

WEST BASIN MUNICIPAL WATER DISTRICT**OCTOBER 12, 2006 - Administration**

Baker, Dear

OCTOBER 30, 2006 - Board Meeting

Prepared by: Margaret Moggia

Submitted by: Margaret Moggia

Approved by: Richard Nagel

ACTION CALENDAR

FINANCIAL MANAGEMENT REPORTING SYSTEMSUMMARY

In June 2005, staff discussed the process of procuring a new financial management system. Currently, staff utilizes MAS 90 and supplements the accounting software package with several Microsoft Access databases for budget and reporting, contracts and payroll. Advancements in technology and the demands of its users have created a variety of software packages that provide an integrated financial management system (FMS). Due to the complexity and highly technical aspects of procuring a software package, it is recommended that the District utilize a consultant with the expertise in identifying and procuring the appropriate FMS program.

Also in June 2005, the West and Central Basin Financing Authority (JFA) Board approved Pacific Technology Inc. (PTI) as a consultant to assist in this procurement. Staff performed the formal solicitation by sending the "Requests for Proposal" (RFP) to 33 firms as well as posting to the website; conducting interviews; and bringing the item to the Committee and Board. PTI was recommended as they specialize in information technology procurements for public entities. They offer senior level consultants at the lowest average hourly rate thereby allowing the highest number of hours. PTI's approach is to educate management and staff about procuring a fully integrated financial management software system. PTI will involve all staff levels in determining the technical needs, evaluating software vendor proposal and vendor demonstrations. In addition, staff felt that PTI offered the best understanding of contract negotiations with software vendors, which will be critical as we move to the next phase of the project.

PTI and staff initiated work in fall 2005 with identifying the technical requirements and developing an RFP for potential software vendors. The software RFP was issued in November 2005 with responses due in January 2006. With the decision to separate shared services in February 2006, this project was placed on hold and the JFA contract with PTI eventually cancelled as a shared FMS no longer seemed appropriate. West Basin staff evaluated the need to independently continue with this project and determined that an integrated financial system is still necessary to provide integrated databases, process improvements, contract administration, automated purchase order system, and employee access to essential financial data.

With the familiarity of PTI to West Basin's technical requirements and the District, staff is recommending that West Basin continue with PTI for the procurement of an integrated financial management system. PTI provided a proposal that would essentially pick up from where the project was halted. Their services include demo script, evaluating proposals, vendor demonstration based on demo scripts, and assist in finalist selection and contract negotiations. It is estimated that they services could begin in November 2006 and conclude around spring 2007 for an amount not-to-exceed \$45,630.

FISCAL IMPACTS:

Funds to design and implement a new financial reporting system will be come from the District's PAYGO Fund.

ENVIRONMENTAL COMPLIANCE:

None.

COMMITTEE STATUS:

This item was reviewed by the Administration Committee on October 12, 2006 and was recommended for approval at the October 30, 2006 Special Board meeting.

RECOMMENDED MOTION:

That the Board of Directors authorizes the General Manager to enter into a contract with Pacific Technology, Inc. to provide financial management software consulting services for \$45,630 plus 10% contingency for a total not-to-exceed amount of \$50,193.

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