting system for the City, though not necessarily with all the same attributes as one another. Many firms likely offered some unique features.

According to the Mayor's Office of Innovation waiver request, OpenGov was the only software that could meet the City's product and self-imposed timeline requirements based on the Office's RFI evaluation process. Therefore, the Mayor's February 2026 deadline for delivering a new permitting platform was a key justification for waiving a competitive solicitation process. While the RFI evaluation documentation details why the Mayor's Office determined that OpenGov was better able to meet the City's product and timeline requirements compared to Clariti and LeapThought, it does not provide details on why the Mayor's Office determined that the other 47 vendors were not able to meet the City's product and timeline requirements

The City's finalist evaluation process mirrored what often occurs in a formal competitive bid, with evaluators weighing the pros and cons of a few finalist vendors. At the point in a competitive bid process where finalist bidders are being considered, the firms should all be technically able to provide the requested service/product at a fair price, so decisions might be made, appropriately, based on less tangible factors such as the vendor team being able to work well with the procuring agency, having good references, having been in business for many years, and

other factors. Consideration of factors such as these are built into the formal competitive bid Request for Proposal process when price is not the sole determining factor. This seems to also characterize the selection of OpenGov, which was akin to selection of a preferred vendor in a competitive solicitation, with other vendors also able to provide the required services but found lacking in some other areas by the Mayor's Office and PermitSF. This indicates that the City could have ended up selecting OpenGov or any of the finalist vendors through a complete bidding process, with its attendant controls, rather than a sole source selection.

Absence of Comparable Cost Proposals

Neither Clariti nor LeapThought were required to submit a final cost proposal that could be compared to OpenGov's final cost submittal though their response to the RFI included a price for specified services, as required by the City for all vendors submitting a response. OpenGov had similarly submitted a cost proposal in their original RFI response but revised it in final negotiations with the City. Clariti was not asked to submit a revised cost proposal that could have been compared to OpenGov's revised \$5.9 million cost. As noted above, the Mayor's Office of Innovation determined OpenGov's costs to be similar to Clariti's based on a comparison to an existing contract between Clariti and the Department of Public Works, with costs increased proportionately based on the number of users for the Public Works platform and the estimated number of users for a Citywide permitting software. However, a final cost proposal from Clariti may have differed from this estimate prepared by City staff.

PermitSF leadership and the Mayor's Office determined that the price proposal was the best possible price based on a comparison of OpenGov's price proposal to the National Association of State Procurement Officials (NASPO)-pricing model⁸ for state permitting systems which varies based on the size of a jurisdiction's budget and includes: (a) subscription fees (rather than user licenses) for the different permit types, system integrations required, reporting and other features, and support; and (b) a fixed fee for custom professional services deployment. OpenGov's price proposal to the City was 16 percent less than what OpenGov's NASPO-pricing model would cost based on the size of the City's budget, which falls into the model's \$15 billion to \$20 billion pricing category. Specifically, the subscription fee (\$4 million) is four percent less than the NASPO-pricing model and the fixed professional services fee (\$1.9 million) is 34 percent less than the NASPO-pricing model. Mayor's Office of Innovation documentation did not include a similar analysis of a final negotiated cost proposal from Clariti or LeapThought.

⁸ OpenGov developed its NASPO-pricing model following a competitive 2015 Request for Proposals process conducted by the State of Utah on behalf of NASPO ValuePoint participating states. NASPO ValuePoint is a cooperative purchasing program of the National Association of State Procurement Officials (NASPO).

Comparing OpenGov's \$5.9 million cost proposal to the NASPO model presents some challenges. We note that the NASPO pricing model for subscription fees includes fees for other permitting types that are not included in the scope of OpenGov's current contract, such as permits issued by the Recreation and Parks Department, Environmental Health, and the San Francisco Public Utilities Commission. Similarly, based on the information provided by the Mayor's Office of Innovation, it is not clear if the NASPO pricing model for the fixed professional services deployment fee reflects the limited scope deployment as has been guaranteed by OpenGov for the first year of its contract through September 2026 rather than deployment of a more comprehensive permitting system.

