

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date: May 20, 2014 ☒ Consent ☐ Regular
 ☐ Ordinance ☐ Public Hearing

Department: Risk Management

Submitted By: Risk Management

Submitted For: Group Insurance Division

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:

- A) **approve** Letter of Agreement (LOA) between the Palm Beach County Board of County Commissioners (County) and the Palm Beach County Clerk & Comptroller (Clerk) providing authorization for the County to reimburse the Clerk a maximum of \$370,830 for the purchase of user licenses and the annual maintenance costs (detailed in the LOA Exhibit A) associated with the licenses for the PeopleSoft Benefits Administration System.
- B) **authorize** The County Administrator or his designee to execute a Memo of Understanding with the Clerk or her designee for the services provided by the Clerk to the County for the use of the PeopleSoft Benefits Administration System.

Summary: The County's Risk Management Department has used an in-house system known as "RIMS" since 2009 for employee benefits administration. Although this system has served the purpose for which it was created, it represents an additional and unnecessary interface between the County's Human Resources Information System (HRIS) and the Clerk's PeopleSoft system. PeopleSoft currently holds the County's benefits data for payroll purposes. As data integration is considered a best practice in the technology field, we have explored and recommend the use of PeopleSoft for benefits administration as a replacement for RIMS. This action will increase staff efficiencies, reduce data and compliance risk, and allow a best practice approach to electronic benefits administration with a market leader. PeopleSoft is fully functional for the needs of the public sector, and is currently used by 23 states (including Florida) and 17 Florida municipal agencies. Funding for this project is currently available in the self-insured health fund. The cost of the project will be offset by the reduced need for in-house maintenance of the RIMS system, with an estimated breakeven in year four and an estimated savings of over \$650,000 after ten years. If approved, staff estimates a full implementation of the system in time for the 2015 open enrollment period. Countywide (TKF)

Background and Justification: As the benefits environment is becoming increasingly more complex due to health care reform and other compliance regulations, it is important to have a quickly evolving and well functioning system that is designed by benefits industry software engineers (**continued on Page 3**).

Attachments: 1. Letter of Agreement

Recommended By: Nancy L. Bolton 4/24/14
 Department Director Date

Approved By: [Signature]
 County/Deputy/Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact

Fiscal Years	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Capital Expenditures					
Operating Costs	<u>370,830</u>	<u>139,139</u>	<u>115,881</u>	<u>120,516</u>	<u>125,336</u>
External Revenues					
Program Income (County)					
In-Kind Match (County)					
Net Fiscal Impact	<u>370,830</u>	<u>139,139</u>	<u>115,881</u>	<u>120,516</u>	<u>125,337</u>

ADDITIONAL FTE

POSITIONS (Cumulative)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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Is Item Included In Current Budget?	Yes	<u>x</u>	No					
Budget Account	Exp No.:	Fund	<u>5012</u>	Dept	<u>700</u>	Unit	<u>7315</u>	Obj <u>5121</u>
	Rev No.:	Fund		Dept		Unit		Obj

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review:

Jessica Kels

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

[Signature] 4/29/2014 OFMB
[Signature] 5/11/14 Contract Dev. and Control
5-11-14 B. Welch

B. Legal Sufficiency:

[Signature] 5/2/14
 Assistant County Attorney

C. Other Department Review:

Department Director

REVISED 9/03
ADM FORM 01

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

Background and Justification (continued from page 1): Currently we do not have in-house software developers who specialize exclusively in benefits administration systems. Therefore, as frequent changes occur in the rapidly evolving employee benefits legal environment, there are no subject matter experts to ensure system updates are pre-programmed leaving the system open to data integrity issues and the County exposed to non-compliance and associated fines and penalties. The PeopleSoft system is a fully compliant industry leader in benefits software and is already holding the County's payroll data for benefits purposes. Through this partnership with the Clerk's PeopleSoft system, we will eliminate the redundancy of a third and unnecessary system existing between the County's HRIS and PeopleSoft, and free up in-house ISS resources for other initiatives. The separate end-user application, MyBenefits, will also become redundant as PeopleSoft includes an Employee Self Service module.

**LETTER OF AGREEMENT
BETWEEN
PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS
AND
CLERK & COMPTROLLER, PALM BEACH COUNTY**

This letter is to confirm and specify details for the reimbursement to the Clerk & Comptroller, Palm Beach County (Clerk) for the purchase of user licenses for the expansion of the PeopleSoft Benefits Administration System. The referenced licenses are to specifically enable Palm Beach County (County) to use the PeopleSoft Benefits Administration System for County employees.

