

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

TO: Honorable Board of Supervisors

FROM: Brett Wood, Purchasing Manager *BW*

DATE: May 7, 2013

SUBJECT: Approve the Award of Sole Source Blanket Purchase Orders with Columbia Ultimate Business Systems, Inc., Oracle America, Inc., Oregon Community Health Network, Inc., and Megabyte Systems, Inc. for Annual Software Licensing and Support

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**ACTION REQUESTED**

1. Approve the award of sole source blanket purchase orders with Columbia Ultimate Business Systems, Inc. of Vancouver, WA, Oracle America, Inc. of Redwood City, CA, Oregon Community Health Network, Inc. of Portland, OR, and Megabyte Systems, Inc. of Rocklin, CA for annual software licensing and support in the maximum aggregate amount of \$1,088,586, funds are included in the FY 2013-14 department budgets for these expenses resulting in no additional net county cost, and authorize the Purchasing Manager to sign the resulting blanket purchase orders.

**BACKGROUND**

For the past several years, the Administrative Services and Health and Human Services Departments (HHS) have contracted with various firms for annual software licensing and support services. On May 8, 2012, your Board approved the award of Blanket Purchase Orders with Columbia Ultimate Business Systems, Inc. (CUBS), Oracle America, Inc., Oregon Community Health Network, Inc. (OCHIN), and Megabyte Systems, Inc. for the period through June 30, 2013. The departments continue to require annual blanket purchase orders (BPOs) for the purchase of software licensing and support services and submitted requests to renew their BPOs for another term.

The Administrative Services' Revenue Services Division uses a database and information management system designed and provided by CUBS to manage their collections operations. The division also uses the vendor's services for mailing monthly statements, new account letters, reminder notices, and other correspondence. Occasionally, Revenue Services requires CUBS to perform minor modification of various areas of the program that are unique to Placer County's needs. This work is outside the scope of the license/support agreement and is requested and paid on an as-needed basis.

The vendor has agreed to a one-year renewal and submitted a quote for license and support in the amount of \$72,111.68 (includes sales tax). Support rates are based on 12 percent of the value of the software that is used by the department which is consistent with the contract terms. The new BPO be issued in the amount of \$200,000 in order to accommodate general programming services in the estimated amount of \$20,000, mailing services in the estimated amount of \$100,000, and license and support in the amount of \$72,112.

Oracle is the County's standard database management software. This software is necessary to operate several databases within the County including the current financial system (Performance Accounting System), the payroll and personnel system (Automated County Online Resource Network), and the Sheriff's record management system (Tiburon). The site license and support agreement with Oracle allows for year-to-year license renewals. The vendor has agreed to a one-year renewal with a 3 percent rate increase. This increase is consistent with the previous contract terms and is considered reasonable.

The County's Automated County Online Resource Network (ACORN) system employs software designed by PeopleSoft. Support of this software is provided directly by Oracle. The vendor has agreed to a one-year renewal with a 3 percent increase in rates. This increase is consistent with the previous contract terms and is considered reasonable.

In 2008, HHS executed a contract with OCHIN for Clinic Practice Management and Managed Care Administration Software systems. The software enhances efficiencies in scheduling, medical records processing, pharmacy services, and billing to support the medical care services provided to Medicare, Medi-Cal, private insurance, the Medi-Cal Coverage Expansion Program, and the County's Medical Care Services Program patients. OCHIN is a not-for-profit consortium of federally qualified healthcare centers, not-for-profit community clinics, and County clinics, which provide services for non-insured and under-insured patients. The consortium allows the County to take advantage of the benefits and pricing of groups considerably larger. The original OCHIN agreement included rates for annual maintenance, support, licensing fees, Placer's monthly activity fees, and training. The vendor agreed to a one-year renewal with no changes.

Since 1995, the County has been contracting with Megabyte Systems to provide software maintenance for the Property Tax System application, database, and server operating system. The contract provides maintenance services for the inquiry server and includes the application license, application upgrades, and any changes to the application affected by State mandated property tax changes. The Assessor, Auditor, Tax Collector, and Clerk of the Board share this system to manage property taxes, billings, and payments. Megabyte is the software licensor and the only vendor authorized to provide the necessary support for this system. The vendor has agreed to a one-year renewal with a 1.7 percent increase in monthly rates. The contract allows for annual increase at or below the US Cities Consumer Price Index (CPI) up to a maximum increase of 5 percent per year. The vendor's requested increase is consistent with the CPI and is considered reasonable.