The Office of Contract Administration requires that the requesting agency explain their efforts to obtain the best price prior to approving an Administrative Code Section 21.30 competitive solicitation waiver. Besides the comparison to NASPO pricing described above, the City apparently negotiated the final \$5.9 million price with OpenGov but there is no evidence that this represented attempts to lower the vendor's price or match prices offered by other vendors in the RFI process. Mayor's Office of Innovation staff report that the fixed professional services fee was reduced from \$2.2 million for a three-year agreement to \$1.9 million for a one-year agreement during negotiations with the vendor on contract price and duration.⁹

Citywide Use of Section 21.30 Waivers

Large City and County of San Francisco contracts for software are typically awarded through a formal competitive solicitation process, and contracts awarded through a 21.30 solicitation waiver are typically for a lower contract amount (relative to contracts competitively procured).

Of the approximately \$987 million in software contracts approved by the Office of Contract Administration (OCA) in FY 2024-25, approximately \$700 million (71 percent) was for contracts resulting from a competitive solicitation process (such as an RFP or Request for Qualifications process) and \$287 million (29 percent) was for contracts for which there was no competitive solicitation process conducted, including Section 21.30 waivers.

Of the software contracts approved by OCA in FY 2024-25, 55 received Section 21.30 waivers with a total combined not-to-exceed amount of approximately \$137.8 million. This reflects 44 percent of all 124 software contracts approved by OCA but only 14 percent of the \$986.8 million combined not-to-exceed amount of contracts approved by OCA. The average contract amount

⁹ According to Mayor's Office of Innovation staff, OpenGov's quote for the fixed professional service fee was \$2.2 million for a three-year contract. When the Mayor's Office and PermitSF leadership determined that they only wanted a one-year contract, OpenGov requested a higher fixed fee of \$3.5 million, which was negotiated down to \$1.9 million for a one-year contract according to staff.

for Section 21.30 waiver contracts was approximately \$2.5 million, which is less than the average contact amount for contracts for which there was a competitive solicitation conducted (\$18.4 million) and less than the one year \$5.9 million contract now underway with OpenGov. Exhibit 9 presents a summary of software contracts approved by the Office of Contract Administration in FY 2024-25.

Exhibit 9: Software Contracts Approved by OCA in FY 2024-25

Procurement Method	Contracts	Contract Amounts	Average Amount per Contract
Solicitation Conducted	38	\$700,041,892	\$18,422,155
<u>No Solicitation</u>			
21.30 Waiver	55*	137,778,405	2,505,062
Other Solicitation Waiver (ex: Reciprocal Agreements with Public/NonProfit Agencies, No Substitute)	25	144,307,436	5,772,297
Solicitation not Required- DPH contract under Admin Code Chapter 21A GPO	5	4,195,756	839,151
Solicitation not Required- MTA contract under Charter Section 8A.102(b)	1	450,000	450,000
<i>Subtotal, No Solicitation</i>	<i>86</i>	<i>\$286,731,597</i>	<i>\$3,334,088</i>
Total	124	\$986,773,489	\$7,957,851

Source: Office of Contract Administration

*OCA approved 55 contracts in FY 2024-25 that received Section 21.30 waivers, including some contracts for which OCA approved the waiver in a prior year. This number varies from the number of Section 21.30 waivers OCA approved in FY 2024-25 shown in Exhibit 10.

In FY 2024-25, OCA approved 68 Section 21.30 waiver requests and rejected 24 Section 21.30 waiver requests. OCA staff report that they typically reject 21.30 waiver requests when multiple vendors can provide the requested software (i.e., multiple resellers are authorized to sell the product). The majority of Section 21.30 waiver requests are for existing software, and 21.30 waiver requests for new software are typically for lower amounts relative to requests for existing software. Nine of the 68 approved Section 21.30 waivers did not include data on whether the requested software was new or existing. Of the 59 Section 21.30 approved waivers with this information, 14 were for new software with an average amount of \$740,641. The remaining 45 requests were for existing software (including upgrades of existing software and support or technical services for existing software) with an average amount of approximately \$1.7 million. Exhibit 10 displays this information on Section 21.30 waivers for FY 2024-25.

