

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

TO: Honorable Board of Supervisors

FROM: Brett Wood, Purchasing Manager *BW*

DATE: June 3, 2014

SUBJECT: Software Licensing and Support – Oracle America Inc., Columbia Ultimate Business Systems Inc., Megabyte Systems Inc., Oregon Community Health Network Inc., National Council on Crime and Delinquency, and Cogsdale Holdings Ltd.

ACTION REQUESTED

1. Approve the award of sole source blanket purchase orders with Oracle America Inc. of Redwood City CA, Columbia Ultimate Business Systems Inc. of Vancouver WA, Megabyte Systems Inc. of Rocklin CA, Oregon Community Health Network Inc. of Portland OR, National Council on Crime and Delinquency of Madison WI, and Cogsdale Holdings Ltd. of Charlottetown, PE-Canada for annual software licensing and support in the maximum aggregate amount of \$1,353,495, funded by FY 2014-15 department proposed budgets with no additional net County cost;
2. Approve the option to renew the resulting blanket purchase order on a year-to-year basis for two additional one-year terms provided that each renewal amount does not exceed 10 percent in aggregate of the recommended maximum amount of \$1,353,495; and
3. Authorize the Purchasing Manager to sign the resulting blanket purchase orders

BACKGROUND

The Administrative Services and Health and Human Services (HHS) Departments contract with various firms for annual software licensing and support services. On May 7, 2013, your Board approved the award of blanket purchase orders (BPOs) and purchase orders (POs) to Oracle America Inc. for support of the County's personnel/payroll (ACORN) system and databases, Columbia Ultimate Business Systems Inc. (CUBS) for support of Revenue Services' database, Megabyte Systems Inc. for the County's property management system, and Oregon Community Health Network Inc. (OCHIN) for HHS' clinic management system. On July 9, 2013, your Board approved the award of a purchase order to Cogsdale Holdings for support of the County's financial system (PAS). And on May 8, 2012, your Board approved the award of a two-year BPO to the National Council on Crime and Delinquency (NCCD) for support of HHS' SafeMeasures clinic management software.

All of the current support agreements will expire on June 30, 2014. Administrative Services and HHS have submitted requests to renew the support agreements for these systems, and are summarized below.

PeopleSoft / ACORN

On April 29, 2003, the Board of Supervisors approved the award of a contract to F.S. Systems for the Countywide payroll and personnel management system known as ACORN. The system employs software designed by PeopleSoft. Support of this software is provided directly by Oracle, the firm which acquired PeopleSoft.

Oracle has provided a quote in the amount of \$176,170 for the upcoming support period of July 1, 2014 through June 30, 2015. This is a 3.0% increase from the current support period, which is consistent with Oracle's standard annual increase.

The Administrative Services IT Division manages this support agreement on behalf of the County and recommends renewing the support agreement with Oracle.

Oracle Databases

Oracle has been the County's standard database management software since 1997. This software is used for several databases within the County including the current financial system (PAS), the payroll/personnel system (ACORN), and various others. Standardization provides efficiency in support, integration, and monitoring. Oracle has provided a quote in the amount of \$243,994 for the upcoming support period of July 1, 2014 through June 30, 2015. This is a 3.0% increase from the current support period, which is consistent with Oracle's standard annual increase.

The Administrative Services IT Division manages this support agreement on behalf of the County and recommends renewing the support agreement with Oracle.

Columbia Ultimate Business Systems (CUBS)

The Revenue Services Division of Administrative Services utilizes a database and information management system designed and produced by Columbia Ultimate Business Systems (CUBS). A software license fee and software support fee must be paid to CUBS each year in order to maintain use and support of the system. Revenue Services also uses CUBS' mailing services for statements and correspondence generated from the database. The division occasionally requires minor program changes to the system 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.

CUBS has provided a quote for license and support for the upcoming support period of July 1, 2014 through June 30, 2015 at an increase of 2.5% over the previous year, which is consistent with previous years. Revenue Services has requested a blanket purchase order in the same maximum amount of \$200,000 for the upcoming year, which is sufficient to cover the annual license and usage fees, and a modest amount for additional program changes.

