County of Sonoma
Agenda Item Summary Report

Agenda Item Number: 17
(This Section for use by Clerk of the Board Only.)

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

To: Board of Supervisors

Board Agenda Date: June 14, 2016
Vote Requirement: Majority

Department or Agency Name(s): County Administrator, Auditor-Controller-Treasurer-Tax Collector,
Information Systems Department , General Services Department

Staff Name and Phone Number:
Blane Jolliff 565-8322

Supervisory District(s):
All

Title: Enterprise Financial System (EFS) PeopleSoft Version 9.2 Upgrade

Recommended Actions:

1) Authorize the Auditor-Controller-Treasurer-Tax Collector to execute a professional services agreement with CherryRoad Technologies, Inc. for PeopleSoft version 9.2 upgrade services in the amount of $1,750,430, including delegated authority to the Auditor-Controller-Treasurer-Tax Collector and County Administrator to authorize additional work up to $225,000 if it becomes necessary to facilitate the upgrade.
2) Authorize the Auditor-Controller-Treasurer-Tax Collector and the County Administrator to exercise the optional Hyperion upgrade in the amount of $98,280, if deemed appropriate later in the project.

Executive Summary:

Staff requests Board authorization for the Auditor-Controller-Treasurer-Tax Collector to execute a professional services agreement with CherryRoad Technologies, Inc. (CherryRoad) for PeopleSoft Financials version 9.2 upgrade services in the amount of $1,750,430, consisting of a fixed cost of $1,525,430 for the current defined upgrade scope plus $225,000 contingency for additional work deemed necessary.

As part of this contract, the County will have up to one year after the completion of the PeopleSoft 9.2 upgrade to exercise two options which have already been negotiated as part of the contract for the upgrade. The two options are: upgrading the Hyperion Budget System and implementation of the Hyperion Public Sector Position Budgeting (PSPB). Staff is requesting that the Board authorize the Auditor-Controller-Treasurer-Tax Collector (ACTTC) and the County Administrator (CAO) to exercise the option to upgrade Hyperion Budget, estimated to cost $98,280, if deemed appropriate later in the project schedule. Staff will also evaluate the benefit of implementing Hyperion PSPB, as the upgrade progresses, and if it is determined to be in the County’s best interest to proceed, staff will return to the Board with a separate item for approval.

Revision No. 20151201-1
Background

Staff received Board approval February 5, 2013 to proceed with the Enterprise Financial System (EFS) Implementation project to replace the then existing mainframe based finance and budget systems with Oracle/PeopleSoft Financials and Supply Change Management (“PeopleSoft”) and Hyperion Budget to service all the entities governed by the Board of Supervisors. At that time of negotiation and project planning with the Project Integrator, Ciber Inc., the County elected to install an older, but well-vetted version of PeopleSoft (version 9.1). This decision was made strategically given that the most updated version (9.2) was new to the marketplace. Concerned with the inherent risks in implementing software versions that have had very little time in the marketplace, staff recommended implementation of version 9.1. However, with that decision, it was known that the County would need to upgrade to version 9.2 shortly after the complete installation of PeopleSoft. This delay provided an additional two plus years of experience of 9.2 in the market, and staff is now comfortable and ready to proceed with the implementation of version 9.2.

Updating to version 9.2 is required in order for the County to continue to receive adequate support services from Oracle after November 1, 2017, at which time extended support services for version 9.1 ceases. Once extended support expires, the level of support would automatically transition to ‘Sustaining Support’ which would provide indefinite Oracle Support but at a reduced service delivery level which excludes support for updates, security alerts, data fixes, critical patches and upgrade scripts. Aside from the decreased support, the upgrade provides enhanced functionality and benefit to the County, including automated testing, environment refresh scripts, and end user dashboards and pivot grids, all of which provide improved business processes and efficiencies.

With the intent of completing the required PeopleSoft software upgrade to 9.2 prior to November 2017, a Request for Proposals (RFP) was issued soliciting proposals from qualified integrators to provide upgrade services to the County of Sonoma. The RFP period closed March 4, 2016, and 6 proposals were received. An evaluation committee comprised of representatives from Purchasing, ACTTC, CAO, Information System (ISD) and the Sonoma County Water Agency evaluated the proposals utilizing a pre-defined selection criteria including experience and qualifications, willingness to accept County’s contract terms, demonstrated history of providing similar services to comparable entities and costs relative to scope of services.

