



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: September 16, 2019

Approved

Date

9/26/19

**SUBJECT: REPORT ON REQUEST FOR PROPOSAL FOR AS NEEDED
PEOPLESOFT PROFESSIONAL / TECHNICAL SERVICES**

RECOMMENDATION

Accept the report on the Request for Proposal and adopt a resolution authorizing the City Manager to:

- a. Negotiate and execute master agreements with Graviton Consulting Services, Inc. (Sacramento, CA), Sierra Cedar (Alpharetta, GA), and CherryRoad Technologies (Morris Plains, NJ) for As-Needed PeopleSoft Professional / Technical Services for a five-year term beginning on or about October 9, 2019 and ending October 31, 2024, for a combined maximum compensation not to exceed \$3,000,000, subject to the appropriation of funds; and
- b. Negotiate and execute amendments as required to adjust funds between agreements or for any unanticipated changes for a combined contingency amount not to exceed \$600,000 during the term of the agreements, subject to the appropriation of funds.

OUTCOME

Ensure the City can maintain and upgrade its PeopleSoft Human Capital Management software as required to support ongoing operations and to ensure compliance with applicable federal, state, and local regulations.

BACKGROUND

The City currently utilizes Oracle Corporation's PeopleSoft 9.2 Human Capital Management software for its Payroll, Human Resources, Benefits Administration, and Employee Self-Service functions. The Department of Information Technology (ITD) does not have the staffing capacity

to provide sufficient technical services to support and maintain the PeopleSoft modules. Outsourcing these services will help to augment ITD's in-house technical staff to assist with periodic maintenance initiatives, as well as various customization projects and implementations.

In March 2019,¹ City Council approved an increase to a purchase order with Twysoft, LLC for Fair Labor Standards Act (FLSA) compliance technical services. Twysoft LLC provided services to ensure that current and ongoing FLSA requirements could be met while staff completed the subject Request for Proposal (RFP) and contracting process.

ANALYSIS

In 2019, Finance released a multi-award Request for Proposal (RFP) for As-Needed PeopleSoft Professional / Technical Services on the City's e-procurement system. Eight proposals were received prior to the submittal deadline.

Evaluation Process: Proposals were evaluated and scored independently by a three-member evaluation team from the Department of Information Technology.

Evaluation scores are summarized below:

Proposer	Maximum Points	Graviton	Sierra Cedar	CherryRoad Technologies	Spear MC Management	Smart ERP Solutions	Kastech	ERP Analysts	Presence of IT
Experience	35	28	28	26	26	23	16	21	18
Technical Capabilities	40	30	27	26	22	23	19	17	12
Cost Proposal	15	10	7	8	10	10	12	7	15
Local Business Enterprise	5	0	0	0	0	0	0	0	0
Small Business Enterprise	5	0	0	0	0	0	0	0	0
Total	100	68	62	60	58	56	47	45	45

¹ Council Memo March 2019: <https://sanjose.legistar.com/View.ashx?M=F&ID=7065655&GUID=57877019-BC96-4C57-B1F4-0A1BB5075783>

Local and Small Business Preference: In accordance with City policy, ten percent of the total possible evaluation points were reserved for local and small business preference. No proposers requested consideration for the preference; therefore, the preference was not a factor in the final outcome.

Protest: The RFP process included a ten-day protest period that commenced when the City issued the Notice of Intended Award. No protests were received.

Award Recommendation: The City recommends award of contracts to three companies: Graviton Consulting Services, Sierra Cedar, and CherryRoad Technologies whose proposals were scored as the best value proposals per the evaluation criteria set forth in the RFP. Their proposals met or exceeded all RFP specifications and their solutions were rated superior in the following key areas:

- Extensive experience, knowledge, and expertise providing PeopleSoft professional / technical services for other public agencies.
- A comprehensive and diverse pool of staff available to provide specified services.
- Demonstrated expertise in specialized functional areas needed by the City such as FLSA.
- Strong references from other similarly situated local government organizations.

Summary of Proposed Agreement: The agreements with Graviton Consulting Services, Sierra Cedar, and CherryRoad Technologies include fixed hourly rates for As-Needed Professional / Technical Services for projects varying in size and complexity for the City's PeopleSoft Human Capital Management modules for the five-year term. The agreements also include a high-level list of services that may be ordered under the agreements.

Final award is subject to successful negotiation and execution for agreements that substantially conform to the City's standard terms and conditions. In the event the City cannot successfully conclude negotiations within a reasonable period with Graviton Consulting Services, Sierra Cedar, or CherryRoad Technologies, the City reserves the right to terminate negotiations with the applicable company and commence negotiations with the next two highest ranked proposers.

EVALUATION AND FOLLOW-UP

This memorandum will not require any follow-up from staff.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the October 8, 2019 City Council meeting.

COORDINATION

This memorandum has been coordinated with the Department of Information Technology, the City Attorney's Office, and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

This item does not have input from a board or commission.

FISCAL/POLICY ALIGNMENT

This action is consistent with the Council-approved budget strategy to effectively manage the City's technological and human resources to enable and enhance the delivery of City services and projects.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION:	<u>Annual Cost*</u>	<u>5-Year Cost*</u>
	\$600,000	\$3,000,000
2. COST ELEMENTS		
<u>Vendor</u>	<u>Annual Cost</u>	<u>5-Year Cost</u>
Graviton Consulting Services, Inc.	\$200,000	\$1,000,000
Sierra-Cedar, Inc.	200,000	1,000,000
CherryRoad Technologies	200,000	1,000,000
	<u>\$600,000</u>	<u>\$3,000,000</u>

*Based on estimate of \$200,000/vendor agreement/year

- 3. SOURCE OF FUNDING:** Various Departments
- 4. FISCAL IMPACT:** Subject to availability and approval of funding through the annual budget process.

BUDGET REFERENCE

Funding for the agreements recommended as part of this memorandum will be from various City departments.

HONORABLE MAYOR AND CITY COUNCIL

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CEQA

Not a project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/

JULIA H. COOPER

Director of Finance

For questions, please contact Jennifer Cheng, Deputy Director of Finance, at (408) 535-7059.