



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 23-321

July 11, 2023

Introduced: 6/26/2023

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Authorize the Chief Information Officer or his designee to execute a non-standard Agreement with CherryRoad Technologies, Inc., a reseller of Oracle Fusion Cloud software licenses for the provisioning and technical support of the Enterprise Resource Planning System, from August 1, 2023, to June 30, 2033, for a total agreement amount of \$15,181,395; and
- b. Accept non-standard language as recommended by the Chief Information Officer; and
- c. Authorize the Chief Information Officer or his designee to execute and sign up to three (3) future renewals or amendments to this Agreement, extending the term by one (1) year each, where the total amount of additional amendment or Order form does not exceed three percent (3%) of the prior year support cost, and where the amendments or Order Forms do not significantly change the scope of work and do not alter the non-standard terms of the Agreement, bringing the potential overall Agreement aggregate not to exceed amount to \$20,480,026, and extending the term date through June 30, 2036.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the Chief Information Officer or his designee to execute a non-standard Agreement with CherryRoad Technologies, Inc., a reseller of Oracle Fusion Cloud software licenses for the provisioning and technical support of the Enterprise Resource Planning System, from August 1, 2023, to June 30, 2033, for a total agreement amount of \$15,181,395; and
- b. Accept non-standard language as recommended by the Chief Information Officer; and
- c. Authorize the Chief Information Officer or his designee to execute and sign up to three (3) future renewals or amendments to this Agreement, extending the term by one (1) year each, where the total amount of additional amendment or Order form does not exceed three percent (3%) of the prior year support cost, and where the amendments or Order Forms do not significantly change the scope of work and do not alter the non-standard terms of the Agreement, bringing the potential overall Agreement aggregate not to exceed amount to \$20,480,026 and extending the term date through June 30, 2036.

SUMMARY:

The current ERP Advantage 3.10 system contract and vendor support will end in June 2024. RFP #10813 for the ERP Replacement was released in May 2022. Based on the RFP results, the current CGI Advantage 3.10 Enterprise Resource Planning (ERP) system will be replaced with the Oracle Fusion Cloud applications. The ERP system supports critical Financial, Human Resources, and Budgeting operations for all County departments. The approval of this Agreement will allow the County to transition these critical services to the new cloud platform.

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DISCUSSION:

On May 26, 2022, the County solicited a Request for Proposal #10813 to replace County’s current ERP system. Based on vendor evaluation and selection criteria, the County selected Graviton Consulting as the implementor for the Oracle Cloud Enterprise Resource Planning solution on April 4, 2023.

Graviton and CherryRoad are the recommended partners with Oracle, authorized to provide upgrades, integrates, migrates, and implements full suite or extensions of Oracle Enterprise Resource Planning suite.

The Chief Information Officer recommends the approval of this proposed Agreement.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed the agreement with CherryRoad Technologies and approves as to legal form. Auditor-Controller’s Office reviewed the contract but does not agree to the non-standard payment provisions. The Information Technology Department, County Administration Office, Auditor-Controller’s Office, and Human Resources Department contributed to the RFP development and vendor evaluation activities and are in agreement with the Awarded vendors.

FINANCING:

Estimated implementation costs of \$2,650,123 will be funded for fiscal years FY23-24 and FY24-25 via the ERP project reserve Fund 478 (Enterprise Resource Planning), Department 1050 CAO, Unit 8506, Appropriation Unit CAO034, which was established for the ERP Replacement project (RFP #10813). Estimated licensing costs of \$17,829,903 are planned to be included in the FY25-26 through FY 35-36 annual ITD budget submittals under Fund 001, Department 1930, Appropriations Unit INF002 where the costs will be offset via Enterprise Fee costs allocated to County departments based on FTE counts.


BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The execution of the proposed CherryRoad Technologies Agreement furthers the efficient support of County business by enabling the County to provide uninterrupted enterprise resource planning solution business operations.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Sandra Shaffer, Management Analyst III, 759-5798

Approved by:

DocuSigned by:

 Date: 6/29/2023 | 3:29 PM PDT
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 Eric A. Chatham, Chief Information Officer, 759-6920

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Attachments:

Cherry Road Non-Standard Agreement

Cherry Road Cost Worksheet