To: Board of Supervisors

From: David Twa, County Administrator

Date: September 12, 2017

Subject: CherryRoad Technologies, Inc., Contract for Hosted Services

**Contra
Costa
County**

RECOMMENDATION(S):
APPROVE and AUTHORIZE the County Administrator or designee to execute a contract with CherryRoad Technologies, Inc., in an amount not to exceed $2,192,520 for the hosting of the Peoplesoft software system, for the period September 26, 2017 through September 25, 2022.

FISCAL IMPACT:
The contract cost comprises software and data application hosting services in the amount of $438,504 per year, or $2,192,520 for five years. The cost will be budgeted under Org #1695 for the next five fiscal years, supported through countywide interdepartmental charges to all departments.

BACKGROUND:
The County currently uses Oracle's PeopleSoft Human Capital Management software (HCM) to process the County's payroll, and maintain and process records for Human Resources and Employee Benefits. The software resides on servers located at the County. Under a separate contract with the County, the Contractor is working with Auditor-Controller's office, Human Resources, and the Department of Information

☑ APPROVE	☐ OTHER
☑ RECOMMENDATION OF CNTY ADMINISTRATOR	☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **09/12/2017**   ☑ APPROVED AS RECOMMENDED   ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

Contact: Scott Sullivan
925-313-1288

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: September 12, 2017

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

cc:

Technology to upgrade the HCM software from version 8.8 to version 9.2. The purpose of this contract is to permit the Contractor to host the HCM software and data once the HCM application has been upgraded to version 9.2.

The County's desire to migrate the HCM platform from County premises to a hosted solution is based on a variety of factors, including cost savings, IT staffing and technical factors.

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Total Cost of Ownership

 The total cost of ownership analysis was based on the cost of new hardware and software to support the upgraded PeopleSoft 9.2 production and non-production environments if the County continued with its current on-premises platform, which included:

- Server/OS
    - Purchase Price – cost to purchase and install server hardware. Operating system price is packaged with the server cost.
    - Annual Support – annual cost for vendor support, maintenance and onsite service.
- Database License
    - Initial Cost – generally a function of the server CPU capacity (i.e., licensing is based on a per-CPU price). Note that the pricing is for the Enterprise (not Standard) Edition of either RDBMS, which is a County requirement.
    - Annual Support – annual expense to cover vendor support, maintenance and software upgrades.

Operations Support
The County is experiencing challenges with regard to operational support for applications running on Oracle databases.

- Internal Skillsets – there is currently only one full-time Oracle Database Administrator (DBA) on staff, and another who has retired from the County and is doing transfer of knowledge.
- Recruiting Challenges - the County has had difficulty recruiting well-qualified Oracle DBAs due to the high market prices that they command.

Contractor's managed hosting services provided under the contract will host the County's project environment in order to remediate the described issues, but also provide significant benefits in the areas of platform technology and support:

- Database Licensing

Contractor will host the HCM system on Exadata hardware, which run on an Oracle database platform. As such there is no need for the County to purchase additional Oracle licenses. In addition, Contractor's pricing structure is favorable in comparison the cost of purchasing and paying annual maintenance fees for Oracle database licenses.

- Operational Support

Because Contractor hosting will include server and database administration, the County will

only need to use their database administration staff for non-production tasks. Contractor's operations staff provides 24x7 support, including service level provisions regarding uptime, support response times, and data backup schedules.

- Platform Stability

The hosted environments will be running on Exadata hardware optimized specifically for Oracle, and provides the highest availability, scalability and performance available for PeopleSoft applications. Contractor will be obligated to provide certain HCM system uptime percentages and disaster recovery services.

- Total Cost of Ownership

A hosted solution would encompass all hardware, platform software and operational support, including database administration, PeopleSoft administration and server administration, and Disaster Recovery, as part of the hosting fee.

The Contractor's services will include:
1. Hosting the production and non-production HCM system environments;
2. Providing 24 hours a day, 7 days a week, 365 days a year access and support for the HCM system;
3. Providing operational services, database administration services, system administration services, database level security and disaster recovery services to support the HCM system; and
4. Providing management and maintenance of the hardware and software components necessary for the hosting of the HCM system.

The Steering Committee (the County Administrator, County Finance Director, Human Resources Director, Auditor-Controller, and Director of Information Technology) recommended pursuing the hosted solution over the on-premises solution based on the variety of factors described above.

CONSEQUENCE OF NEGATIVE ACTION:

Failure to approve the contract will result in continuing challenges for operational support to our HCM system and not having a disaster recovery plan, which will increase the risk that the County will be unable to process employee Payroll, Human Resources and Employee Benefits timely and accurately.