



**BOARD OF SUPERVISORS  
AGENDA LETTER**

**Agenda Number:**

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Auditor-Controller  
**Department No.:** 061  
**For Agenda Of:** July 7, 2020  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

**TO:** Board of Supervisors  
**FROM:** Department Director(s) Betsy Schaffer, CPA, CPFO, Auditor-Controller  
Contact Info: Kyle Slattery, CPA, CPFO, Chief Deputy Controller  
**SUBJECT:** Agreement for Services of Independent Contractor with Guidehouse Inc. for  
Countywide Business Applications Needs Assessment and Other Services

**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: N/A

**Other Concurrence:** N/A

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to execute an Agreement for Services of Independent Contractor with Guidehouse Inc. (Guidehouse) for countywide business applications needs assessment (BANA) and other services for the period of July 1, 2020 through June 30, 2022 in an amount not to exceed \$989,653; and
- b) Determine that the proposed action is an administrative activity that does not involve commitment to any specific project, and therefore is not a project as defined by State California Environmental Quality Act Guidelines section 15378 (b)(5).

**Summary Text:**

This item is on the agenda to seek the Board’s approval of a contract with Guidehouse to perform the following four tasks, which collectively comprise the County’s BANA Project:

- Task #1: Business Applications Needs Assessment
- Task #2: Develop Plan of Action to Implement Solutions
- Task #3: Evaluation and Selection of Software and Implementation Vendors
- Task #4: Contract Negotiations

The consultant for the BANA Project was selected through a robust request for proposal (RFP) process that identified Guidehouse as technically superior and capable of providing the best value to the County.

**Background:**

The County’s general ledger system was internally developed by the Auditor-Controller’s Office in 1995. Through maintenance and upgrades, the system has evolved into a web-based application accessed by over 900 users to perform accounting tasks, process payments, and generate reports. The Auditor-Controller’s Office developed other countywide applications that have varying degrees of integration with the general ledger system, including the County’s budget and payroll systems. Given the core functions performed by these internally developed systems, the County has never acquired a countywide Enterprise Resource Planning system. This has resulted in a unique reliance on the Auditor-Controller’s Office to maintain and enhance certain countywide systems, while Departments have developed or acquired systems to meet other countywide or Department-specific business needs. Given the wide variety of business applications used by the County, not all systems are integrated. As a result, there is some degree of duplicative data storage, redundant procedures, and manual processes.

The BANA Project, which reflects many of the values of Renew ’22, seeks to guide the County to an innovative technological future. The consultant will conduct a comprehensive evaluation of the existing business applications in use throughout the County against the County’s business needs, best practices, and innovative technologies available in the market to deliver a BANA Report (Task #1). Based on the recommendations selected by the County, the consultant will develop a comprehensive plan of action to implement recommended solutions (Task #2). The consultant will then manage most aspects of the RFP, evaluation, and selection processes of prospective vendors for the purchase, installation, and implementation of software solutions (Task #3). The consultant will then assist the County in successfully negotiating contracts with the selected software and implementation vendors (Task #4). The completion of these tasks will prepare the County to implement the selected software solutions utilizing the services of the selected implementation vendors, however, implementation is not within the scope of this contract.

The robust RFP process that resulted in the selection of Guidehouse began in 2019 when the Auditor-Controller launched phase zero of the BANA Project (0-BANA) with the vision of providing a definitive, independent, and best-fitting process for selecting the BANA consultant. Over a period of nine months, 0-BANA provided the structure for meaningful stakeholder involvement in the RFP development and selection processes. This included the formation of a 39-member Stakeholder Team of financial and IT professionals from 21 County departments, from which seven Subcommittees formed to develop the RFP and a seven-member Evaluation Committee formed to evaluate proposals. The Stakeholder Team was guided by a Steering Committee comprised of four members of the County’s Executive Information Technology Council (EITC) and was supported with project management from staff in the Auditor-Controller’s Office. This effort produced a collaborative and transparent process carried out by a diverse and invested team focused on selecting the consultant that will provide the best value to the County. After a thorough and thoughtful evaluation process, the Evaluation Committee rated Guidehouse as technically superior and capable of providing the best value to the County. The recommendation to select Guidehouse was supported by the Steering Committee and approved by the EITC on April 28, 2020.

**Fiscal Analysis:**

Budgeted: Yes, funding for this agreement is provided in the fiscal year 2020-21 Adopted Budget for the Auditor-Controller Department General Fund.

**Key Contract Risks:**

Certain modifications to the County’s standard terms and conditions, as requested by the contractor in their proposal and through the process of negotiating mutually agreeable contract terms, were made to the Agreement. These include Standard of Performance (Section 7), Acceptance (Section 8), Records, Audits and Reviews (Section 15), Termination (Section 20), Time is of the Essence (removed), Business

Associate (removed), and Indemnification with a Limitation of Liability (Exhibit C). Attachment D to this Board Letter indicates the specific changes made. Modifications to the County's standard terms and conditions entails more contract risk. Staff from County Counsel, Risk Management, and Auditor-Controller have reviewed these modifications and provided their concurrence.

**Attachments:**

Attachment A: Agreement for Services of Independent Contractor

Attachment B: BANA RFP issued October 31, 2019 (excluding attachments)

Attachment C: Guidehouse Response to BANA RFP Dated December 13, 2019

Attachment D: Changes to Boilerplate Contract Text

**Authored by:**

Kyle Slattery, Chief Deputy Controller, Office of the Auditor-Controller