

CONSULTANT AGREEMENT JUSTIFICATION

Budgeting, Financial Forecasting and Capital Planning Project

PROJECT SUMMARY

The Santa Clara Valley Water District (District) is implementing a commercial off the shelf (COTS) and cloud-based budget, financial forecasting and capital planning system to allow the District to replace its outdated Budget Tool and to streamline processes for Financial Forecasting and Capital Planning.

1. Design a new budget process that is streamlined and efficient, resulting in a reduced budget process cycle for planning and approval; and eliminating all possible manual processes.
2. Improve long term (15 year) planning and forecasting for models such as Capital Forecast, Revenue, Inter-Fund Transfers, Debt Proceeds, Debt Service, and Cash Reserve Estimates.
3. Implement a streamlined planning, tracking, and approval solution for Capital planning and budgeting.
4. Integrate with PeopleSoft Financial system for all three business areas to improve data accuracy and reduce data redundancy.
5. Deploy a software solution that is in-line with the District's "application consolidation", "cloud-first" and "quick-recovery" strategy.

WHAT TYPE OF SERVICE IS TO BE PROVIDED?

A consulting services agreement to Vena Solutions USA, Inc. in the sum of \$348,960 for consulting services, plus a contingency amount of \$52,344 (approximately 15%) to implement a new Budgeting, Financial Forecasting and Capital Planning software solution.

1. Deliver a new Budgeting module by Jan, 2017
2. Deliver a new Capital Planning module by Feb, 2017
3. Deliver a new Capital Planning module by Mar, 2017

WAS THE USE OF CONSULTANT SERVICES PLANNED AND WHY?

The funding for this project was included in the Fiscal 2017 capital outlay increase for the PeopleSoft upgrade project which was approved by the Board in May, 2016.

Project needs to go out for RFP process since there is a lack of internal resources and expertise for budget, financial forecasting, and capital planning system implementation. Also we are looking for a commercial product vs. in-house developed since this project is to replace an in-house developed budget tool as well as an in-house developed Capital Planning Dashboard tool. Both tools have major issues and are lack of support from the contractor.

DESCRIBE THE SELECTION PROCESS USED

The District issued a Request for Proposals (RFP) process on Feb 04, 2016. The RFP information (Attachment 1) was published on the District's Contract Administration System (CAS), Silicon Valley Business Journal and Small Business Exchange. There has approximately 193 firms registered with the expertise code IS10 - Information Systems - PeopleSoft - Oracle Applications that received the information. On Feb 18th, 2016 a pre-proposal conference was held and sixteen (16) firms attended the meeting. Eleven (11) written proposals were received and evaluated by the Consultant Review Board (CRB) for the District which consisted of stakeholders and Subject Matter of Experts (SMEs) from business areas of Budget, Financial Forecasting, and Capital Planning.

The CRB reviewed all written proposals and conducted oral interviews with six (6) firms. After a Best-And-Final Offer exercise with the top two (2) firms, Vena Solutions USA, Inc. was the highest rated firm.

Vena Solutions USA, Inc.'s written proposal and oral interview demonstrated a strong understanding of District's requirements, and software tool seemed to be an efficient and user-friendly product for achieving the District's business objectives. Vena Solutions USA, Inc.'s software solution also allows for a seamless integration with our PeopleSoft Enterprise Resource Planning software.

IS THE CONSULTANT A SMALL OR LOCAL BUSINESS?

No it is not.

WHAT AGREEMENTS HAS THE CONSULTANT BEEN AWARDED IN THE PAST 2 YEARS?

N/A

DESCRIBE CONSULTANT'S PAST PERFORMANCE

District conducted reference check to Vena Solutions and received written responses from all references which were provided by Vena. References were positive and confirmed the quality work the Vena conducted with its clients in the past 5 years with public agencies similar to the District.

WHAT IS THE TERM OF THE AGREEMENT AND HOW WERE COSTS DETERMINED?

The Contract will be between Sept, 2016 – Dec, 2017. Costs were evaluated by a Best-And-Final-Offer exercise with Vena. They are also further determined by a thorough Scope of Work (SOW) document that was formed by District's Subject Matter of Experts (SMEs) from budgeting, financial forecasting and capital planning areas. Costs were defined by deliverables and milestones defined in the SOW, with Vena's input and confirmation of the number of consulting resources needed.

WHAT AMENDMENTS TO THE AGREEMENT MAY BE NEEDED, IF ANY?

We are proposing a 15% in a total of \$52,344 for any contingencies.

ADDITIONAL INFORMATION