



F. d. Attachment 2

UPDATED: June 15, 2018

May 16, 2018

OCCC's Next Enterprise Resource Planning System: Campus Nexus by Campus Management

To: Board of Education

From: President Birgitte Ryslinge

OVERVIEW

ERP's provide the hardware and software infrastructure supporting all the key operations of organizations. In higher ed, these functions include student records and financial aid, all aspects of finance, human resources, and curriculum. Since 2008 OCCC has used an ERP developed by Rogue Community College (RogueNet) for an annual fee of approximately \$100,000 per year, along with the maintenance of local servers. Staff at the college have found RogueNet to increasingly fall short of operational needs, and to particularly create issues in obtaining accurate historical data after the move to PCC for educational services support. Beginning as early as 2015, there was discussion that a replacement would be required. A fund was established to set aside available dollars to address large scale future needs, such as replacing the ERP. The hope was that RogueNet could support us until independent accreditation was achieved. Two new circumstances caused us to accelerate the replacement process.

- In 2016, Rogue CC announced they would be discontinuing RogueNET in 3-5 years. In late 2017, that was amended to a hard end date of 06/20/2020.
- Beginning with our 2016 audit, OCCC received an audit deficiency related to inadequate internal controls in RogueNET.

PROCUREMENT PROCESS

In late 2016 OCCC joined an informal consortium with four other community colleges (Rogue, Clatsop, Blue Mountain, Columbia Gorge) to retain a consultant to complete a needs assessment for each college and develop an RFP for a new system that could be used by all five colleges. The funds for the initial consultant were provided by a grant from HECC/CCWD. As the college with the most developed procurement office, Rogue CC managed the initial RFP process. Campus Works was the successful bidder and completed the needs assessment and initial RFP development by June 2017.

The five colleges then worked together to finalize the RFP, which was again issued and managed by the Rogue CC procurement office. Development of scoring rubrics and a demonstration process was developed jointly by the five colleges. OCCC assembled a team of 8-10 subject matter experts to conduct our own assessments of the proposals. From the responses, four vendors were invited to move forward in the process and provide day long demonstrations of their products. Among those, Campus Management was the front-runner, and invited to return and complete further in-depth

demonstrations. The OCCC team has been actively engaged in all parts of the review process. After the second demonstrations, the five presidents agreed to move into contract negotiations with Campus Management.

PRCING AND CONTRACT NEGOTIATIONS

Campus Management’s proposal includes steep discounting of costs. Nonetheless, ERP systems are a large-scale investment even with discounting, and funding this investment at OCCC has been a key focus of financial planning over the last year. The readily available funds are the \$255,000 in the set-aside fund, and the annual budget of approximately \$115,000 currently allocated to RogueNET and other applications needed to augment RogueNET. An additional cost is paying for RogueNET while payments begin for the replacement, until the migration is complete. These financial realities have led the President and Chief of Finance and Operations to consider alternatives such as asking the Board to decrease the reserve policy from 15% to 10%; to seek financing over several years to spread out the cost of implementation; to seek grant funding in future years. These factors represented the environment for OCCC as President Ryslinge entered negotiations. Because of the consortium arrangement, negotiations were needed with Campus Management, as well as the other four presidents regarding how some costs might be shared. The two key costs of the system are implementation, and annual license fee. After contract negotiations with Campus Management, those were determined to be as follows:

Implementation \$6,000,000: (\$1.2 million per college, or other distribution agreed to by the colleges).

Annual License Fees: \$152,266 for OCCC

		SaaS License as Bid
	FTE	5 Schools
Blue Mountain	1,462	\$189,583
Clatsop	715	\$155,266
Columbia Gorge	606	\$155,266
Oregon Coast	272	\$152,007
Rogue	3,009	\$334,552
	6,064	\$986,674

Final College Agreement re Cost-sharing

OCCC proposed a model that distributed both implementation costs and annual license fees based on college size. After robust discussion, the five colleges accepted this model. Implementation will be allocated based on FTE only, and annual license fees will be prorated. Outcome for OCCC:

Implementation: \$304,418

Annual License Fee: \$108,534

Other Cost Impacting Agreements with Campus Management

1. 7-year contract, no annual price increase.
2. 2-year implementation costs spread over three years, first year lower, third year highest.
3. OCCC's integration needs with PCC are covered in the implementation (initially this was an additional \$57,000).
4. Locked in hourly rate (\$175) for additional implementation support, if needed.

LEGAL REVIEW OF THE CONTRACT

OCCC was one of three colleges completing a legal review by college counsel. The input of all three reviews was combined and presented to Campus Management as a single list of requests for changes and clarifications. The contract addendum was just received and will need greater review, but first review supports Campus Management statement that each request was addressed in their addendum.

RECOMMENDED ACTION

That the OCCC Board of Education direct the signing by President Ryslinge of the five contracts with Campus Management, incurring the following expenses over the next three years.

Implementation: \$310,628

Annual License \$108,534

Reserved Contingency hours (to be used if needed) 1000 hours @ \$175/hr. - \$175,000