

22. License Agreement Amendment with ProCore Technologies, Inc. for Construction Project Management Software (Non-General Fund)

Department(s):

Recommended Action: Authorize the City Manager to execute a first amendment to license agreement with ProCore Technologies, Inc., increasing the compensation by \$55,000, including a \$12,928 contingency, for a total amount not to exceed \$305,000 for the entire length of the agreement, and extend the agreement term until September 16, 2025 (Agreement No. A-2025-XXX).



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
April 15, 2025

TOPIC: Construction Project Management Software System

AGENDA TITLE

License Agreement Amendment with ProCore Technologies, Inc. for Construction Project Management Software (Non-General Fund)

RECOMMENDED ACTION

Authorize the City Manager to execute a first amendment to license agreement with ProCore Technologies, Inc., increasing the compensation by \$55,000, including a \$12,928 contingency, for a total amount not to exceed \$305,000 for the entire length of the agreement, and extend the agreement term until September 16, 2025 (Agreement No. A-2025-XXX).

GOVERNMENT CODE APPLIES: Yes

DISCUSSION

The Public Works Agency (PWA) is responsible for managing the design and construction of all Capital Improvement Program (CIP) projects to meet the City's infrastructure needs. The City's infrastructure needs include the acquisition of land and major renovations of city infrastructure such as roads, buildings, and parks. In the current fiscal year, there are approximately 45 active projects related to streets, traffic, utility, drainage, lighting, and city and park facilities, all of which total \$36 million in expenditures. Streamlined coordination and communication of all project phases across multiple departments and divisions is critical to the efficient use of the City's resources.

On September 1, 2020, City Council approved an agreement to ProCore Technologies Project Management Pro software (Procore) for a one-year period, in an amount of \$50,000, with the option to renew for up to four additional years for a total amount not to exceed \$250,000, in order to effectively streamline project documentation, digitally log inspections, and document communications between engineers, inspectors, and contractors. This license agreement is in its final renewal option and scheduled to end August 31, 2025. Due to an increase in CIP projects, the annual estimated amount for the current and final extension is estimated at \$92,072, creating a need to increase contract capacity for the remainder of the contract term by adding \$55,000, including a contingency of \$12,928 for a new total amount not to exceed of \$305,000 and extend the termination date to September 16, 2025 (Exhibit 1).

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Procore is a widely used program that provides instant data transmission across PC and mobile applications, allowing for real-time delivery of accurate project information. The cloud-based platform has intuitive tools to assign tasks, respond to comments and questions, produce and access reports, and manage budgets and costs. Additionally, Procore has the ability to integrate with other platforms currently used by the City, eliminating the need to purchase any additional software in order to successfully implement its usage.

Approval of the recommended action will allow staff to continue the centralization of critical project files for timely project delivery. This software subscription is exempt from bidding under Santa Ana Municipal Code 2-807(a), which so exempts purchases over \$25,000 of “materials, supplies, labor, and equipment whenever it shall appear that there is only one reasonably available source or where solicitation of bids would for any reason be an idle act.” Here, the application is very industry-specific and unique to this vendor. It is not commercially available through distributors as other major software programs are, making this vendor a sole source. As such, prior to expiration of the contract term, staff will negotiate new contract terms and present to Council for consideration.

ENVIRONMENTAL IMPACT

There is no environmental impact associated with the action.

FISCAL IMPACT

Funds are budgeted and available for expenditure in the Fiscal Year 2024-25 budget and subsequent fiscal years will be included in the proposed budgets for City Council consideration. The funds will be budgeted and available for this item in the accounts below.

Fiscal Year	Accounting Unit-Account #	Fund Description	Accounting Unit, Account Description	Total
Amendment				
2024-25 (April-June)	10117601-62300	Public Works – Administration & Planning	Public Works – Admin Services – Contract Services Professional	\$30,000
2025-26 (July-September)	10117601-62300	Public Works – Administration & Planning	Public Works – Admin Services – Contract Services Professional	\$25,000
Amendment Total				\$55,000
Original Contract Amount				\$250,000
Total				\$305,000

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EXHIBIT(S)

1. Procore Technologies, Inc. Order Form

Submitted By: Nabil Saba, P.E., Executive Director – Public Works Agency

Approved By: Alvaro Nuñez, City Manager

**FIRST AMENDMENT TO LICENSE AGREEMENT WITH
PROCORE TECHNOLOGIES, INC. TO PROVIDE SOFTWARE FOR
CONSTRUCTION PROJECT MANAGEMENT**

THIS FIRST AMENDMENT to the above-referenced agreement is entered into on April 15, 2025, by and between Procore Technologies, Inc., a Delaware corporation (“Procore”), and the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California (“Customer or City”).

RECITALS

- A. The Parties entered into Agreement No. A-2020-175 (“Agreement”) dated September 1, 2020, to provide a license agreement to access software to provide construction project management software for the City’s Public Works Agency.
- B. The initial term of the Agreement ran through August 31, 2021 and, per Council Approval, allowed for up to four (4) extensions of the Agreement, which the Parties exercised based on an annual expenditure of \$50,000. The current term of the Agreement runs through August 31, 2025. The Agreement is current and in-effect.
- C. The Parties now wish to amend the Agreement to update and increase services for the final renewal year, extend the term, and increase the overall compensation. No other changes are contemplated by this Amendment.

