Midpeninsula Regional
Open Space District

R-11-79
Meeting 11-21
August 10, 2011

AGENDA ITEM 5

AGENDA ITEM

Award of contract to New World Systems for Integrated Accounting and Financial System software and implementation services

GENERAL MANAGER'S RECOMMENDATION

Authorize the General Manager to enter into a contract with New World Systems for $276,000 with a contingency of $41,400, for a total not to exceed $317,400, for Integrated Accounting and Financial System software and implementation services contingent upon negotiation of suitable contract terms and conditions.

SUMMARY

In July 2010, the District issued a Request for Proposal for an Integrated Accounting and Finance Software system and received seven responses. After hiring Schafer Consulting to assist with evaluation of the top three vendors, staff conducted a comprehensive four-month evaluation process to further assess the qualifications of each vendor and their software systems. Although two of the vendors withdrew their proposals, staff completed a thorough evaluation of the remaining vendor, New World Systems, and recommends awarding the contract for software purchase and implementation to them. The General Manager will execute the contract upon completion of negotiation of appropriate contract terms and conditions. Costs have been agreed upon. However, due to the complexity and highly technical nature of the required software license and service contract, both the District and New World Systems are continuing to negotiate terms suitable to the District's needs. In the event such terms are not agreed upon, staff will either contact the other most qualified vendors to determine their availability, or issue a new Request for Proposals.

DISCUSSION

History

On July 12, 2010, the District issued a Request for Proposal (RFP) for the purchase and implementation of an Integrated Accounting and Financial Software (IAFS). A total of seven proposals, as shown below, were received by the deadline of August 5, 2010.

Firm	Cost Proposal
Non-Profit Technologies	$115,302
CUSI, Inc.	$136,495
Blackbaud	$140,605
Springbrook Software	$166,528
Advanced Fund Management Solutions	$169,627
Tyler Technologies	$196,525
New World Systems	$266,640

Staff evaluated the proposals and identified the top three vendors to move forward to the next phase of the evaluation: New World Systems (NWS), Tyler Technology, and Springbrook Software. Staff determined that these vendors had the most relevant experience, responsive proposal quality, hosted implementation approach, and an integrated solution.

Due to the District's lack of in-house technical expertise in the area of financial management system evaluation, implementation, and testing, the Administration and Budget Committee approved staff's recommendation to hire a consultant to assist staff in these areas. On October 26, 2010, the District issued a RFP for a consultant to assist staff in evaluating the three shortlisted vendors and with contract negotiation for the software system and implementation services. Two proposals were received and Schafer Consulting was selected and approved by the Board of Directors on February 9, 2011 (Report R-11-22).

With the help of Schafer Consulting, the District issued a follow-up request for information on May 2, 2011, to the three shortlisted vendors. New World Systems was the only vendor who submitted a response back on May 19, 2011. Tyler Technologies and Springbrook Software withdrew due to competing internal priorities.

Software System Evaluation

In order to determine whether New World Systems' product, Logos.Net, was a good fit for the District and, if so, which system modules the District would like to purchase, a rigorous evaluation process was conducted and included the following major activities:

1. An evaluation of NWS' proposal;
2. A detailed analysis of NWS' cost proposal;
3. The vendor's self-evaluation of its software functionality;
4. Sixteen hours of live software demonstrations;
5. An on-site visit to one of NWS' northern California customers, the City of El Cerrito;
6. Extensive reference checks with eight NWS customer agencies in northern California.

1. Proposal Evaluation

After receiving the completed Addendum 3 to NWS' original proposal, staff conducted a detailed evaluation of the project management methodology, data conversion plan, test plan, training plan, and implementation plan. All aspects of the proposal were determined to be very thorough, comprehensive, and responsive to the RFP requirements.

2. Cost Evaluation

Staff performed a line-by-line analysis of NWS' cost proposal which was broken into to the following components: software, licensing, implementation, testing, training, ongoing maintenance costs, and travel and expenses. In addition, staff compared the price NWS proposed to the District with the prices proposed to other NWS customer agencies of similar scope and size and found the District's proposed cost to be highly competitive.

3. Vendor Self-Evaluation

In order to determine the priorities desired in the IAFS system, District staff worked with Schafer Consulting to rate the relative importance of a comprehensive list of functionalities developed by Schafer. Once completed, this list was sent to NWS, who was asked to conduct a self-evaluation of its Logos.Net functionalities. A review of NWS' self-evaluation determined that their software system meets all of the critical functionalities and most of the desired functionalities outlined by the District.

4. Live Software Demonstration

On June 6 and 7, 2011, staff spent over sixteen hours evaluating the Logos.Net system during live demonstrations by NWS. Staff and Schafer Consulting rated overall system functionality, user interfaces, ease of use, breadth of capabilities, and functionality of each module. A total of 21 different modules were evaluated: Accounts Receivable, Accounts Payable, Budget, General Ledger, Cash Management, Purchasing / Contracts, Work Order, Fixed Assets, Grants, HR Overview and Self-Service, Leave Management, Benefits, Personnel Management, Position Control, Timekeeping, Applicant Tracking, Training, Payroll, Report Writer, and Projects.

