



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

Controller's Office

DATE: 3/2/09

BOARD MEETING DATE: 3/31/09

SPECIAL NOTICE/HEARING: None

VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: Tom Huening, Controller

SUBJECT: Request for Approval of a Controller's Office Agreement with SunGard Public Sector Bi-Tech (SunGard) to Obtain Application Service Provider (ASP) Services for the County's Integrated Financial and Administrative Solutions (IFAS)

RECOMMENDATION:

Adopt a resolution:

- 1) Waiving the request for proposal process;
- 2) Authorizing the President of the Board to execute a three year agreement from March 31, 2009 to March 31, 2012 with SunGard Public Sector Bi-Tech (SunGard) in an amount not to exceed \$382,624 for the purpose of providing application service provider services for integrated financial and administrative solution systems; and
- 3) Authorizing the Controller or his or her designee to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modify the contract services so long as the modified services are within the current or revised fiscal provisions.

Approve an Appropriation Transfer Request (ATR) in the amount of \$174,696 from the IFAS Reserves in the Information Services Department budget to Other Professional Contract Services to cover the cost for first year of contract with SunGard for IFAS ASP and associated one-time implementation costs.

VISION ALIGNMENT:

Commitment: Responsive, effective and collaborative government

Goal(s): This action will contribute to the County's Shared Vision 2010 goal number 20 that government decisions are based on careful consideration of future impact, rather than temporary relief or immediate gain. By obtaining ASP services for our financial accounting system, the County continues to provide financial accounting services without incurring the cost of purchasing and maintaining new hardware and operating software. The proposed ASP services will reduce the overall cost of ownership without impacting service for users.

Performance Measures:

Measure	FY 2007-08 Actual	FY 2008-09 Target
Number of business hours IFAS is available	2,998	2,988
Percent of IFAS scheduled availability during business hours	99.9%	99.6%

BACKGROUND:

The County purchased proprietary financial accounting software (IFAS) in the 1994-95 fiscal year for use beginning in the 1995-96 fiscal year. Since that time, the software vendor, SunGard has provided the County with annual maintenance and remote support services for this proprietary system.

DISCUSSION:

The Controller wishes to continue to reduce the total cost of ownership for IFAS. SunGard Public Sector Bi-Tech has spread the cost of ownership of hardware and software among several of its clients including the County. This results in a lower cost of IFAS ownership to the County.

ISD has reviewed the service agreement for such items as disaster recovery, data confidentiality, and hardware viability. County Counsel has reviewed and approved this proposed agreement.

SunGard has provided the County with IFAS software and maintenance services for its software since 1995. IFAS is proprietary software, so this unique service is available only from SunGard. Therefore we request that the Board waive the RFP process, since SunGard is the sole source for this service.

FISCAL IMPACT:

The term of the agreement is from March 31, 2009 to March 31, 2012. The total amount of the agreement is \$382,624, which is entirely funded through the IFAS Shared Pool with no increase in Net County Cost. In addition to the contract price, we estimate that the County would spend an additional \$75,000 for one-time implementation cost. An ATR is needed to transfer the funds from ISD-IFAS Shared Pool Reserves to cover the first year contract cost and the one-time implementation

cost.

Including the cost of the Sungard agreement, annual maintenance and support costs for housing the IFAS application and database will be reduced from \$430,133 to \$361,376 over the next five years. Annual savings over a five year period will average \$69,000.