The County shall reimburse Clerk for the cost of the initial application licenses in addition to the annual maintenance costs associated with the Benefits Administration user licenses and the Database Enterprise and Real Application Cluster licenses. The Costs of the current expansion and related maintenance are detailed in the quote from Mythics (Exhibit A). The County shall reimburse the Clerk for additional application license expansion and related annual maintenance associated with the expansion should the need arise based upon the total number of County employees. In all events the County shall reimburse the Clerk within Forty Five (45) days of Clerk's request.

The County and Clerk shall draft a Memo of Understanding relating to the implementation, access and service level agreement relative to the use of the PeopleSoft Benefits Administration System.

By signature below, both parties agree to the terms of and represent that they have the authority to sign this letter of agreement.

APPROVED
By TSA - Procurement Dept.

APPROVED
By HCP at 10:51 am, Apr 25, 2014

By: Sharon R. Bock
Sharon R. Bock,
Clerk & Comptroller, Palm Beach County

Date: April 25, 2014

By: _____
Priscilla A. Taylor, Mayor
Palm Beach County Board of County
Commissioners

Date: _____

Approved as to form and Legal Sufficiency
By: [Signature]
Assistant County Attorney
Palm Beach County Board of County
Commissioners

Approved as to Terms and Conditions
By: Nancy J. Bolton
Nancy Bolton, Director, Risk Management
Palm Beach County Board of County
Commissioners


MYTHICS™


Peter Scura
Direct: 757.493.3006
Fax: 757.412.1060
Email: pscura@mythics.com

1439 N. Great Neck Rd. Suite 201
Virginia Beach, VA 23454

Company Name: Clerk and Comptroller, Palm Beach County
Contact: Tim Albro

Estimate Number: 4242014
Estimate prepared on: April 24, 2014
Valid thru: May 30, 2014

LICENSES AND SUPPORT

Item Nbr	Oracle Product Description	Term	Oracle License Type	Number of Licenses	Discounted Unit Price	Extended Price
1	Benefits Administration	Perpetual	Employee	5000	\$ 22.36	\$ 111,775.00
2	Human Resources (to store employee data from HRIS)	Perpetual	Employee	5000	\$ 48.66	\$ 243,275.00
3	HCM Portal Pack	Perpetual	Employee	5000	\$ 3.16	\$ 15,780.00
A purchase order for this proposal must be accompanied with the associated support purchase order (4242014-S) by May 2014 in order in order to obtain the related concessions						
SUBTOTAL: LICENSE						\$ 370,830.00
TOTAL*						\$ 370,830.00

Applicable State taxes will be added unless an exemption is provided.

Additional Information:

This quotation is an estimate and is an invitation for you to offer to purchase products and services from Mythics. Your order is subject to Mythics' acceptance and to software licensing terms and conditions per reference to an existing license/contract or a newly executed license accompanying your order.

Mythics DUNS#: 013358002
Mythics Fed Tax ID# 54-1987871
CAGE CODE: 1TA34
NAIC: 423430

Support services are provided under Oracle's then current technical support policies located at: <http://www.oracle.com/support/policies.html>

You agree that Mythics has the right to cancel your support due to non-payment.

Media is available for download at no additional cost at <http://edelivery.oracle.com/>

In reliance on your order, Mythics will issue a non-cancellable order with its supplier for software or hardware products ordered.

Therefore all orders are non-cancellable

* Please note that the support for the products listed above will begin when Oracle processes this order. If you have a desired period of performance please make sure to discuss this with Mythics in advance delivering the purchase order.

Purchasing Instructions:

Please include the following statements in your order:

1. This order is placed pursuant to the terms and conditions of GSA Schedule #: GS-35F-0153M
2. Payment terms are: "License fees: Net 30, Support billed : Quarterly in Arrears")
3. Mythics Estimate Number: 4242014

Fax order to 757-412-1060 or email to: pscura@mythics.com

Please note this pricing is subject to final management approval.

LICENSE PAYMENT (net 30) \$370,830.00; INVOICE DUE DATE JUNE 20TH 2014

SUPPORT PAYMENT \$109,298.35; INVOICE DUE DATE *OCTOBER 1ST 2014

*customer was provided QIA payment terms but elected to pay support in total on October 1st 2014 per email on Thursday, April 24, 2014 at 4:13 PM from Jessica Kolb



Peter Scura
Direct: 757.493.3006
Fax: 757.412.1060
Email: pscura@mythics.com

Company Name: Clerk and Comptroller,
Palm Beach County
Contact: Tim Albino

Estimate Number: 04242014-S
Estimate prepared on: April 24, 2014
Valid thru: May 30, 2014

