



- Board of Directors
Organization, Personnel and Technology Committee

3/10/2020 Board Meeting

7-1

Subject

Authorize an agreement with Questica Ltd. not-to-exceed \$700,000 for the design, development, and deployment of a new cloud-based Budget Planning and Analysis Application; the General Manager has determined that the proposed action is exempt or otherwise not subject to California Environmental Quality Act (CEQA)

Executive Summary

This action awards a contract to implement a new cloud-based Budget Planning and Analysis Application that supports financial planning and budgeting as well as financial modeling and performance reporting. The existing budgeting system, implemented in 2007, has outlived its useful life and needs to be replaced. Over time, the nature of Metropolitan's financial budgeting and reporting needs have evolved, and the existing budgeting application is unable to support these needs. The existing system must be replaced and available by June 2021, for the start of the next biennial budget period.

Details

Background

The current on-premise Cognos-based budgeting system has been in use since June 2007. There are over 150 staff with budget responsibilities using the existing system to develop the organization's biennial budget. The system requires extensive programming and IT support to meet Metropolitan's requirements and has outlived its useful life. In addition, the existing system cannot be upgraded. The architecture of the physical design of the software has changed, leaving no other option but to replace the system.

In October 2018, the Board appropriated funds and authorized the General Manager to initiate or proceed with work on all capital projects identified in the Capital Investment Plan (CIP), subject to any limits on the General Manager's authority and CEQA requirements. This project has been reviewed with Metropolitan's CIP prioritization criteria and was approved by Metropolitan's CIP Evaluation Team to be included in the Cost Efficiency and Productivity Program.

In accordance with the October 2018 action, the General Manager will authorize staff to proceed with the implementation of the new budgeting system pending board award of the contract. Funds for the work to be performed, pursuant to the subject contract during the current biennium, are available within the CIP Appropriation for Fiscal Years 2018/19 and 2019/20 (Appropriation No. 15509). Funds required for work performed after fiscal year 2019/20 will be appropriated after the adoption of the next biennial budget.

Replacement of the Budgeting System – Implementation

The scope of the contract includes the design, development, and deployment of the new budgeting system. The design phase involves identifying all required integration points and new requirements for the system. The development phase involves configuring and testing the software. Finally, the deployment phase is the final rollout of the completed system to the customer base of budget coordinators.

A total of \$1.4 million is being requested for this work. In addition to the amount of the contract explained below, other funds to be allocated include \$75,000 for additional Professional/Technical services to be awarded under the General Manager's authority; \$460,000 for staff to participate in design, development and deployment activities; \$10,000 in incidentals, \$30,000 for materials and supplies and \$125,000 in remaining budget.

Award of Contract (\$700,000)

Request for Proposals RFP-KH-366857, for a Budget Planning and Analysis Application, was issued on June 13, 2019. There were eight respondents in the competitive bid process. Proposals were reviewed and short-listed, and after thorough consideration, Questica Ltd. was chosen to be recommended to be awarded the work. Staff recommends that Questica Ltd. be awarded a contract in the amount of \$700,000 for services to implement a cloud-based budgeting application.

Summary

This action authorizes an agreement with Questica Ltd. for \$700,000 to design, develop, and deploy a cloud-based Budget Planning and Analysis Application.

Project Milestone

June 2021 – Implementation completed

Policy

Metropolitan Water District Administrative Code Section 8140: Competitive Procurement

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 51353, dated October 9, 2018, the Board appropriated a total of \$290 million for projects identified in the Capital Investment Plan for Fiscal Years 2018/19 and 2019/20

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because the proposed action will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not defined as a project because it involves the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize an agreement with Questica Ltd. not-to-exceed \$700,000 for the design, development, and deployment of a cloud-based Budget Planning and Analysis Application.

Fiscal Impact: Expenditure of \$1.4 million in capital funds. Approximately \$370,000 will be incurred in the current fiscal year and has been previously authorized. The remaining funds from this action and for future development and deployment costs will be accounted for and appropriated under the next biennial budget.

Business Analysis: This option will replace the current twelve-year-old budgeting application with a new budgeting application to continue to reliably produce Metropolitan's biennial budget.

Allocated Funds for the Budgeting System Replacement Project

	Current Board Action (Mar. 2020)
Labor	
Owner Costs (Program mgmt.)	460,000
Construction Inspection & Support	-
Installation, configuration & integration	-
Materials & Supplies	30,000
Incidental Expenses	10,000
Professional/Technical Services	775,000
Equipment Use	-
Contracts	-
Remaining Budget	125,000
Total	\$ 1,400,000

The total estimated costs to complete this project is \$1.4 million. No future funding requests are currently anticipated for this project.