Megabyte Property Tax System

The County has been contracting with Megabyte Systems since July 1995 to provide software maintenance for the Property Tax System application, database, and server operating system. The Assessor, Auditor, Tax Collector, and Clerk of the Board share this system to manage the property tax assessment, billings, payments, and property tax appeals. Megabyte is the software licensor and the only vendor authorized to provide the necessary support for this system. Megabyte has provided a quote in the amount of \$369,306 for the upcoming support period of July 1, 2014 through June 30, 2015. This is a 1.5% increase from the previous current support period, which is within the limits of the current support agreement. The amount also includes the purchase of a new business license module for use by the Assessor.

The Administrative Services IT Division manages this support agreement on behalf of the County and recommends renewing the support agreement with Megabyte.

Oregon Community Health Information Network (OCHIN) / CPMS System

In 2008, your Board authorized the execution of a contract with Oregon Community Health Information Network consortium (OCHIN) for Clinic Practice Management Software (CPMS) which is utilized by the department's clinics for scheduling, medical records processing, pharmacy services, and billing. OCHIN is a not-for-profit consortium of federally qualified healthcare centers, not-for-profit community clinics, and county clinics. Using the contract through this consortium enables the County to take advantage of the benefits and pricing of groups considerably larger than its own. The contract covers annual license and support fees for use of the software, as well as per-use fees for a menu of services.

HHS anticipates an increase in activity for the upcoming year, and has requested a blanket purchase order in the amount of \$144,000.

National Council On Crime and Delinquency / SafeMeasures® Reporting Service

HHS's Children's System of Care division SafeMeasures® Web-Based Reporting Service to enable the division's personnel to estimate current workload demand, plan more effective service interventions, and monitor performance indicators established by State and Federal regulatory requirements. The software is used in conjunction with the State of California's Child Welfare Services/Case Management System to facilitate compliance with State and Federal regulations. The software is licensed and supported by the National Council On Crime and Delinquency (NCCD).

NCCD offers a 10% discount from their standard annual rate for agencies who agree to a two-year support period. NCCD's price for the upcoming support period of July 1, 2014 through June 30, 2016 is \$81,000. This is a 3.9% increase from the current two-year support period, but is the first increase that NCCD has requested since 2008. HHS recommends renewing the support agreement with NCCD.

Cogsdale Holdings / PAS Application Support

The County has been using the Performance Accounting System (PAS) since 1997. This software is the County's primary financial system which includes accounting, purchasing, and inventory modules. The software is currently licensed and supported by Cogsdale Holdings, Ltd. Cogsdale has provided a quote in the amount of \$146,129 for the upcoming support period of July 1, 2014 through June 30, 2015. This is a 2.0% increase from the current support period, which is consistent with the terms of the contract between the County and Cogsdale.

The Administrative Services IT Division manages this support agreement on behalf of the County and recommends renewing the support agreement with Cogsdale.

FISCAL IMPACT

Upon your Board's approval, new agreements will be executed with Oracle, CUBS, Megabyte, OCHIN, NCCD, and Cogsdale in the aggregate amount of 1,353,495. Agreements paid in lump sum annual costs will be awarded on one-time purchase orders and agreements that require multiple payments over the annual support period will result in blanket purchase orders.

The BPOs and POs will be effective for the one-year period of July 1, 2014 through June 30, 2015, except that the BPO with NCCD will be effective for the two-year period of July 1, 2014 through June 30, 2016.

Honorable Board of Supervisors

June 3, 2014

Re: Software Licenses and Support – Various Vendors

Page 4 of 4

The departments have advised that funding for these support services are in the proposed budgets for FY2014-15 and FY2015-16 with no additional net County cost. Funding for the ACORN and PAS systems is in the Countywide System fund (Department 10). Funding for the Oracle databases is in the Administrative Services budget. Funding for the CUBS system is in the Revenue Services budget. Funding for the CPMS system is in the HHS budget; 49 percent is funded from Federal and State sources, 5 percent is from private insurance funds, and 46 percent is required County General Fund match. Funding for the Safe Measures system is in the HHS budget; 90 percent is from Federal and State sources and 10 percent is required County General Fund match.

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