Exhibit 10: 21.30 Waivers Approved by OCA in FY 2024-25

New or Existing	OCA Approved Waivers	Total Requested Amount	Average Amount
New Software	14	\$10,368,974	\$740,641
Existing Software - Upgrade	8	12,798,355	1,599,794
Existing Software - No Upgrade	37	62,872,769	1,699,264
Unknown	9	11,108,448	1,234,272
Total	68*	\$97,148,546	\$1,428,655

Source: Office of Contract Administration

*OCA approved 68 Section 21.30 waivers in FY 2024-25 but did not approve all the associated contracts by the end of FY 2024-25. This number varies from the number of contracts OCA approved in FY 2024-25 that received Section 21.30 waivers shown in Exhibit 9.

With a not-to-exceed amount of \$5.9 million, the OpenGov contract was larger than software contracts typically awarded via a Section 21.30 waiver, especially contracts for new software, which had an average contract amount of \$740,641 as shown in Exhibit 10 above. Exhibits 9 and 10 above include contracts with multi-year terms. Because the OpenGov contract is only funded for one year, the difference in contract amounts between the OpenGov contract and other City contracts procured via Section 21.30 solicitation waivers is likely understated.

Department of Technology RFI Practices

According to Department of Technology contracting staff, the Department of Technology has issued Requests for Information as part of their procurement process for software contracts. However, they have issued competitive solicitations following the RFIs and do not award software contracts based on RFI responses. The Department of Technology contracting staff report that in FY 2024-25 they awarded the majority of software contracts through some form of competitive process, but that competition typically occurred among resellers rather than software developers.¹⁰ Staff report that they have rarely procured new software over the last five years due to budget reductions and they consider it a matter of professional judgment whether or not to use a Section 21.30 solicitation waiver or a competitive solicitation to award a contract for new software.

¹⁰ According to Department of Technology contracting staff, the Department of Technology uses Requests for Qualifications to establish pools of qualified vendors. Once they have a pool of qualified vendors, they issue a Request for Quotations if they are selecting a vendor strictly based on price or a Request for Proposals if additional factors need to be evaluated, such as experience or technical approach.

Policy Options

The Board of Supervisors should consider the following actions:

1. Request that the City Administrator's Office prepare guidelines for the Request for Information process to ensure that it is not used as a substitute for the City's competitive formal solicitation processes and regulations, including the appropriate relationship between Requests for Information for information gathering and market research and Requests for Proposals and Requests for Qualifications for subsequent formal competitive bidding with its attendant internal controls.
2. Request that the City Administrator's Office, in consultation with Department of Technology contracting staff, update the Chapter 21 Rules and Regulations for Section 21.30 solicitation waivers for software to provide guidance to departments on when they should consider competitive solicitations instead of solicitation waivers. The guidelines should consider whether the software is new or existing, the contract amount and/or annual spending, and the presence of competitors providing a similar product.
3. Request that the City Administrator's Office provide recommendations on strategies to improve the procurement process for technology to reduce the timeline to procure.

Appendix 1: RFI Review Scoring Results for 50 Responses

Vendor	Solution Type	Score (Max 18 or 16) *	Invited to Vendor Day
Clariti	Comprehensive	18	Yes
Salesforce	Comprehensive	16	Yes
OpenGov	Comprehensive	14	Yes
cBrain	Comprehensive	12	Yes
Accela	Comprehensive	11	Yes
Slalom	Comprehensive	11	Yes
Anthropic	Specialized	10	Yes
Archistar	Specialized	10	Yes
Brain Co.	Comprehensive	10	Yes
Accenture	Comprehensive	10	
Deloitte	Comprehensive	10	
Oracle	Comprehensive	10	
Stanford RegLab	Specialized	9	Yes
Qualtrics	Specialized	9	
LeapThought	Comprehensive	8	Yes
Nava PBC	Comprehensive	8	Yes
Consultadd	Comprehensive	8	
Google Public Sector	Specialized	8	
Ignyte Group	Comprehensive	8	
Infilla	Specialized	8	
ServOs	Comprehensive	8	
Timmons Group	Comprehensive	8	
Tyler Tech	Comprehensive	8	
CivCheck	Specialized	7	Yes
Carollton Enterprise Services	Comprehensive	7	
Hugo	Comprehensive	6	Yes
Ichi	Specialized	6	Yes
BlueVector AI & Sapient	Comprehensive	6	
CODICE	Comprehensive	6	
IBM	Comprehensive	5	
MTX Group	Comprehensive	5	
Pacific Point	Comprehensive	5	
StackNexus	Comprehensive	5	
Symbium	Specialized	5	
Alvarez & Marsal	Comprehensive	4	
Centific	Specialized	4	

