

**ACTION ITEM**

Information Systems Advisory Committee June 7, 2016

Board of Governors Meeting June 22, 2016

<b>CONTRACT ID:</b>	<b>ERP Software and Services – (ITN No.: 15-0029) Application Software Technology Corporation (AST)</b>
<b>BUDGETED:</b>	Yes. Funding for this contract is included in the 2016 Annual Operating Budget.
<b>CONTRACT AMOUNT:</b>	<p>The 10 year cost of the contract is \$13,610,584 broken down as follows:</p> <p><b>Software Licenses and Subscription Services Contract (10 Years):</b></p> <ul style="list-style-type: none"> <li>• Subscription Services \$4,528,865</li> <li>• Software Licenses 195,682</li> <li>• Contingency for additional subscriptions 452,887</li> </ul> <p><b>TOTAL COSTS FOR 10 YEARS - \$5,177,434</b></p> <p><b>ERP System Implementation and Support Services Contract:</b></p> <ul style="list-style-type: none"> <li>• Implementation Services \$6,586,200</li> <li>• Training Credits 40,320</li> <li>• Contingency for change orders 1,656,630</li> </ul> <p><b>TOTAL COSTS FOR 10 YEARS - \$8,283,150</b></p> <p><b>Legacy Systems Consulting Services: \$150,000</b></p> <p><b>TOTAL EXPENDITURES FOR 10 YEARS <u>\$13,610,584</u></b></p>
<b>PURPOSE / SCOPE:</b>	<p><b>Purpose:</b> The purpose of this Action Item is to solicit Board approval of a multi-year contract to acquire software licenses, subscriptions, implementation services, training and consulting services for an integrated Enterprise Resource Planning (ERP) system that will address Citizens' administrative needs for Human Resources, Accounting, Purchasing, Vendor Management and Project Management. The ERP system will replace fragmented and independent applications of multiple departments with an integrated solution that cohesively bundles applications.</p> <p><b>Scope:</b> The recommended integrated ERP system will allow Citizens to replace multiple existing applications over time. This will be accomplished through a phased implementation of multiple Oracle Fusion Cloud Service modules with the assistance of Application Software Technology Corporation (AST). The Oracle Fusion Cloud Service will be provided through a regional Oracle data center with a separate secondary site utilized for disaster recovery purposes.</p>
<b>CONTRACT TERM(S):</b>	The contract with AST is for 5 years with a 5 year renewal period. AST is required to (i) resell certain Oracle Fusion Cloud Services to Citizens at agreed upon rates, and (ii) provide system implementation and support services at a fixed price. Additional ERP products and services may be purchased from AST under the contract as needed, subject to the spending authority granted by the Board.

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	<p>Citizens will also sign one or more Cloud Service Term contracts directly with Oracle Corporation governing the use of Oracle's products and services. The Oracle contracts will not require any payment directly to Oracle.</p>
<b>PROCUREMENT METHOD:</b>	<p>Citizens posted a competitive solicitation, an Invitation to Negotiate (ITN) No.: 15-0029 on July 20, 2015. The solicitation was a multiple phase process.</p> <p>Phase 0 – Responsiveness Review Period: Timely responses were received from six (6) vendors on or before August 28, 2015. Responses from five (5) vendors were advancement to Phase 1.</p> <p>Phase 1 – Written Response Evaluation: Responses from five (5) vendors were scored by the evaluation team. A public meeting was held October 6, 2015 and responses from five (5) vendors were advancement to Phase 2.</p> <p>Phase 2 - Negotiations: Five (5) vendor demonstrations were conducted. The ITN was subsequently amended through Addendum No. 5, posted on December 21, 2015, to allow ERP vendors to propose a different product or hosting model. Three (3) additional responses were received. Based on evaluation of these responses, two (2) additional vendor demonstrations were conducted.</p> <p>Through Addendum No. 6, three (3) vendor proposals were identified for post-demonstration negotiations. At the conclusion of negotiations, a public meeting was held May 9, 2016 where the Negotiation Team recommended an award to AST for the purchase and implementation of certain Oracle Fusion Cloud Services.</p> <p>AST is a platinum level member of the Oracle Partner Network with the rights to distribute/sell Oracle programs and services to public sector entities.</p>
<b>RECOMMENDATION:</b>	<p>The Information Services Advisory Committee approved and recommends the Board to:</p> <ul style="list-style-type: none"><li>a) Approve the awarded contract to Application Software Technology Corporation (AST), including all renewal periods, for ITN No. 15-0029 for an integrated ERP system as set forth in this Action Item; and,</li><li>b) Authorize staff to engage professional services from various legacy system vendors as specified in Attachment A to support implementation of an integrated ERP system; and,</li><li>c) Authorize staff to take any other appropriate or necessary action consistent with this Action Item.</li></ul>
<b>CONTACTS:</b>	Kelly Booten, Chief Systems and Operations

**ATTACHMENT A**

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**Legacy Systems Consulting Services: Aggregate spend of \$150,000**

<b>Contract #</b>	<b>Reseller</b>	<b>Vendor</b>	<b>Applications</b>	<b>Primary Functionality</b>
80074	N/A	StoneRiver Inc.	ProFinancials, F9 Report Writer	General Ledger, Accounts Payable
STC2525000901	N/A	IBM Cognos	TM1	Budgeting
1212002800*	N/A	SuccessFactors	SuccessPath	Internal learning management, recruiting, performance management
1212002500*	N/A	SuccessFactors	SuccessPath	External learning management
GSA-GS-35F-0265X	Immix	Kronos	Kronos	Payroll, time keeping, compensation, benefits
GSA-GS-35F-0074S	The Winvale Group, LLC	Daptiv	Daptiv	Project Management
151400300	N/A	IDOX Software Ltd	CAFM	Facilities management

\* Independently these contracts are in the process of being combined under a new agreement