5. Customer Site Visit

After completing the live software demonstrations and determining NWS' Logos.Net system meets the District's functional requirements, staff began the process of checking references, which included a site visit on June 29, 2011, to the City of El Cerrito, a NWS' customer for the past seven years. During the site visit, staff met with El Cerrito's Information Technology Manager, Accounting Manager, and Director of Administrative Services. In addition to viewing their actual software system, staff asked numerous questions about the software and implementation services provided by NWS. Overall, the City of El Cerrito is pleased with the software and expressed positive experience with NWS implementation and customer service.

6. Reference Checks

The final part of the evaluation phase was reference checks with eight NWS' customer agencies, including the Contra Costa Transportation Authority, a NWS customer who recently purchased and implemented Logos.Net. All of the references provided very positive feedback about both the software and implementation experience with NWS.

Recommendation

Based on a systematic, four-part scorecard developed by Schafer Consulting and rated by both District staff and Schafer, NWS software and implementation services scored 412 out of 500 total possible points, which is an excellent score. Staff was particularly impressed with

Logos.Net's breadth of functionalities and ease of use. The site visit to the City of El Cerrito and the eight reference checks confirmed that NWS is very professional and the software is a robust and easy to use system.

As part of its research, staff also evaluated NWS' corporate philosophy and track record of success. NWS is a privately held company that develops and sells software exclusively for local governments. NWS utilizes a widely recognized project management methodology, the standard established by the Project Management Institute (PMI), and all NWS project managers are PMI certified. The company takes its "Customer for Life (C4L)" philosophy seriously and provides system support to customers for the life of the software. NWS has established a number of user groups, with representatives from current customer organizations, who provide feedback and suggestions for improvements to the software. References indicate NWS is responsive to the user groups' feedback. NWS boasts numerous long-term customers including one of over 30 years. Finally, and most impressive, is the fact that NWS has had zero implementation failures within the company's history.

Based on the high scorecard rating resulting from the staff evaluation process, the positive reference checks, and the company's 100% successful implementation rate, staff recommends awarding the contract for software purchase and implementation services to New World Systems, contingent on completing negotiations for contract terms and conditions suitable for the District's needs. Staff recommends the purchase of the following core modules which include everything mission critical for the District to operate off-the-shelf (ready-to-use without customization): general ledger, budget management, annual budget preparation, accounts payable, revenue/cash receipting, asset management, project accounting, miscellaneous billing and receivables, government (GASB) reporting, bank reconciliation, purchasing base, requisition processing, contract accounting, payroll processing, personnel management, position control, employee event tracking, personnel action processing, benefits administration, position budgeting, and an electronic HR suite.

The cost of the software, implementation, and travel and expenses totals $276,000 for a two-phase implementation approach. Phase I will be implementation of the Core Financials, with a go-live date of July 2, 2012, and Phase II is implementation of the HR/Payroll modules with a go-live date of January 2, 2013. The final detailed cost breakdown for a revised scope of work and a longer implementation timeline includes a generous $25,000 site discount[1]. A contingency of 15% is recommended to cover unforeseeable expenses, such as unique system configuration for a California open space agency, which could result in additional implementation and consulting hours as well as travel and expenses. This will bring the total software and associated implementation costs to an amount not-to-exceed $317,400.

Application Software	$150,000
Less Site Discount	($25,000)
	$125,000
Implementation Services	$125,500
Travel & Expenses (T&E)	$25,500
Total One Time Cost	$276,000

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[1] Site discount – a discount provided in exchange for the customer's willingness to be a reference point and/or host a site demonstration, at no cost and at the convenience of MROSD, for NWS's future business opportunity. The acceptance of a site discount does not obligate MROSD to endorse NWS software or its active participation in any type of marketing and advertising campaign for or on behalf of NWS. MROSD is also not responsible for any expenses resulting from any demonstration at its location.

Contingency (15%)	$41,400
Total Not to Exceed Cost	$317,400

FISCAL IMPACT

If the contract with New World Systems is approved, the IAFS project cost will total up to $483,280 as detailed below:

Software Vendor Contract (NWS)		$276,000
Vendor Contingency		$41,400
	Total Vendor Cost	$317,400
Consultant Contract (Schafer)		$150,880
Consultant Contingency		$15,000
	Total Consultant Cost	$165,880
	Total IAFS Project Cost	**$483,280**

Of this amount, $12,331 was spent in FY 2010-11 and $375,000 was approved by the Board on March 23, 2011 as part of the FY 2011-12 Adopted Budget (Report R-11-46). In order to fully fund the project, staff requests Board approval for the balance of $95, 949 to be added to the FY 2011-12 fixed assets budget as a Midyear adjustment.

PUBLIC NOTICE

Notice was provided pursuant to the Brown Act. No additional notice is necessary.

