



## Policy & Innovation Committee

Meeting Date: September 9, 2024

Agenda Item No. 6

### Approval of Financial ERP System Contract Renewal

#### Action

**Author:** Loretta Su

**Attachments:** No

**Referring Committee:** Not applicable

#### Issue:

Approval of Financial ERP System Contract Renewal for an additional five-year term

#### Request:

Approve

#### Recommendation for Board:

That the board approve the Financial ERP System Contract Renewal five-year term for a total of 10 years and delegate to the executive director to negotiate and execute the contract amendment not to exceed a total of \$955,414.

#### Recommendation for Committee:

That the Policy and Innovation Committee recommend that the board approve the Financial ERP System Contract Renewal for additional five years for a total of 10 years and delegate to the executive director to negotiate and execute the contract amendment not to exceed a total of \$955,414.

#### Background:

In November 2019, SACOG procured and entered into a five-year master subscription agreement with Sparkrock U.S. Inc. for a financial ERP system (known as Sparkrock 365) in the amount of \$487,818.71. Sparkrock 365 is a fully integrated system with functionalities for the financial and procurement, human resources, payroll and time entry. The fully integrated Sparkrock 365 streamlines processes, increases productivity and efficiency, and eliminates duplication processing and record keeping.

#### Discussion/Analysis:

Since 2020, staff have utilized Sparkrock 365 for processing accounting and payroll transactions, managing and tracking employee records and benefits, and financial reporting. Additionally, staff has completed the integration of Sparkrock 365 with Questica Budgeting Software which allows real-time access of budget to actual information, improves reporting, and improves transparency and accountability of SACOG fund sources.

In August 2023, the board approved the revisions to SACOG's Procurement Manual to include procurement of

software products. The policy allows for the extension of software contracts up to an additional five-year term for a total of 10 years to prevent disruption of day-to-day operations and to reduce costs associated with implementation and training associated with new software. This policy applies retroactively to all existing software procured within the last five (5) years and all future procurements of software by SACOG. Sparkrock 365, as a customized ERP system, meets the requirements of the procurement of the software products. As such, staff is seeking board approval to extend the master subscription agreement with Sparkrock U.S. Inc. for an additional five-year term for an amount up to \$467,595, resulting in a revised total contract amount up to \$955,414 for 10 years of service (2019-2029). Staff is currently negotiating with the vendor for the final renewal amount.

**Fiscal Impact/Grant Information:**

The additional contract amount of \$467,595 will be programed into the Overall Work Program and budget over five fiscal years, starting with fiscal year 2024-2025, and it is part of the indirect costs pool and will be recovered through the Indirect Rate.

**List of Attachments:**

Not applicable