



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 11/26/2013

Agenda Placement: 7G

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Jon Gjestvang - Chief Information Officer
Information Technology Services
REPORT BY: Maiko Klieman, STAFF SERVICES MANAGER - 707-259-8665
SUBJECT: Agreement with Smart ERP Solutions, Inc.

RECOMMENDATION

Chief Information Officer requests approval of and authorization for the Chairman to sign Amendment No. 1 to License Agreement No. 7718 with Smart ERP Solutions, Inc. increasing the amount by \$65,400 for a new maximum of \$111,000 to upgrade the Smart Solutions Software license to unlimited use to continue to streamline PeopleSoft system functionality.

EXECUTIVE SUMMARY

Smart ERP Solutions, Inc. (hereafter Smart ERP) has add-on solutions designed to address common PeopleSoft application functionality needs. Rather than deploying IT staff or consultants to develop difficult-to-maintain customizations in the PeopleSoft systems, Smart ERP offers products that are pre-built, add-on solutions that are configurable in meeting specific County needs, lowering costs, enhancing PeopleSoft capabilities and decreasing the total cost of ownership. Their solutions are very repeatable and easily implemented, with little or no impact to existing software code and future PeopleSoft upgrades. On January 31, 2012, the Board approved a license agreement for Smart Workflow and Smart Docs software. The new functions have now been successfully implemented and staff wishes to continue to streamline PeopleSoft functionality by using more Smart ERP products. In order to do that, the license agreement has to be modified as the previous version only gave "limited" access of the Smart system specific to the Accounts Receivable module. "Unlimited" Use license and all add-ons can be configured to automate and streamline any business process use case within PeopleSoft Financials, such as accounts payable, purchasing and the general ledger.

The County initially hired Smart ERP Solutions, Inc. in April 2010 for consulting services related to the PeopleSoft system. Smart ERP is comprised of some of the best former PeopleSoft architects, analysts, developers and industry specialists. They provide consulting services specific to PeopleSoft application functionality and also offer a variety of add-on products, which would benefit the County in streamlining its use of PeopleSoft.

Smart ERP is not a local vendor.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	This will be paid from ITS budget. ITS is an Internal Services Funds and receives its revenue from the County departments it provides services to. The uplift fee to switch from "Limited" to "Unlimited" license is \$37,000. That is a one-time fee. However, there is an ongoing annual maintenance cost which will change from \$7,600/year to \$36,000/year (increase being \$28,400). Total increase on the contract is \$37,000 plus \$28,400, which is \$65,400. Maintenance cost for the remainder of the current fiscal year will be prorated and will be \$22,100.01. Beginning next fiscal year, ITS will be charged the total maintenance amount of \$36,000/year.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The license agreement has to be modified to "unlimited" access if the County wishes to continue to streamline PeopleSoft functionality by using more Smart ERP products related to PeopleSoft Financials. .
Is the general fund affected?	Yes
Future fiscal impact:	There is an ongoing annual maintenance cost of \$36,000. They will be included in the future ITS budget and allocated to departments.
Consequences if not approved:	Without the unlimited use license, the County will not be able to continue to streamline PeopleSoft functionality by using more Smart ERP products. With the unlimited use license, all add-ons can be configured to automate and streamline any business process use within PeopleSoft Financials, such as accounts payable, purchasing and the general ledger.
Additional Information:	

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Smart ERP Solutions, Inc. (hereafter Smart ERP) has add-on solutions designed to address common PeopleSoft application functionality needs. Rather than deploying IT staff or consultants to develop difficult-to-maintain customizations in the PeopleSoft systems, Smart ERP offers products that are pre-built, add-on solutions that are configurable in meeting specific County needs, lowering costs, enhancing PeopleSoft capabilities and decreasing the total cost of ownership. Their solutions are very repeatable and easily implemented, with little or no impact to existing software code and future PeopleSoft upgrades. On January 31, 2012, the Board approved a

license agreement for Smart Workflow and Smart Docs software. The new functions have now been successfully implemented and staff wishes to continue to streamline PeopleSoft functionality by using more Smart ERP products. In order to do that, the license agreement has to be modified as the previous version only gave "limited" access of the Smart system specific to the Accounts Receivable module. The amendment will give the County an "unlimited" use license and all add-ons can be configured to automate and streamline any business process use within PeopleSoft Financials, such as accounts payable, purchasing and the general ledger.

The uplift fee to switch from "Limited" to "Unlimited" licensing is \$37,000. That is a one-time fee. However, there is an ongoing annual maintenance cost which will change from \$7,600/year to \$36,000/year (increase being \$28,400). The county was able to receive a significant discount on the initial license fee, but the ongoing maintenance cost is based on 20% of the List Price of \$180,000, which calculates to \$36,000.

The County initially hired Smart ERP Solutions, Inc. (hereafter Smart ERP) in April 2010. Smart ERP is a Pleasanton, California-based company comprised of some of the best former PeopleSoft architects, analysts, developers and industry specialists. They provide consulting services specific to PeopleSoft application functionality and also offer a variety of add-on products to PeopleSoft. Smart ERP reviewed the County's business proposal for the redesign of the County's financial chart of accounts and chart fields in accordance with PeopleSoft best practices. Smart ERP also assisted the County to upgrade its PeopleSoft Financials system from version 8.4 to version 9.1. The County most recently entered into an agreement with Smart ERP to help County staff through the implementation process of the new financial chart of accounts.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi