



County of Monterey

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

Board Report

File #: 14-825, **Version:** 1

Approve and authorize the Contracts/Purchasing Officer to execute Amendment No. 11 to the Proprietary Software Maintenance Agreement (#1402719) dated April 7, 2008 and Extended on February 5, 2013 for the addition of unrestricted SAP Business Objects software and additional Convey Taxport subscriptions for a total of \$76,427.50 for a period of January 1, 2014 to December 31, 2017.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

Approve and authorize the Contracts/Purchasing Officer to execute Amendment No. 11 to the Proprietary Software Maintenance Agreement (#1402719) dated April 7, 2008 and Extended on February 5, 2013 for the addition of unrestricted SAP Business Objects software and additional Convey Taxport subscriptions for a total of \$76,427.50 for a period of January 1, 2014 to December 31, 2017.

SUMMARY:

Amendment No. 11 to the Proprietary Software Maintenance Agreement (#1402716) with CGI Technologies replaces the current maintenance for restricted SAP Business Objects license to maintenance for unrestricted licenses. The change to unrestricted licenses allows the County to make use of Dashboard and Business Analytics functionalities. More importantly, the unrestricted licenses give County staff the ability to build and develop reports from CGI Technologies Advantage Systems and other data resources. The change will provide tools for greater customization of reports among developers and end users.

Amendment No. 11 also adds subscriptions for Convey Taxport. This software is used to prepare and transmit Internal Revenue Service Form 1099 tax information according to Federal tax law. The increased subscriptions are needed for Convey Taxport to be in compliance with the County's retention policy.

DISCUSSION:

On April 1, 2008, the Board of Supervisors approved and authorized the Contracts/Purchasing Officer to sign the Enterprise Resource Planning (ERP) Proprietary Software Maintenance Agreement with CGI Technologies. The original agreement, signed on April 1, 2008, includes a base "Initial Maintenance Period" costs amounting to \$570,732. Subsequent software or subscription additions during implementation added \$3,048 to the initial amount. The Proprietary Software Maintenance Agreement was extended to April 7, 2017 on February 13, 2013 with a 5% annual escalation fee per year. Costs for annual maintenance including the fees to add unrestricted SAP Business Objects software and additional Convey Taxport subscriptions are also included in Exhibit A-1.

It should be noted that the Proprietary Software Maintenance Agreement consists of recurring annual fees.

OTHER AGENCY INVOLVEMENT:

Department Finance staff participated in discussions regarding the cost and need for enhanced maintenance.

FINANCING:

Funds for Amendment No. 11 have been included in the Enterprise Resource Project Fund (403-1110-8006), Appropriation Unit AUD006 for fiscal year 2014-2015 implementation fees. The fiscal year 2015-16 and 2016-17 annual maintenance fees will be included in Fund 001, Unit 8373 - Systems Management 2013-14, which are offset by ERP Departmental Charges.

Prepared by: Al Friedrich, CGFM, Assistant Auditor-Controller/ERP Project Director, 755-5084

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

Attachments:

Amendment No. 11 to the Master Proprietary Software Maintenance Agreement (#1402716)

Exhibit A-1

Master Proprietary Maintenance Agreement (#1402716)

Extension and Amendment No. 1 to the Master Proprietary Software Maintenance Agreement (#1402716)