



LAKE COUNTY FOREST PRESERVES
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Preservation, Restoration, Education and Recreation

DATE: April 7, 2016
MEMO TO: S. Michael Rummel, Chair
Finance and Administrative Committee
FROM: Mary E. Kann
Director of Administration

Agenda Item# 9.3

RECOMMENDATION: Approval of a Resolution awarding an Upgrade Services Agreement for the installation, configuration, and implementation of an Enterprise Document Management System to Hyland Software, Inc. (“Hyland”), Westlake, Ohio, in the Contract Price of \$87,211.48, and related agreements with Hyland.

STRATEGIC DIRECTION SUPPORTED: Organizational Sustainability.

FINANCIAL DATA: This project was originally budgeted in FY 11/12 under “Capital Outlay Computer Hardware” 19224100-805100-61813 and “Capital Outlay Computer Software” 19224100-805200-61813 with an estimate of \$317,400.00. The cost of implementing the software for an Enterprise Electronic Document Management System from Sire (the original contractor) was budgeted at \$240,000.00. The balance of this amount has been carried into this budget cycle in the amount of \$123,211.48.

BACKGROUND: In June, 2012, after a request for proposals process, the District entered into a contract with SIRE Technologies, Inc. (SIRE) of West Valley City, UT to provide an Enterprise Document Management System. The purpose of the system was to streamline the processes of creating documents, agenda creation and management, incorporation of financial documents and data from the MUNIS system, integration with GIS data, managing documents, adhering to document retention policies, and destroying documents. SIRE produced and supported its own “SIRE” software products.

In August, 2012, SIRE was acquired by Hyland Software, Inc. (Hyland). Hyland produces and supports its own brand of software, called “OnBase.” However, at the time, Hyland advised its clients that it would continue to support and develop SIRE software. In November, 2012, the Forest Preserve Board and Hyland approved an “Assumption and Amendment of Contracts” pursuant to which Hyland assumed all of SIRE’s obligations and rights under the SIRE contract, including the obligation to install and support SIRE software.

In 2013, during the third phase of the software implementation process, Hyland had difficulty meeting the agreed-upon terms of the original SIRE contract. Hyland spent the next year trying to find a solution that satisfied the original SIRE contract. During the same time period, Hyland made a business decision to no longer enhance or support SIRE software for any of its customers, including the District.

In 2014, the District sent Hyland a breach of contract letter. This facilitated a negotiation between the parties, during which several options were discussed. After these negotiations, Staff recommends (i) that the original SIRE agreement be terminated and that the parties release each other from further liability regarding that agreement and (ii) that the District approve new agreements with Hyland, pursuant to which Hyland will install and support new OnBase software for the District's document management system. The original SIRE contract had a contract price of \$215,940.60. Under that contract, the District paid to SIRE \$90,111 and \$2,618.12 for travel expenses. Under the new Hyland contracts, the District will not pay any amount for the new Hyland software. The contract price under the new Hyland contracts, of \$87,211.48, is for maintenance, implementation, and training, none of which was previously paid to SIRE. Also, the contract price will not be paid to Hyland until the maintenance, implementation, and training are complete.

REASON FOR RECOMMENDATION: Committee recommendation and Board approval are required in accordance with the District's Purchasing Policy.

REVIEW BY OTHERS: Executive Director, Chief Operations Officer, Director of Finance, Information Technology Officer, Purchasing Manager, Corporate Counsel.

PRESENTER: Mary Kann

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

**BOARD OF COMMISSIONERS
LAKE COUNTY FOREST PRESERVE DISTRICT
REGULAR APRIL MEETING
APRIL 12, 2016**

MADAM PRESIDENT AND MEMBERS OF THE BOARD OF COMMISSIONERS:

Your **Finance and Administrative Committee** presents herewith "A Resolution Awarding an Upgrade Services Agreement for an Enterprise Document Management System to Hyland Software, Inc. " and requests its approval.

FINANCE AND ADMINISTRATIVE COMMITTEE:

Date: 4-7-2016

Roll Call Vote: Ayes: ___ Nays: ___

Voice Vote Majority Ayes; Nays: 0

**LAKE COUNTY FOREST PRESERVE DISTRICT
LAKE COUNTY, ILLINOIS**

**A RESOLUTION AWARDING AN UPGRADE SERVICES AGREEMENT
FOR AN ENTERPRISE DOCUMENT MANAGEMENT SYSTEM
TO HYLAND SOFTWARE, INC.**

WHEREAS, the Lake County Forest Preserve District (the "District") desires to purchase services for the installation, implementation, configuration, and support of an enterprise document management system (the "Services"); and

WHEREAS, the Director of Administration and the Purchasing Manager have determined that the Services require personal confidence; and

WHEREAS, the District previously entered into contracts with SIRE Technologies, Inc. ("SIRE") for the Services (the "SIRE Agreement"); and

WHEREAS, in August, 2012, SIRE was acquired by Hyland Software, Inc. ("Hyland") and thereafter, Hyland assumed SIRE's rights and obligations under the SIRE Agreement and partially performed under the SIRE Agreement; and

WHEREAS, Hyland has submitted a proposal to the District (the "Proposal") to terminate the SIRE Agreement and to enter into new contracts with Hyland for the Services, including (i) the Mutual Termination Agreement, (ii) the Upgrade Services Agreement, (iii) the Software Maintenance Agreement, and (iv) Amendment to OnBase End User License Agreement in substantially the forms attached hereto; and

WHEREAS, the District's staff, the Purchasing Manager, the Director of Administration, and the Finance and Administrative Committee have reviewed the Proposal and recommend that the Board of Commissioners (i) find that the Proposal be determined to be the proposal that is most advantageous to the District; and (ii) award a contract for the Services to Hyland, including the Mutual Termination Agreement, the Upgrade Services Agreement, the Software Maintenance Agreement, and the Amendment to OnBase End User License Agreement in substantially the forms attached hereto (collectively, the "Contract") in the amount of \$87,211.48 (the "Contract Price"); and

WHEREAS, the Board of Commissioners hereby finds that the Proposal is the proposal that is most advantageous to the District;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Lake County Forest Preserve District, Lake County, Illinois, **THAT**:

Section 1: Recitals. The recitals set forth above are incorporated as a part of this Resolution by this reference.

Section 2: Award of Contract. The Contract in the amount of the Contract Price and in substantially the form attached hereto is hereby awarded to Hyland.

Section 3: Execution of Contract. The Executive Director of the District is hereby authorized and directed to execute the Contract for the Services in the amount of the Contract Price.

Section 4: Payments. The District Treasurer shall make payments under the Contract only pursuant to and in accordance with the Contract terms.

Section 5: Effective Date. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED this ____ day of _____, 2016.

AYES:

NAYS:

APPROVED this ____ day of _____, 2016.

Ann B. Maine, President
Lake County Forest Preserve District

ATTEST:

Julie Gragnani, Secretary
Lake County Forest Preserve District

Exhibit No. _____