

# CONSENT ITEM

Information Systems Advisory Committee Meeting, March 12, 2019  
Board of Governors Meeting, March 27, 2019

<b>CONTRACT ID:</b>	<b>DOCUMENT GENERATION: SOFTWARE LICENSE AND SERVICES</b> Amendment to Contract No: 12-11-0043-00 Vendor: SmartComms LLC
<b>BUDGETED</b>	This Consent Item requests an increase in the amount of previously authorized contract spend under the current contract to fund costs associated with migrating to the vendor's enhanced cloud version. Funding is included in the 2019 budget and funding for subsequent contract years will be budgeted in the appropriate budget year.
<b>CONTRACT AMOUNT</b>	On December 14, 2011, the Citizens Board of Governors authorized a contract amount of \$1,204,449 for the initial 5-year term and \$1,187,488 for two optional 5-year renewals for a total of \$2,391,937. This Consent Item requests an additional \$917,682 to the contract spend of \$2,391,937 previously approved by the Citizens Board of Governors for a revised total of \$3,309,619.
<b>CONTRACT HISTORY</b>	This contract is a result of Invitation to Negotiate (ITN) No. 11-0043 issued on July 15, 2011 for Document Generation Software. Thunderhead, Inc. (SmartComms LLC as of March 31, 2017) was the awarded vendor. The contract was approved pursuant to an Action Item by the Citizens Board of Governors and became effective on March 10, 2012.
<b>CONTRACT TERM</b>	The base term was March 10, 2012 – March 10, 2017. One of two 5-year renewal options was exercised in 2017 (ending March 2022) and the second 5-year renewal option remains available with the overall contract term expiring March 2027.
<b>PURPOSE/SCOPE</b>	<p>This request is consistent with Citizens' objective of moving to the cloud to reduce on-premises costs where merited. In this case, as further described in this Section, the net estimated cost savings are \$493,806 resulting from reduced costs associated with internal support, hardware maintenance, and system software that is required to operate the current on-premises platform. Included within the \$917,682 of additional requested contract spend are annual subscription fees and professional services to migrate to the cloud version. These costs were significantly reduced during negotiations with the vendor.</p> <p>This Consent Item requests approval to:</p> <ul style="list-style-type: none"><li>• amend the current contract with the vendor to upgrade the existing on-premises platform to the cloud version; and,</li><li>• increase the total contract spend in the amount of \$917,682 (from \$2,391,937 to \$3,309,619) which is comprised of the following:<ul style="list-style-type: none"><li>○ \$180,548 for the remainder of the current five-year renewal term which runs through March 2022, which represents the incremental increase from the on-premises platform to the cloud version;</li></ul></li></ul>

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	<ul style="list-style-type: none"><li>○ \$200,000 for implementation services of the cloud version;</li><li>○ \$415,126 for services for the second five-year renewal term which runs from March 2022 through March 2027, which represents the incremental increase from the on-premises platform to the cloud version (if Citizens elects not to exercise its second five-year renewal option, it will not have to pay any of the fees for that term); and,</li><li>○ \$122,008 for costs incurred associated with unanticipated services and training during the base term.</li></ul> <p>The benefits of upgrading from the on-premises platform to the cloud version include:</p> <ul style="list-style-type: none"><li>• \$493,806 in reduced costs associated with internal support, hardware maintenance, and system software that is required to operate the on-premises platform (the total projected cost of the current on-premises platform including internal support, hardware maintenance, and system software is estimated to be \$3,179,209 as compared to \$2,685,403 in total projected costs for the cloud version);</li><li>• transferring staff workload associated with the configuration and support of databases, application servers, and operating system to the vendor from Citizens;</li><li>• regularly scheduled releases implemented by the vendor which permit seamless future upgrades (under the current on-premises platform, Citizens is responsible for implementing releases); and,</li><li>• improved processing performance, support, and user interfaces.</li></ul> <p>The migration to the cloud version will enhance but not significantly change the application functionality for Citizens and Citizens staff have concluded that the migration is within the scope of the original procurement.</p>
<b>PROCUREMENT METHOD</b>	The contract was procured by competitive solicitation (ITN 11-0043) in accordance with Citizens' Purchasing Policy.
<b>RECOMMENDATION</b>	Staff recommends the Information Systems Advisory Committee: <ul style="list-style-type: none"><li>a) approve the amendment to Contract No. 12-11-0043-00 adding \$917,682 to the contract amount for the contract term; and,</li><li>b) authorize staff to take any appropriate or necessary action consistent with this Consent Item.</li></ul>
<b>CONTACTS</b>	Kelly Booten, Chief, Systems & Operations Aditya Gavvala, VP, IT Services & Delivery Stephen Guth, VP, Vendor Management