1439 N. Great Neck Rd. Suite 201

LICENSES AND SUPPORT

Item Nbr	Oracle Product Description	Term	Oracle License Type	Number of Licenses	Discounted Unit Price	Extended Price
1	Benefits Administration Software Update License and Support	Ending 9/26/2015	Employee	5000	\$ 6.59	\$ 32,944.55
2	Human Resources Software Update License and Support (to store employee data from HRIS)	Ending 9/26/2015	Employee	5000	\$ 14.34	\$ 71,702.80
3	HCM Portal Pack Software Update License and Support	Ending 9/26/2015	Employee	5000	\$ 0.93	\$ 4,651.00
A purchase order for this proposal must be accompanied with the associated license purchase order (4242014) by May 2014 in order in order to obtain the related concessions						
SUBTOTAL: ENDING 9/26/2015 SUPPORT & UPDATE RIGHTS						\$ 109,298.35
SUBTOTAL: ESTIMATED YEAR 2 SUPPORT & UPDATE RIGHTS						\$ 84,845.90
SUBTOTAL: ESTIMATED YEAR 3 SUPPORT & UPDATE RIGHTS						\$ 88,239.74
SUBTOTAL: ESTIMATED YEAR 4 SUPPORT & UPDATE RIGHTS						\$ 91,769.33
SUBTOTAL: ESTIMATED YEAR 5 SUPPORT & UPDATE RIGHTS						\$ 95,440.10
SUBTOTAL: ESTIMATED YEAR 6 SUPPORT & UPDATE RIGHTS						\$ 99,257.70
SUBTOTAL: ESTIMATED YEAR 7 SUPPORT & UPDATE RIGHTS						\$ 103,228.01
SUBTOTAL: ESTIMATED YEAR 8 SUPPORT & UPDATE RIGHTS						\$ 107,357.13
SUBTOTAL: ESTIMATED YEAR 9 SUPPORT & UPDATE RIGHTS						\$ 111,651.42
SUBTOTAL: ESTIMATED YEAR 10 SUPPORT & UPDATE RIGHTS						\$ 116,117.47
SUBTOTAL: FEE						
TOTAL*						\$1,007,205.14

Applicable State taxes will be added unless an exemption is provided.

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SUBJECT TO FINAL ORACLE APPROVAL

Peter Scura
Direct: 757.493.3006
Fax: 757.412.1060
Email: pscura@mythics.com

Company Name: Clerk and Comptroller, Palm Beach County
Contact: Tim Albro

Estimate Number: 04242014
Estimate prepared on: April 24th 2014
Valid thru: September 26th, 2014

1439 N. Great Neck Rd. Suite 201
Virginia Beach, VA 23454

LICENSES AND SUPPORT

Item Nbr	Oracle Product Description	Term	Oracle License Type	Number of Licenses	Discounted Unit Price	Extended Price
1	Database Enterprise Edition Update Rights and Product Technical Support	1 year (ending 9/26/2014)	Processor	4	\$ 5,026.45	\$ 20,105.80
2	Real Application Clusters Update Rights and Product Technical Support	1 year (ending 9/26/2014)	Processor	4	\$ 2,433.86	\$ 9,735.44
A purchase order for this proposal must be accompanied with the associated license purchase order in order to obtain the related concessions						
SUBTOTAL: ENDING 9/26/2014 SUPPORT & UPDATE RIGHTS					\$	29,841.24
SUBTOTAL: ESTIMATED YEAR 2 SUPPORT & UPDATE RIGHTS					\$	31,034.89
SUBTOTAL: ESTIMATED YEAR 3 SUPPORT & UPDATE RIGHTS					\$	32,276.29
SUBTOTAL: ESTIMATED YEAR 4 SUPPORT & UPDATE RIGHTS					\$	33,567.34
SUBTOTAL: ESTIMATED YEAR 5 SUPPORT & UPDATE RIGHTS					\$	34,910.03
SUBTOTAL: ESTIMATED YEAR 6 SUPPORT & UPDATE RIGHTS					\$	36,306.43
SUBTOTAL: ESTIMATED YEAR 7 SUPPORT & UPDATE RIGHTS					\$	37,758.69
SUBTOTAL: ESTIMATED YEAR 8 SUPPORT & UPDATE RIGHTS					\$	39,269.04
SUBTOTAL: ESTIMATED YEAR 9 SUPPORT & UPDATE RIGHTS					\$	40,839.80
SUBTOTAL: ESTIMATED YEAR 10 SUPPORT & UPDATE RIGHTS					\$	42,473.39
SUBTOTAL: FEE						
TOTAL*					\$	358,277.13

Applicable State taxes will be added unless an exemption is provided.

Additional Information:

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