



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Award a Contract for a Budget System (F17-059)

REPORT IN BRIEF

Approval is requested to award a contract in the amount of \$791,237 (\$232,150 in one-time implementation services costs and \$559,087 for five years' software licensing and hosting) to Questica, Inc. of Burlington, Ontario for the purchase and implementation of a budget system. Approval is also requested for a 10% contract contingency in the amount of \$79,124.

EXISTING POLICY

Pursuant to Section 2.08 of the Sunnyvale Municipal Code, City Council approval is required for contracts exceeding \$100,000.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonable foreseeable indirect physical change in the environment, and CEQA Guidelines section 15378 (b) (5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

BACKGROUND AND DISCUSSION

Currently the City's budget office utilizes a combination of spreadsheets and an antiquated, in-house budget system to support the City's budget development needs. This is a very manual, labor intensive approach requiring the same data to be entered in multiple locations and relying heavily on excel formulas and manually queried data from the City's outdated financial system. Due to the disparate nature of the tools utilized to formulate the City's budget, the information is not readily available to managers and users. This situation, combined with the static reporting of the City's aging financial system, leaves city management with limited ability to monitor budget to expenditure data on a more frequent basis.

Originally, the plan had been to combine the desired budget functionality into the procurement of an Enterprise Resource Planning (ERP) system to achieve a single solution to replace the current financial, budget and human resources/payroll systems. One of the most unique features of Sunnyvale's budgeting process is its 20-year financial planning. It was determined that including a budget system in the ERP procurement would limit the number of viable ERP solutions and that the need for a modern, integrated budget system was too critical to await the planned implementation in the final phase of the ERP project. Further, the need to adopt a more conventional approach to position control with full integration with Human Resources and the demand for financial data to be

readily available, responsive and flexible to City staff is critical to meet current demands.

As discussed previously with Council, staff reassessed the direction of the project and determined that the best path for meeting the City's needs was to implement a stand-alone budget system. Selecting a single, stand-alone system allows for a shorter implementation time and more quickly provides both increased functionality for budget development and access to real-time financial information to managers and City administrators through integration with the City's financial system. The intent is for this system to bridge the City through the end of the ERP project at which time the needs of the City and the functionality of the eventually-selected ERP solution will be reassessed; and the City will either continue with the proposed budget system or integrate budget development into the ERP solution.

A competitive Request for Proposals (RFP) was distributed in November 2016 to four firms and posted to the City's public procurement network. Fourteen firms participated in the pre-proposal conference and seven proposals were received on January 13, 2017. The proposals were reviewed by an evaluation team consisting of staff from the Office of the City Manager (OCM), and the departments of Human Resources, Information Technology and Finance. The proposals were evaluated initially on overall system functionality; proposer qualifications and experience; and proposed implementation plan and approach. The three highest-ranked proposers were invited to the City for scripted product demonstrations.

Questica, Inc. was selected by the evaluation team as the solution with the best overall value to the City. The proposed solution is a proven system utilized by a number of public agencies including the cities of Santa Clara and Palo Alto. Questica will provide the budget office the ability to set up workflows, reduce data entry, and consolidate a myriad of tools into one integrated system for budget development. This system was selected over other proposals for a variety of reasons including ease of use, intuitive user interfaces, strong workflows and superior implementation and training plan. The system features visually pleasing and informative dashboards which are easily configurable by the user to meet individual needs for information. Additionally, the system provides online access to our budget which would allow our City to embark on an open data strategy. Through the evaluation process, including vendor demonstrations, staff determined the solution proposed by Questica would meet the City's stated needs and was the best fit for the City when balancing functionality with implementation effort and overall cost of ownership.

FISCAL IMPACT

Budgeted funds are available in Project 830520, ERP System Acquisition and Implementation.

Funding Source

Funds are currently budgeted in the General Fund. This project has been moved to the General Services Fund/Technology and Communications Services Sub-Fund in the FY 2017/18 Recommended Budget.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

RECOMMENDATION

1) Award a contract not to exceed \$791,237 to Questica, Inc. to implement a budget system, in substantially the same form as Attachment 1 to the report and authorize the City Manager to execute the contract when all necessary conditions have been met, and 2) approve a 10% contract contingency in the amount of \$79,124.

Prepared by: Gregory S. Card, Purchasing Officer

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Kathleen Boutte Foster, Director of Information Technology

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Draft Agreement for Licensed Software, Services and Maintenance