



Monterey County

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Board Report

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Approve and authorize the Contracts/Purchasing Officer to execute Statement of Work No. 11 in the amount of \$570,000 to provide general CGI Advantage ERP System pre-implementation support for the CGI Advantage ERP System 3.7 production environment in preparation for its upgrade to Version 3.10.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve and authorize the Contracts/Purchasing Officer to execute Statement of Work No. 11 in the amount of \$570,000 to provide general CGI Advantage ERP System pre-implementation support for the CGI Advantage ERP System 3.7 production environment in preparation for its upgrade to Version 3.10.

SUMMARY:

Statement of Work No. 11 (SOW11) is the first step in upgrading the CGI Technologies ERP system. SOW11 provides up to 3,000 (three thousand) hours of professional services to prepare the CGI Advantage ERP System Version 3.7 for a full volume test, prior to its upgrade to Version 3.10. The cost of Statement of Work No. 11 totaling \$570,000 will be included in the total cost of the CGI Advantage ERP System Version 3.10 Upgrade, currently estimated at \$4.68 million. This preparatory upgrade work in Statement of Work No. 11 will provide significant benefit to the ERP System Version 3.10 Upgrade, as the full volume of Version 3.7 functionality and data will be documented via test scripts. The Office of the Auditor-Controller will return with amendments to SOW11 which will encompass the entire upgrade to version 3.10.

DISCUSSION:

This Statement of Work provides up to 3,000 (three thousand) hours of professional services to prepare the CGI Advantage ERP System Version 3.7 for a full volume test, prior to its upgrade to Version 3.10. Since its "Go Live" in September 2010, the ERP System Version 3.7 has undergone an extensive number of modifications to support past pay practices, new Memoranda of Understanding (MOUs), as well as ongoing policy and procedural changes at the County, State and Federal levels. The number of modifications customizing the ERP System Version 3.7 to our County requirements makes it imperative that we obtain CGI assistance in preparing the test scripts and the data cleanses necessary to port our customizations successfully into the upgrade to ERP System Version 3.10. Although Statement of Work No. 11 is complete for most phases of the CGI Advantage ERP System Version 3.10 Upgrade, evaluations continue to progress regarding the County of Monterey's unique needs around Human Resources, Benefits, and Payroll.

The cost of Statement of Work No. 11 totaling \$570,000 is included in the total cost of the CGI Advantage ERP System Version 3.10 Upgrade, currently estimated at \$4.68 million. This preparatory upgrade work in Statement of Work No. 11 will provide significant benefit to the ERP System Version 3.10 Upgrade, as the full volume of Version 3.7 functionality and data will be documented via test scripts, and cleansed in preparation for CGI Accelerate. This will define the amount of Monterey County specific modifications to CGI baseline software needed to meet the unique needs of the County. The remaining estimated \$4.1 million will be applied to the ERP System Version 3.10 Upgrade Statement of Work which includes testing for Performance Budget, Advantage Financial, Advantage HRM and infoAdvantage software, and CGI Technologies staff resources.

On April 1, 2008, the Board of Supervisors approved and authorized the Contracts/Purchasing Officer to sign the Enterprise Resource Planning (ERP) Master Services Agreement, Software License Agreement and Maintenance Agreement with CGI Technologies. The Master Services Agreement includes special language approved by the Board of Supervisors for governance, compensation, deliverables, acceptance, indemnification and insurance. Additional Statements of Work and Amendments will reference the Master Services Agreement rather than create new agreements and, as such, each will add to the original and amended dollar amount. An overview of the ERP systems and total costs is included in Attachment B.

OTHER AGENCY INVOLVEMENT:

Statement of Work No.11 has been reviewed by County Counsel.

FINANCING:

Funds for Statement of Work No. 11, totaling \$570,000, are included in the 2015-16 Adopted Budget for the Capital Automation Fund (403-1110-8006), Appropriation Unit AUD006.

The cost of Statement of Work No. 11 to upgrade Performance Budget, Advantage Financial, Advantage HRM, and infoAdvantage software prior to the completion of this full volume test preparatory work is \$4.68 million. This estimate could increase or decrease depending on the outcome of this critical testwork, as these tests will define the amount of Monterey County specific modifications to CGI baseline software needed to meet those needs. The County staff costs, ERP building costs and system hardware costs are estimated at \$2.4 million (\$1.8 million for staff, \$0.2 million for ERP building costs and \$0.4 million for system hardware). The total upgrade project costs, \$7.0 million, are offset by department charges totaling \$4.4 million, funds from the Capital Project Automation Fund Assigned Fund Balance totaling \$0.6 million, and funds from the General Fund Unassigned Fund Balance totaling \$2.0 million. The FY 2015-16 Adopted Recommendations to the Board of Supervisors authorized the County Administrative Office and Auditor-Controller, in the event that any unbudgeted/unassigned fund balance is available at year-end FY 2014-15, listed several allocations in order of priority; which included a Capital Project Assignment for the benefit of implementing the countywide Enterprise Resource Program upgrade, up to \$2.0 million.

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Approved by: Michael J. Miller, CPA, CISA, Auditor-Controller, 755-5040

Attachments:

CGI Statement of Work No. 11

ERP System Cost and Components