The Purchasing Policy Manual, Section 1.3 (i) exempts these data processing and maintenance services from competitive bidding. Additionally, maintenance and updates for these services are only available from the current firms.

## **FISCAL IMPACT**

Upon your Board's approval, new BPOs will be awarded to CUBS, Oracle America, Inc., OCHIN, and Megabyte Systems, Inc. in the maximum aggregate amount of \$1,088,586. The requested BPO amounts are as follows:

### Vendor/Amount

CUBS - \$200,000

Oracle America (ACORN) - \$171,039

Oracle America (Database Management) - \$236,887

OCHIN - \$137,500

Megabyte Systems - \$343,160

The BPOs will be effective July 1, 2013 through June 30, 2014. The departments' fiscal impact statements are attached.

### Attachments:

1. Administrative Services' Fiscal Impact Statement
2. Health and Human Services' Fiscal Impact Statement

cc: Kathy Buchanan, Deputy Director of Information Technology  
Jenine Windeshausen, Treasurer-Tax Collector  
Kristen Spears, Assessor  
Andrew Sisk, Auditor-Controller  
Nancy Nittler, Personnel Director  
Rebecca Mellott, Health and Human Services Fiscal Program Manager  
Virginia Meyers, Revenue Services Manager

## FISCAL IMPACT STATEMENT

TO: Honorable Board of Supervisors

FROM: Melissa Nunnink, Administrative and Fiscal Operations Manager

DATE: April 10, 2013

SUBJECT: **Fiscal Impact Statement**

Recommendation to renew Blanket Purchase Order No. 19751 with Columbia Ultimate Business Systems for Annual Software License Fees, Support and Related Revenue Services Management Systems Services in the Maximum Amount of \$200,000.

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The Administrative Services Department's Revenue Services Division has budgeted appropriately for this request within the Revenue Service Division's FY 13/14 Budget (10280). The Blanket Purchase Order will provide for software licensing, maintenance/support, and the cost of mailers.

## FISCAL IMPACT STATEMENT

TO: Honorable Board of Supervisors  
FROM: Jerry Gamez, Director of Administrative Services  
DATE: April 8, 2013  
SUBJECT: PO for Oracle/PeopleSoft Software Maintenance and Support for the ACORN Application – Yearly Renewal for the period July 1, 2013 through June 30, 2014

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The Administration Services Department, under County Wide Systems (Dept 10), has budgeted appropriately for this PO and funding is available in the FY 2013-14 department budget. This PO will renew software maintenance and support for the County's ACORN (Automated County Online Resource Network) Application.

## FISCAL IMPACT STATEMENT

TO: Honorable Board of Supervisors

FROM: Jerry Gamez, Director of Administrative Services

DATE: April 8, 2013

SUBJECT: PO for Oracle Database Software Maintenance and Support - Yearly Renewal for the period July 1, 2013 through June 30, 2014 .

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The Administration Services Department (Dept 1), has budgeted appropriately for this PO and funding is available in the FY 2013-14 department budget. This PO will renew the site license, including software maintenance and support for Oracle databases. This includes the Oracle databases for the County's ACORN (Automated County Online Resource Network) Application.



**Placer County  
Health and Human Services Department**

**Administrative Services Division**

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Date: May 7, 2013  
To: Honorable Board of Supervisors  
From: Rebecca Mellott, HHS Fiscal Program Manager  
Subject: **Fiscal Impact Statement  
BPO for Software Maintenance and Vendor Travel Costs  
Community Clinics  
For the period July 1, 2013 through June 30, 2014**

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The Department has budgeted appropriately for the renewal of this \$137,500 (\$63,250 net County cost) Blanket Purchase Order (BPO), and funding is included in the FY2013-14 Requested Budget. The renewal amount is unchanged in comparison to the previous BPO. These BPO expenditures are related to Community Clinic's practice management and managed care administration software systems provided through the Oregon Community Health Information Network consortium. These systems support the medical care services provided to Medicare, Medi-Cal, private insurance, the Medi-Cal Coverage Expansion Program, and the County's Medical Care Services Program patients. This BPO is 49 percent funded from Federal and State sources, 5 percent from private insurance funds and 46 percent required County General Fund match.

*Perspective, Hope, and Opportunity*