

**BOARD OF SUPERVISORS  
FINANCE/GOVERNMENT OPERATIONS AND  
ECONOMIC DEVELOPMENT COMMITTEE  
ACTION ITEM**

**SUBJECT:** CONTRACT RENEWAL/Offsite Data Hosting Services

**ELECTION DISTRICT:** Countywide

**CRITICAL ACTION DATE:** March 8, 2016

**STAFF CONTACTS:** Wendy Wickens, Information Technology  
Kevin Eppard, Information Technology  
Cheryl Middleton, Finance and Procurement

**PURPOSE:** To renew the contract for offsite data hosting services for the County's financial systems.

**RECOMMENDATION:** Staff recommends that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors (Board) that the Purchasing Agent be authorized to renew the contract for offsite data hosting services for Phases 1, 2 and 3 of the Oracle System, to OneNeck IT Solutions, LLC (OneNeck) in the estimated amount of \$1,250,000.

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**BACKGROUND:** On March 18, 2015, the Board authorized a one year contract award for offsite data hosting services with OneNeck in the estimated amount of \$936,086. The contract was awarded for the period of April 1, 2015 through March 31, 2016 with up to two additional one year renewal options. Staff is recommending that the Board authorize the first renewal option..

In January 2012, both the County and the Schools began the replacement of financial and procurement (Phases 1 and 3) and personnel/payroll (Phase 2) applications with an Oracle based solution. As a result of the negotiations with the chosen system integrator, AST Corporation (AST), the County chose to host and manage the physical hardware and software environments with an offsite vendor. The hosting services utilized to support the County's Oracle Enterprise Resource Plan (ERP) systems include the purchasing of all server and network hardware, operating system software as well as management and maintenance of the servers, networks, security and databases in a highly available, disaster recoverable environment. OneNeck was selected as the subcontractor to provide these services under the agreement with AST. The hosting services through AST ended in March 2015, which is when the County entered into a contract directly with OneNeck to continue to provide hosting services.

**ISSUES:** Staff is recommending that the Board authorize staff to exercise the first renewal option for the period of April 1, 2016 through March 31, 2017 under this contract with OneNeck so that staff does not have to divert resources from a successful implementation of Oracle Phase 2. Due to the complexities of completing the Phase 2 implementation and the level of effort required to research, award and migrate to a new hosting provider, staff is recommending that OneNeck continue to host the County's ERP system for, at minimum, the next year. Upon completion of the Phase 2 implementation, the County will begin reviewing all Oracle ERP hosting options. Typically, a review of hosting services should be performed every five years to ensure that the hosting environment utilized incorporates the most current hardware, software, security and environment at the most competitive rate.

The variance in cost from last year is a result of the increasing storage usage, in the normal course of business, for a metered (pay as you use) hosted solution as well as costs to provide the support to build out additional system high availability (system failure prevention) and provide system upgrade assistance. During the current contract period, staff increased the contract by approximately \$32,000, under staff award authority, in order to allow for additional metered back up services beyond what was allotted in the base amount of the contract.

**FISCAL IMPACT:** Sufficient funding is appropriated in the Department of Information Technology's FY 2016 operating budget for for the balance of services due an payable during FY 2016. The FY 2017 Proposed Budget includes \$1,250,000 for 12 months of hosting services. There is adequate funding to fund the entire proposed contract amount. No additional funding is being requested for this contract renewal.

**ALTERNATIVES:**

1. Recommend to the Board of Supervisors that the Purchasing Agent be authorized to renew the contract for offsite hosting services to OneNeck IT Solutions, LLC in the estimated amount of \$1,250,000.
2. Do not recommend the contract renewal and direct staff to issue a solicitation to select a new hosting provider. This option is not recommended at this time as the process to transition from OneNeck to another hosting provider is very complex and not recommended until after Phase 2 is complete and stabilized. This option would also require a temporary extension to the current contract, which expires March 31, 2016.

**DRAFT MOTIONS:**

1. I move that the Finance/Government Operations and Economic Development Committee recommend to the Board of Supervisors that the Purchasing Agent be authorized to renew the contract for offsite hosting services to OneNeck IT Solutions, LLC in the estimated amount of \$1,250,000.

OR

2. I move an alternate motion.