

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: January 8, 2026

PREPARED BY: Kalaina Perez, Management Analyst

SUBJECT: APPROVE AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ANGELICA M. ZARCO, DBA HOLISTIC SYSTEM INTEGRATION SOLUTIONS FOR PROGRAM AND CONSULTING SERVICES FOR DEVELOPMENT SERVICES

RECOMMENDATION:

1. Approve Amendment No. 1 to the Professional Services Agreement with Angelica M. Zarco dba Holistic System Integration Solutions to extend the agreement through Fiscal Year 2026/2027 (June 30, 2027);
2. Increase not-to-exceed annual compensation from \$192,000 to \$312,000 per fiscal year;
3. Authorize the City Attorney to make any non-monetary changes to the agreement; and
4. Authorize the City Manager or designee to execute any change orders or amendments, including extensions of the agreement, provided such actions remain within the approved not-to-exceed amount.

BACKGROUND/ANALYSIS:

Since June 2023, the City has partnered with Holistic System Integration Solutions (Holistic) to provide on-call supplemental consulting services in the Development Services Department. Holistic has served a dual role by supporting critical process improvements, system modernization, staff training, and providing essential supplemental staffing for daily permitting operations. This support has been instrumental in stabilizing operations during periods of staffing shortages and the complex transition to the new Clariti land management system.

While the software implementation was not originally intended to be phased, ongoing software development and evolving operational requirements necessitated a phased implementation approach. In addition, the inclusion of an in-house Business License program and Fire Services was not anticipated in the original project scope. Through Phase 1 implementation, the City also learned that additional post-implementation support and business process refinement were necessary to ensure system stability, staff adoption, and alignment between Clariti functionality and City workflows.

Measurable Phase 1 Outcomes

Holistic has provided measurable improvements in service delivery and system modernization, including:

- Standardizing plan review timeframes and improving turnaround times.
- Applying GIS-based georules to support accurate and automated fee calculations.

- Improving consistency in compliance tracking, regulatory services, and development review practices.
- Establishing a stronger operational foundation for accurate cost-of-service calculations and supporting fee study development and implementation.
- Refining business processes to ensure Phase 1 deployment of the Clariti land management system in October 2025.

Need for Contract Amendment to complete Clariti Phase 2 and additional integration of services

A contract amendment is necessary to complete Phase 2 of the Clarity Permitting Software and support the integration of additional services. Lessons learned during Phase 1 confirmed that the scope of work required to implement Clariti fully is greater than originally anticipated, particularly with the addition of Business License and in-house Fire Services. These services require new workflows, fee structures, system configurations, testing, training, and post-implementation support.

The current annual contract allocation of \$192,000 is no longer adequate to support these expanded efforts. The increased contract amount will provide resources equivalent to one additional staff member to assist with system development, business process refinement, training, and post-implementation support. This additional capacity is essential to maintaining service levels while advancing Phase 2 implementation and supporting ongoing daily permit operations.

As of November 2025, \$81,000 has been expended under the current agreement. The City anticipates expenditures of approximately \$249,000 for the remainder of the current fiscal year, with a maximum not-to-exceed amount of \$312,000 in the next fiscal year, reflecting the expanded workload identified through the Phase 1 integration process. Hourly rates for consulting services remain unchanged.

Scope of Work – Phase 2 and Ongoing Support

Implementation & Integration:

- Business License: Workflow creation, implementation, integration, and training for the Business License component of the Clariti system.
- Fire Services: Workflow creation, implementation, integration, and training for the in-house Fire Services.
- Fire Fee Schedule: Development and implementation of the Fire plan check/permit fee schedule.

Post-Implementation & System Support:

- Continued support following Phase 1 implementation, including system maintenance and business process alignment.
- Phase 2 post-implementation support to stabilize workflows and support staff adoption.

Bluebeam Support:

- Business process enhancements, standardization support, and training for the Bluebeam electronic plan review system.

- Clariti Business Process Enhancement/Training: Business process enhancements/standardization support and training specifically related to the Clariti software system.

Operational Support:

- Development and implementation of action teams to advance process improvement and project goals.
- Supplemental staffing support for Permit Center operations to maintain service levels during peak workloads and system transition.

Long-Term Strategy and Phase-Down of Consulting Resources

This contract amendment is intended to support temporary, implementation-related needs and is not anticipated to be an ongoing operational dependency. For the remainder of the current fiscal year, efforts will focus on Phase 1 maintenance, business process development, Phase 2 system configuration, and supplemental operational support. The next fiscal year will focus on Phase 2 implementation, post-implementation support, and system stabilization.

Upon completion of Phase 2 post-implementation support, this agreement will conclude. At that time, the City anticipates phasing down consulting resources and may transition to a short-term, on-call consulting arrangement or issue a Request for Proposals, depending on future needs. Throughout implementation, City staff will continue to receive training to build internal capacity and support long-term system sustainability.

Legal Review:

This report has been reviewed by the City Attorney's Office.

FINANCIAL IMPACT:

Funding for the amended not-to-exceed amount is budgeted under Account No. 1104421-4309000. Therefore, there is no additional impact to the City's General Fund.

ATTACHMENTS:

1. Draft Amendment No. 1
2. Holistic Fee Proposal

CONFLICT OF INTEREST AWARENESS CHECKLIST:

Site-Specific Property Interest – Councilmembers should check if they own or lease real property within 1,000 feet of the project site (Gov. Code § 87103(b); FPPC Reg. 18702.2).

SB 1439 Applicability (Campaign Contributions) – Applies to licenses, permits, or other entitlements for use, and to contracts or franchise agreements other than competitively bid, labor, or personal employment contracts.

Company: Holistic System Integration Solutions

Councilmembers should review any campaign contributions received within the last 12 months from parties or participants to the proceeding and must not accept contributions over \$500 from those parties for 12 months following the final decision (Gov. Code § 84308).

Note: These indicators are informational and do not constitute a legal determination. Each Councilmember is responsible for identifying and disclosing any disqualifying interests in accordance with the Political Reform Act and FPPC regulations.