



ADMINISTRATION COMMITTEE

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Agenda Report

File #: 2023-3028

Agenda Date: 6/14/2023

Agenda Item No: 7.

FROM: Robert Thompson, General Manager
Originator: Wally Ritchie, Director of Finance

SUBJECT:

FINANCE BUDGET SOFTWARE IMPLEMENTATION

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Professional Services Agreement to TruEd Consulting, Inc. to provide Finance Budget Software and Implementation, Specification No. CS-2022-1362BD, for a total amount not to exceed \$441,000 for the Implementation Services portion; and
- B. Approve a contingency of \$44,100 (10%).

BACKGROUND

The current Orange County Sanitation (OC San) budget process is a collection of reports from varying system sources, ad-hoc analytics, and spreadsheet aggregation that is assembled each year by the Finance team. It consists of a labor-intensive process to compile, provide appropriate approval workflows, and package together into the final budget. Each budget cycle requires significant effort and remains prone to human error. OC San and its customers will benefit in both accuracy, timeliness, continued transparency, and processing efficiencies with the implementation of a formal budget software.

RELEVANT STANDARDS

- Produce appropriate financial reporting - annual financial report & audit letter and Ops & CIP budgets every two years, with annual update
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard
- Ensure the public's money is wisely spent

PROBLEM

OC San's current budget process is a compilation of multiple data sources and reporting tools, that is put together by the Finance Department. The process relies heavily on manual processes and review, with a large amount of Finance's time updating formulas in Excel, adjusting graphs, and correcting budget numbers within the budget. Additionally, the process lacks the kind of

sophisticated capabilities that an organization like OC San should come to expect from a budget process like intelligent automation, KPI analytics, live operationally specific dashboards, and what if budget planning scenario building. Further, the process lacks the kind of sophisticated audit trail to help understand how OC San arrived at the final numbers that make up the budget. The lack of modern functions and inability to integrate with 3rd party services creates significant inefficiencies for staff and related business processes.

PROPOSED SOLUTION

To improve efficiency and ensure that OC San continues to provide award winning budget reporting, the IT Division requests to purchase Anaplan Budget Software and related professional services through TruEd Consulting, Inc. to install and configure the system.

TIMING CONCERNS

N/A

RAMIFICATIONS OF NOT TAKING ACTION

The decision not to implement a new Finance Budget Software will result in continued administrative inefficiencies. This will negatively impact Finance's ability to improve on budgetary reporting capabilities and efficiencies.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

A Request for Proposal was issued on December 15, 2022 via PlanetBids. Proposals were due on February 7, 2023. OC San received eight responses valid for not less than 180 calendar days from the bid opening date.

Prior to receipt of proposals, an Evaluation Team was formed consisting of the following OC San staff: Director of Finance, Principal Accountant, Principal Information Technology Analyst, Principal Staff Analyst, and Senior Human Resources Analyst. The team was chaired by a Purchasing representative as a non-voting member. On February 13, 2023, the Evaluation Team met to discuss the policies and procedures for the evaluation process.

Individual scoring was the chosen method of evaluation for this procurement. Members of the team performed an independent review of the proposals and later met as a group with the Buyer to discuss their preliminary scores and discuss any questions/concerns they had. Proposals were evaluated based on the following criteria:

Criterion	Weight
Qualifications of Firm	15%
Proposed Plan	30%
Staffing and Project Organization	15%
Presentation/Demonstration	20%
Cost	20%

The Evaluation Team first reviewed and scored the proposals based upon the criteria listed above, other than Presentation/Demonstration and Cost.

Rank	Proposer	Qualifications of Firm (Max 15%)	Proposed Plan (Max 30%)	Staffing and Project Organization (Max 15%)	Subtotal (Max 60%)
1	Questica Ltd.	12%	26%	13%	51%
2	TruEd Consulting, Inc.	12%	25%	12%	49%
3	Emtec Consulting Services, LLC	11%	20%	11%	42%
4	Denovo Ventures, LLC	10%	17%	10%	37%
5	Mythics, Inc.	9%	18%	9%	36%
6	IGM Technology Corp.	9%	17%	9%	35%
7	OpenGov, Inc.	9%	16%	8%	33%
8	Utilities International, Inc. dba UI Solutions Group	8%	14%	8%	30%

The three highest ranking firms, Questica Ltd.; TruEd Consulting, Inc.; and Emtec Consulting Services, LLC were selected for interviews and software demonstrations. The interviews and demonstrations were conducted on April 12, 2023; April 13, 2023; and April 19, 2023. Following the interviews and demonstrations, the Evaluation Team scored the firms based on both the proposals and interviews using the evaluation criteria and weighting listed above.

Rank	Proposer	Subtotal (Max 60%)	Presentation (Max 20%)	Total Score without Cost (Max 80%)
1	TruEd Consulting, Inc.	49%	18%	67%
2	Questica Ltd.	51%	12%	63%
3	Emtec Consulting Services, LLC	42%	14%	56%

All proposals were accompanied by a sealed cost proposal. Only the cost proposals for the three highest ranked firms were opened.

Rank	Proposer	Total Score without Cost (Max 80%)	Cost (Max 20%)	Total Weighted Score (Max 100%)
1	TruEd Consulting, Inc.	67%	20%	87%
2	Questica Ltd.	63%	20%	83%
3	Emtec Consulting Services, LLC	56%	19%	75%

Staff requested Best and Final Offers (BAFO) from the highest two proposers. The table below summarizes the revised cost proposals:

Rank	Proposer	Original Cost	BAFO
1	TruEd Consulting, Inc.	\$1,180,164.00	\$1,154,876.36
2	Questica Ltd.	\$1,175,855.70	\$1,121,806.55

Cost scorings were updated based on the BAFOs received:

Rank	Proposer	Total Score without Cost (Max 80%)	Cost (Max 20%)	Total Weighted Score (Max 100%)
1	TruEd Consulting Inc.	67%	19%	86%
2	Questica Ltd.	63%	20%	83%

Based on these results, staff recommends approving a Professional Services Agreement to TruEd Consulting, Inc. in the amount of \$441,000 for the implementation of Finance Budget Software. The recommendation and related pricing for the software application was included in TruEd's proposal. The software application must be purchased directly through the software provider and approval to purchase related Anaplan Budget Software is requested through a separate agenda report for the remaining proposed amount of \$713,876.36.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of the OC San's Purchasing Ordinance. This item has been budgeted. (FY2022-23 & 2023-24 Budget, Section 8, Page 94, Proposed Capital Equipment Budget Detail, 250 - Information Technology).

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Professional Services Agreement