Vendor	Solution Type	Score (Max 18 or 16) *	Invited to Vendor Day
Esri	Specialized	2	
DataBank	Comprehensive	1	
GovStream.AI	Specialized	1	
Permit Haven	Specialized	1	
SuccessMetrics	Comprehensive	1	
Autocene	Comprehensive	0	
Bloom Works	Consultant	0	
DocuSign	Specialized	0	
Gartner	Consultant	0	
GenSigma	Consultant	0	
Larios Consulting Services	Consultant	0	
Capital Partnerships Inc.	Consultant	Not Scored	
Cloverinfotech	Not Categorized	Not Scored	
Ascot Software	Specialized	Not Scored	

Source: Mayor's Office of Innovation

*Some responses were scored by eight City staff and others were scored by nine City staff

Appendix 2: Vendor Day Staff Feedback

PermitSF leadership and the Mayor’s Office invited City staff to attend the presentations made by 15 invited vendors and to provide feedback on the presentations through a survey. The survey asked respondents to assess the extent to which the solution meets the City’s needs in six areas and also asked open-ended questions on the proposal’s biggest strength, staff concerns with the proposal, and additional feedback. Less than 10 percent of staff responded to these surveys. According to Mayor’s Office of Innovation staff, most staff provided feedback directly to Department leadership. We tabulated the responses for which City staff reported that the vendor “Fully Met” or “Mostly Met” the City’s needs in six areas, such as Backend Database and Implementation Plan, and took an average across the six categories. Based on this average: 90 percent of survey respondents felt Clariti’s presentation met or fully met the City’s requirements, 80 percent felt OpenGov’s presentation met or fully met the City’s requirements, and 31 percent felt LeapThought’s presentation met or fully met the City’s requirements, as shown below.

Vendor Day Survey Responses on Whether the Solution “Fully Met” or “Mostly Met” the City’s Requirements

Vendor	Number of Responses	Centralized Permit Intake	Real-Time Status Tracker	Integrated Task and Workflow Automation	Backend Database	Solution Integrations	Implementation Plan	Average - Six Categories	Selected for User Testing (Comp. or Spec.)
Salesforce	3	100%	100%	100%	100%	100%	100%	100%	
Slalom	4	100%	100%	100%	100%	100%	100%	100%	
Clariti	5	100%	80%	100%	100%	100%	60%	90%	Comp.
cBrain	5	100%	100%	80%	80%	60%	60%	80%	
OpenGov	5	100%	80%	80%	60%	100%	60%	80%	Comp.
Accela	5	80%	80%	80%	80%	80%	60%	77%	
Stanford RegLab*	5	60%	60%	20%	20%	60%	40%	43%	
CivCheck*	7	57%	29%	43%	14%	43%	29%	36%	Spec.
LeapThought*	6	33%	17%	50%	33%	33%	17%	31%	Comp.
Archistar*	5	40%	0%	0%	0%	40%	40%	20%	Spec.
Brain Co.	4	50%	25%	0%	0%	0%	0%	13%	Spec.
Anthropic*	6	0%	17%	17%	0%	17%	0%	8%	
Nava PBC	6	17%	17%	0%	0%	17%	0%	8%	
Hugo*	4	0%	25%	0%	0%	0%	0%	4%	
Ichi*	5	0%	0%	0%	0%	0%	20%	3%	
Average, All Vendors	5**	53%	45%	43%	36%	48%	36%	44%	

Source: BLA Analysis of Vendor Day Survey Feedback

*Identified as a specialized solution (rather than comprehensive) based on the vendor’s RFI response

**On average five staff responded to the survey for each vendor