The Parties therefore agree:

- 1. **The Agreement is hereby amended as follows:**
 - a. **Quote #91975**, attached hereto as Exhibit A-1 to this First Amendment, shall be fully incorporated into the Agreement.
 - b. **Term**, as detailed in the Order Form to the Agreement, is hereby extended through September 16, 2025.
 - c. **Compensation** is hereby increased for the final renewal period by an additional \$55,000. The total amount for this final renewal period shall not exceed \$105,000. This amount includes the base amount of \$92,071.38, detailed in Exhibit A-1, and a contingency amount of \$12,928.62. The total amount to be expended for the entire term of this Agreement shall not exceed \$305,000.
 - d. Except as modified by this First Amendment, all terms and conditions of the Agreement shall remain in full force and effect.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Agreement on the date and year first written above.

ATTEST:

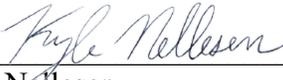
CITY OF SANTA ANA

Jennifer L. Hall
City Clerk

Alvaro Nuñez
City Manager

APPROVED AS TO FORM
SONIA R. CARVALHO
City Attorney

PROCORE

By: 
Kyle Nellesen
Assistant City Attorney

Signed by:

A46439B0A075485...
By: Bill Fleming
Title: SVP, Corporate Controller

In Process

RECOMMENDED FOR APPROVAL

Nabil Saba 
Digitally signed by Nabil Saba
Date: 2025.04.07 08:28:35 -07'00'

Nabil Saba
Executive Director
Public Works Agency



6309 Carpinteria Avenue
 Carpinteria, CA 93013
 (866) 477-6267

PROPOSED BY:
 Kara Filipp
 kara.filipp@procore.com

Order Form	
Customer Name	City of Santa Ana
Quote Number	Q-91975
Generated By	Kara Filipp

Subscription Info	
Subscription Type	Renewal
Start Date	September 17, 2024
End Date	September 16, 2025
Full Subscription Term	12
Billing Frequency	Quarterly
Payment Terms	Net 30
Auto Renewal	No
PO #	
Tax Exempt	No
VAT ID	
Currency	USD
Offer Valid Through	February 21, 2024

BILL TO:
 Leif Lovegren
 llovegren@santa-ana.org
 714-647-3327
 City of Santa Ana
 20 Civic Center Plaza, Santa Ana, CA 92701, United States

SHIP TO:
 Leif Lovegren
 llovegren@santa-ana.org
 714-647-3327
 City of Santa Ana
 20 CIVIC CENTER PLZ, SANTA ANA, CA 92701-4058, United States

Year 1 Subscription				
Product Name	Unit of Measure	Qty	Subscription Term	Annual Fees
Project Management Pro Tools: Correspondence, Daily Log, Drawings, Emails, Meetings, Photos, Punch List, RFI, Schedule, Specifications, Submittals, Timecard, Transmittals	ACV(MM)	80	September 17, 2024 - September 16, 2025	\$66,451.34
Quality & Safety Tools: Action Plans, Daily Log, Forms, Incidents, Inspections, Observations, Photos, Schedule	ACV(MM)	80	September 17, 2024 - September 16, 2025	\$25,620.04
Subtotal				\$92,071.38

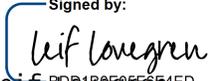
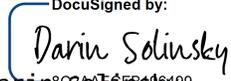
In Process

Total Fees	
Subscription Fees:	\$92,071.38
Total Fees:	\$92,071.38

TERMS AND CONDITIONS
<p>The prices shown above have been rounded to two decimal places for display purposes. Prices quoted do not include taxes. One-time promotional pricing, when applicable on the Order, will expire at the end of the Subscription Term.</p> <p>The following are the Usage Metrics for the Services in accordance with the Unit of Measure listed in the Product Table above. If Customer's usage exceeds the quantity listed within the Product Table above, then Customer will be subject to additional Fees:</p> <p>Annual Construction Volume ("ACV") means the aggregate dollar value of the construction work performed or put in place for all distinct projects for which Customer utilizes the Subscription Services identified with Customer's Procore account(s) during each 12-month period identified on this Order.</p> <p>Workforce Planning: Customer's use of Workforce Planning is limited by the number of Full-Time Equivalents (FTE), which is the average number of Active Customer Employees during an annual Subscription Term. An Active Customer Employee is defined as an active resource in the People list, if applicable.</p> <p>Field Productivity: Customer's use of the Timesheets Tool is limited by the number of Full Time Equivalents ('FTE') calculated as the average number of Active Customer Employees during an annual Subscription Term. An Active Customer Employee is defined as a person with time logged in the tool, if applicable.</p> <p>In addition to the tools listed above, all Procore clients have access to the following core tools: directory, documents, reports, and task, except for those clients who have purchased only Capital Planning and/or Portfolio Financials.</p> <p>This Order is governed by the terms of the Procore Subscription and Services Agreement (the "SSA") and Data Processing Addendum (the "DPA"). To the extent this Order includes products governed by any service-specific terms found at https://procore.com/legal/pay-solution-terms (the "Service-Specific Terms"), such Service-Specific Terms also apply. This Order, the SSA, and the DPA constitute the entire agreement between Procore and Customer, superseding any other terms including, but not limited to, the terms of any Customer purchase order and any prior agreements between the Parties regarding Customer's purchase of services from Procore.</p>

Each Party represents that it has the authority to enter into this Order.

To view details of services purchased, please visit this [page](#).

<p>City of Santa Ana ("Customer")</p> <p>Signed by: Signature:  Name: Leif Lovgren Title: Public Works Projects Manager Date: 09/17/24</p> <p>Initial </p> <p><i>I accept the terms and conditions of the SSA found at https://www.procore.com/legal/subscription-services-agreement</i></p> <p>Initial </p> <p><i>I accept the terms and conditions of the DPA found at https://www.procore.com/legal/dpa</i></p>	<p>Procore Technologies, Inc. ("Procore")</p> <p>DocuSigned by: Signature:  Name: Darin Solinsky Title: VP, Deal Desk Date: 09/17/24</p>
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