

**MEMORANDUM
COUNTY OF PLACER
ADMINISTRATIVE SERVICES DEPARTMENT
PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors
FROM: David Seward, Purchasing Manager 
DATE: June 12, 2007
SUBJECT: Approve a Sole Source Purchase Order to Tier Technologies, Inc. for Software Maintenance and Support of the Performance Accounting System (PAS) in the Amount of \$113,486.10

ACTION REQUESTED

Approve a sole source purchase order to Tier Technologies, Inc. of Reston Virginia, for software maintenance and support of the Performance Accounting System (PAS), and authorize the Purchasing Manager to sign the resulting purchase order in the amount of \$113,486.10.

BACKGROUND

In May 1997, the County contracted with KPMG Peat Marwick (also known as KPMG Consulting) for the acquisition of the Performance Accounting System (PAS). The County first began using the system for its financial activity in July of 1998, but implementation of the system's various functions continued through July 1, 2001, at which time the maintenance phase began. Contracting for maintenance provides standard revisions and updates to the software without additional charges, and technical support by phone or mail for problems or questions on an as-needed basis.

In 2002, KPMG Consulting was acquired by Tier Technologies, Inc., who has extended the same level of service and support to all PAS clients. The current maintenance agreement with Tier will expire June 30, 2007. Tier has quoted a cost of \$113,486.10 for maintenance during the period July 1, 2007 through June 30, 2008. This represents a five percent (5%) increase above the cost for last year and has been determined to be less than the Consumer price Index (CPI) and contract cap cost of 7% as specified in the original contract. Maintenance of this software is only available from Tier. Additionally, Section 1.3(i) of the Purchasing Policy Manual exempts this service from competitive bidding.

FISCAL IMPACT

The County Executive Office has budgeted for this expense within the Countywide Systems Fund for Fiscal Year 2007-2008.

cc: Keely Scanlan, IT Division Manager

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