CEQA COMPLIANCE

The proposed action is not a project under the California Environmental Quality Act (CEQA) and no environmental review is required.

NEXT STEPS

Upon Board authorization, the General Manager will continue negotiation of appropriate terms and conditions and, thereafter, execute a contract with New World Systems for the Integrated Accounting and Financial System software purchase and implementation services.

Attachment
1. Draft work plan (scope of work) – an outline of key activities, deliverables, milestone dates and associated resources among NWS, the District and Schafer Consulting.

Prepared by:
Anna Duong, IAFS Project Manager
Kate Drayson, Administrative Services Manager

Contact person:
Same as above

IAFS Core Team:
Project Manager Anna Duong
Administrative Services Manager Kate Drayson
Accountant Bunny Congdon
Senior Management Analyst Lynn Tottori
Acting Human Resources Supervisor Annetta Spiegel

Department IAFS Team Representatives:
Public Affairs Specialist Kristi Britt
Website Content Coordinator Vicky Gou
Real Property Specialist Elaina Cuzick
Senior Resource Planner Kirk Lenington
Maintenance and Resource Supervisor Craig Beckman
Support Services Supervisor David Topley
Senior Resource Management Specialist Cindy Roessler
Administrative Assistant Leslie Wright
Legal Administrative Assistant Sue Voiss
Management Analyst Gordon Baillie
Accounting Clerk Michelle Kneier
Network Specialist Benny Hsieh
IT Support Owen Sterzl

Phase I - Project Initiation
Review high level expectations
Define team responsibilities and project implementation methodology (PIM)
Schedule kick-off meeting (first on-site visit) and define activities
Draft 1st version of Project Plan
Confirm tasks, requirements, resources, deliverables for MROSD project
Identify MROSD key decision makers and project managers
Establish communication framework, governance and oversight
Schedule kick-off meeting between NWS and MROSD

Deliverables
Assignment of NWS team
1st iteration of Project Plan

Phase II - Planning
Finalize objectives, scope and timeline
Organize NWS & MROSD resources (Build Teams)
Discovery and Immersion process
Map current processes and functionality
Identify omitted items
Software and Systems Analysis
Resolution designed for discrepancy between current processes and NWS solution
Documentation of requirements
Prepare implementation plan
Complete final iteration of Project Plan

Deliverables
Kick-off meeting
Discovery/Immersion process
Software and Systems analysis
Requirements documentation
Sign off of requirements documentation

Phase III - Construction Phase
Software installation on hardware and network
Testing and verification of such installation and connection
Configuration decisions on operational preferences
Define and setup system workflows
Define and setup feature availabilities
Define and setup user experience
Define and setup report generation process
Install interface and test
Build and test any customized interface
Prepare data for conversion
Review re-designed functions
Verify and validate system readiness
Perform acceptance testing

Deliverables
Hardware/software installation
Forms design
Master file training
Configuration and setup

Preparation for data conversion
Interface installation and configuration
Custom component delivery, if applicable

Phase IV - Transition Phase
Conduct End-user training
Execute Agreement to go-live
Transition from testing to production enviroment
Development of pre-defined operational procedures for in-between systems
System goes live
Run final data conversion
Verify data in new system
Triage issues during go-live week
Introduction of NWS Customer Support team
Refresher training provided, if applicable
Installation of remaining optional modules

Deliverables
End-user training
Agreement to go-live
Go-live transition
Data conversion executed
Post-go live training
Installation of remaining modules

Phase V - Closing
Transition to account management
Deliverables
Review and approve Agreement to Close
Final review of tasks
Transition to Account Team

Resource and Responsibilities		
Activity	**New World**	**MROSD/Schafer**
Project Management		
Project Management of MROSD resources and deliverables		X
Project Management of New World services	X	
Overall Project Success	X	X
Initiation Phase		
Initial contact with MROSD	X	X
Assignment of New World teams	X	
Internal project review	X	
Project infrastructure setup internally at New World	X	
Formal kickoff meeting scheduled	X	
Planning Phase		
Formal Kickoff Meeting	X	X
Discovery Immersion process	X	I
Software and Systems Analysis	X	I
Requirements confirmed	X	I
Resources assigned	X	
Implementation Plan created (project timeline)	X	A
Project Plan finalized	X	Q
Approval of requirements and implementation plan		A
Construction Phase		
Hardware/Software installation	X	X
Forms Design, Master File and Core Process Training, Configuration & Setup	X	X
Data conversion process prepared	X	X
Transition Phase		
End user training	X	X
Agreement to Go-live	X	I
Go-live event	X	X
Data conversion executed	X	
Data conversion validated	X	X
Data conversion approved		X
Post go-live training	X	X
Closing Phase		
"Agreement to Close" is reviewed and approved		A
Final review of tasks	X	Q
Transition to Account Team	X	

Key:
X Responsible
I Responsible to provide input
A Responsible for approval/signoff
Q Review and QA