



# Santa Clara Valley Water District

**File No.:** 16-0678

**Agenda Date:** 9/13/2016

**Item No.:** 3.6.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Consultant Services Agreement with Vena Solutions USA, Inc., for the Implementation of a New Budgeting, Financial Forecasting and Capital Planning Software Solution.

### **RECOMMENDATION:**

- A. Approve the 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; and
- B. Receive Information on the Vena Software-as-a-Service (SaaS) Agreement, which is a two-year subscription service agreement in the amount of \$199,500, to be executed by the Interim Chief Executive Officer, or her designee, in accordance with Executive Limitation EL-5.1.3.

### **SUMMARY:**

Currently, the District's Budgeting, Financial Forecasting, and Capital Planning processes use two applications that were developed back in 2006. These applications were both developed internally and are now obsolete and without technical support. First, they were designed and implemented with a certain process in mind and do not allow flexibility to change. This has become a major limitation for meeting the business needs of the District. Second, the applications are obsolete and have reached their end-of-life which requires many manual workarounds and forces the District to start the budget process much in advance. This results in time taken away from critical projects and from achieving the District's overall mission.

Information Technology Division (IT) recommends a new up-to-date cloud-based software solution for Budgeting, Financial Forecasting, and Capital Planning to accomplish the following objectives:

- 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.

Vena Solutions USA, Inc., was selected as the highest rated firm after a competitive solicitation process. The amount of the negotiated agreement is \$348,960 which includes design, build, testing and training for this cloud-based software. The funds for the project are included in the FY 17 budget as part of the PeopleSoft Project.

## **BACKGROUND:**

Budgeting and Capital Planning use two separate software applications today, which were custom developed by a consultant in 2006. Since then, IT has been supporting the budget office by patching and fixing the applications. Below are major issues with these two applications:

1. Both applications are obsolete, end-of-life, and out of support.
2. Both applications can no longer accommodate the District's business processes.
3. Extensive spreadsheets and manual workarounds have been developed for these two applications, to support current business processes which significantly impact staff efficiency.
4. Data duplication caused by the applications lead to data redundancy and inaccuracy.

In support of business stakeholders and their recommendations, IT supports a new cloud-based solution to replace the current obsolete applications.

## **Consultant Selection:**

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. Approximately 193 firms registered with the expertise code IS10 - Information Systems - PeopleSoft - Oracle Applications after receiving the information. On Feb 18<sup>th</sup>, 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 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.

## **PROPOSED IMPLEMENTATION**

The anticipated timeline for the project is between September 2016 and December 2017 for completing all three modules including Budgeting, Financial Forecasting, and Capital Planning. The intent is to allow the Budgeting module to be completed first by January 2017, in order to accomplish the Fiscal Year 2018 budget with this new software solution.

## **FINANCIAL IMPACT:**

The total cost of the project is \$600,804. This includes \$348,960 for consulting services, \$52,344 (approximately 15%) for contingencies, and \$199,500 for a two (2) year Enterprise cloud subscription. The two-year subscription service agreement (Attachment 3) will be signed by the Interim-CEO or her designee in accordance with Executive Limitation EL-5.1.3.

The funds for the project are included in the FY 17 budget as part of the PeopleSoft Project.

## **CEQA:**

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indicate physical damage to the environment.

## **ATTACHMENTS:**

Attachment 1: Standard Consultant Agreement  
Attachment 2: Vena SaaS Agreement  
Attachment 3: PowerPoint  
Attachment 4: Consultant Justification Form

## **UNCLASSIFIED MANAGER:**

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