



## Legislation Text

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**File #:** 2020-0357, **Version:** 1

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**To:** Board of Supervisors

**Department or Agency Name(s):** Auditor-Controller-Treasurer-Tax Collector

**Staff Name and Phone Number:** Blane Jolliff 707-565-8322

**Vote Requirement:** Majority

**Supervisory District(s):** Countywide

**Title:**

Second Amendment to Agreement with CherryRoad Technologies

**Recommended Action:**

Authorize the Auditor-Controller-Treasurer-Tax Collector to execute the second Amendment to the Agreement with CherryRoad Technologies, Inc., to extend original agreement for a period of three years through June 30, 2023, with two additional one-year options to extend; increase total not-to-exceed amount by \$1,000,000 to \$2,370,600 to allow for the continued provision of qualified and cost-effective managed support services for the County's enterprise-wide accounting and budgeting systems.

**Executive Summary:**

In July, 2014 the County began utilizing PeopleSoft as the software application to manage all accounting transactions, and in July, 2015, it began utilizing Oracle Planning (formerly known as Hyperion) as its budget development software application; additional modules in PeopleSoft were implemented at that time as well. These systems are collectively referred to as Enterprise Financial System.

The Enterprise Financial System is supported by a combination of functional and technical county staff (referred to as the EFS Support Organization) and contracted expert services under an agreement with CherryRoad Technologies ("CherryRoad"). This item requests an extension in the term and amount of the agreement with CherryRoad to address an identified initiative of the EFS Support Organization to have a long term managed services support plan in place. Utilizing contracted managed services to support large-scale software applications is a best practice as managed service providers provide these services on an as-needed basis: address unanticipated critical system issues that County resources are unable to resolve in a timely fashion; augment County Enterprise Financial System Support Organization Staff as needed and provide development and implementation services for strategic initiatives deemed desirable and beneficial to the County.

As indicated in the Discussion that follows, staff completed a thorough RFI process to confirm that a continued relationship with CherryRoad was in the best interest of the County.

**Discussion:**

In April, 2015, your Board approved an agreement with CherryRoad to provide post implementation support for the Enterprise Financial System in order to augment the County EFS Support Organization staff as they developed expertise in maintaining and supporting the Enterprise Financial System. CherryRoad was selected at that time based on a competitive Request for Proposals. The initial agreement was for one year, with three one-year extensions, and for a not to exceed amount of \$820,600. The contract was amended April 2018 to revise the scope, extend the term through June 30, 2020, and increase the compensation value by \$550,000 to a total not to exceed amount of \$1,370,600.

In anticipation of the June 30, 2020 end date of the current agreement, staff issued a Request for Information (RFI) to test the market to determine if a continued agreement with CherryRoad was in the best interest of the County. The RFI allowed staff to determine which firms were seeking engagement, their service offerings, background and experience, governmental experience and associated billing rates for such services. Responses were received from 13 firms. While three other firms appeared to be generally qualified, CherryRoad's pricing and knowledge of Sonoma County clearly set them apart as the preferred managed services provider. In fact, CherryRoad's hourly rate of \$135-\$195/hour was well within or even lower than rates provided by other RFI respondents. Further, the EFS Leadership Team and Support Organization have been extremely satisfied with the services provided by CherryRoad over the past five years and has received topnotch services and a beneficial partnership. Based on these factors, and in consultation with the Purchasing Agent, staff determined it was in the best interest of the County to extend the agreement with CherryRoad to continue as our managed services provider.

This amendment with CherryRoad will insure that expert resources are in place to provide the following assistance to help support the Enterprise Financial Systems in an effective and efficient manner:

- (a) Address unanticipated critical system issues that County resources are unable to resolve in a timely fashion;
- (b) Augment County Enterprise Financial System Support Organization Staff as needed; and
- (c) Provide development and implementation services for strategic initiatives deemed desirable and beneficial to the County.

The proposed amendment to the Agreement with CherryRoad will extend the original agreement for a period of three years through June 30, 2023, with two additional one-year options to extend. Additionally, in order to ensure sufficient funding exists within the contract for the term extension and continued services, the department is requesting to increase the not-to-exceed amount of this agreement by \$1,000,000 to \$2,370,000. The proposed amendment does not include any baseline cost, therefore County will only incur expenses for services as they are requested.

Costs associated with the EFS Support Organization including County staff and consultants are funded by rates paid by end user departments. The continuing cost for CherryRoad assistance per the proposed agreement has been included in the published rates for the FY20-21 Requested Budget. The proposed amendment with CherryRoad will ensure that the County is well-positioned to address any significant unforeseen application issues, supplement essential staffing resources as required and allow the county to accomplish strategic system initiatives in a timely and efficient manner, while keeping costs stable.

**Prior Board Actions:**

4/18/18 - Board approved first amendment to professional services agreement with CherryRoad for PeopleSoft and Hyperion support.

6/14/16 - Board approved agreement with CherryRoad for PeopleSoft Version 9.2 Upgrade 4/7/2015 - Board approved professional services agreement with CherryRoad for PeopleSoft and Hyperion support.

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.

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 19-20 Adopted</b>	<b>FY20-21 Projected</b>	<b>FY 21-22 Projected</b>
Budgeted Expenses		\$200,000	\$200,000
Additional Appropriation Requested			
<b>Total Expenditures</b>		<b>\$200,000</b>	<b>\$200,000</b>
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other		\$200,000	\$200,000
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>		<b>\$200,000</b>	<b>\$200,000</b>

**Narrative Explanation of Fiscal Impacts:**

The proposed amendment has an estimated maximum cost of \$200,000/year for FY20-21 through FY24-25 for a total not-to-exceed amount of \$1,000,000 over the possible five year term. There is no baseline cost for the agreement and expenses will only be incurred as deemed necessary by the EFS Support Organization. The proposed agreement will be funded utilizing the existing EFS internal service rate structure and has been included in published rates for Requested FY 20-21 Budget.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
N/A			

**Narrative Explanation of Staffing Impacts (If Required):**

No staffing impacts

**Attachments:**

CherryRoad Second Amendment for Support Services

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

N/A