As a result of the evaluation committee ratings, two vendors were deemed most qualified and received further consideration. The additional evaluation included conducting reference checks as well as vendor presentations. CherryRoad was tentatively selected as the upgrade services integrator conditioned upon the ability to successfully negotiate a service agreement.

Since 1992, CherryRoad has performed more than 500 PeopleSoft engagements and they have a significant amount of experience with California Counties including Sonoma, Contra Costa, Napa, Placer, Riverside, San Joaquin and Solano. CherryRoad currently provides Managed Services to the County of Sonoma under terms of a contract approved by the Board April 7, 2015 to provide any necessary assistance to the EFS Support Organization in the ongoing operational support and enhancements efforts for EFS.
On April 7, 2016 the EFS Leadership Team approved the selection committee’s recommendation to proceed with contract negotiations, and statement of work development, with CherryRoad. Contract terms and conditions as well as the Statement of Work (SOW) for the EFS PeopleSoft 9.2 upgrade effort have been negotiated.

Upgrade financing

PeopleSoft 9.2 upgrade costs in the amount of $1,750,430 are being funded through the EFS cost allocation to the end users of the system. Calculated FY 16-17 EFS End User charges are anticipated to be sufficient to cover incurred upgrade expenditures, including the optional Hyperion upgrade of $98,280, without increasing estimated end use charges. In accordance with California Constitution Art. XIII C (Proposition 26), the County has established the end use charges in an amount necessary to recover the actual costs of providing these services. No fee increases are required at this time.

Contract Amendments/Contingency

This Board action requests authority for the ACTTC and the CAO to authorize amendments to the contract with CherryRoad to be utilized exclusively for any contingencies that arise resulting in extra work identified as critical and necessary for the successful completion of the upgrade effort up to $225,000, which is equivalent to approximately 15% of CherryRoad’s total fixed contract price of $1,525,430 for PeopleSoft 9.2 upgrade services. During the development of the SOW considerable planning was completed to determine the amount of CherryRoad resources and efforts for a successful upgrade. Despite this effort, it is anticipated that unforeseen events will materialize that may require additional CherryRoad resources. In order to control the upgrade cost, to facilitate quick decision making, and to keep the upgrade moving to meet budget and timeline, staff recommends delegating this authority to the ACTTC and the CAO to authorize amendments to the contract with CherryRoad, should it becomes necessary.

The costs of the upgrade have been anticipated in the user rates charged to departments. Hence, user rates are not anticipated to go up as a result of approving this contract.

Recommendation:

Authorize the ACTTC to execute a professional services agreement with CherryRoad Technologies, Inc. for PeopleSoft version 9.2 upgrade services in the amount of $1,750,430 and delegate authority to the ACTTC and CAO to authorize extra work up to $225,000 if it becomes necessary to facilitate the upgrade

Authorize the ACTTC and the County Administrator to exercise the optional Hyperion upgrade in the amount not to exceed $98,280, if deemed appropriate later in the project schedule.

Prior Board Actions:

4/7/2015 – Board approved professional services agreement with CherryRoad for PeopleSoft and Hyperion support.

Revision No. 20151201-1
2/5/2013 – Board Approved proceeding with EFS Implementation Project and budget.
9/18/2012 – Approval granted to proceed and negotiate contract for purchase and implementation of new Financial ERP System.

**Strategic Plan Alignment**  
**Goal 3: Invest in the Future**

The enterprise wide system solution enables the county to provide enhanced fiscal transparency having replaced outdated and unsupported financial tracking and reporting technology.

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<tr>
<th>Fiscal Summary - FY 15-16</th>
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<tr>
<td><strong>Expenditures</strong></td>
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<td>Total Expenditure</td>
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**Narrative Explanation of Fiscal Impacts (If Required):**

PeopleSoft 9.2 upgrade costs in the amount of $1,750,430, as well as the optional Hyperion upgrade costs of $98,280, are being funded through the EFS cost allocation to the end users of the system. All appropriations have been included in the recommended FY 16-17 budget for the project and in the departmental budgets as EFS user charges.

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<th>Staffing Impacts</th>
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<td><strong>Position Title</strong> (Payroll Classification)</td>
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**Narrative Explanation of Staffing Impacts (If Required):**

**Attachments:**

**Related Items “On File” with the Clerk of the Board:**

CherryRoad Technologies, Inc. contract, including statement of work, for PeopleSoft 9.2 Upgrade services.