



Board Agenda Item 27

DATE: January 28, 2025

TO: Board of Supervisors

SUBMITTED BY: Oscar J. Garcia, CPA, Auditor-Controller/Treasurer-Tax Collector

SUBJECT: Agreement with Workiva to Provide Financial Trial Balance/Workpaper Management Cloud-Based Application

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute an Agreement with Workiva, including the Main Terms and Conditions, a Statement of Work, and an Order, for financial trial balance and workpaper management cloud-based application effective when signed for a subscription term of January 28, 2025, through January 27, 2028, with two optional one-year renewals of the subscription term through January 27, 2030, for an amount not to exceed \$565,591.

The proposed agreement with Workiva provides a cloud-based application, in the form of a Software as a Service (SaaS) platform, that offers tools and capabilities designed for the efficient management of adjusting entries and trial balances. This platform will support the Auditor-Controller/Treasurer-Tax Collector (ACTTC) in preparing the Annual Comprehensive Financial Reports and other essential financial statements. Additionally, it will serve as a critical tool for audit and risk management activities by facilitating audit processes with the help of artificial intelligence (AI).

A Request for Proposal (RFP) process was conducted by ACTTC, resulting in two proposals. An evaluation committee selected Workiva as the preferred vendor due to the platform's strong automation capabilities, which enhance financial reporting and audit workflows.

ALTERNATIVE ACTION(S):

Your Board may choose not to approve the recommended action. If the recommended action was not approved, ACTTC would need to revert to its previous system, which lacks cloud-based functionality and requires considerably more processing time.

FISCAL IMPACT:

There is no increase in Net County Cost (NCC) associated with the recommended action. The total compensation under the agreement is capped at \$565,591, which includes access to the financial and audit modules, as well as their implementation. Sufficient appropriations are included in the Department's Org 0410 Fiscal Year 2024-25 Adopted Budget and will be included in future budget requests as needed.

DISCUSSION:

The RFP for a financial trial balance and workpaper management solution was issued on July 16, 2024. After addressing follow-up questions and releasing an addendum, the RFP closed on August 12, 2024. Two proposals were received and subsequently reviewed by a three-member evaluation committee from

ACTTC. Each committee member reviewed the proposals independently, followed by a meeting to discuss their findings. The committee arranged for demonstrations from both vendors, which took place on September 6 and September 13, 2024, respectively. Following these demonstrations, Workiva was ranked highest.

Workiva's proposal and demonstration showcased a highly automated platform with robust financial reporting and audit features. Key features include:

- Financial Reporting: Automated updates for linked numbers, minimizing manual entry errors and optimizing report accuracy. Additionally, an integrated notification system alerts reviewers when comments are made, facilitating timely updates and enhanced document management.
- Audit Management: Real-time task tracking, risk assessment tools, and project workflow visualizations improve audit processes and task accountability. The platform's use of generative AI offers tools for automating routine tasks, promoting further efficiency.

Despite Workiva's higher costs—particularly due to a 5% annual license fee increase and elevated implementation fees—the evaluating committee recommends moving forward with this agreement. The enhanced automation, reduced error rates, and real-time tracking capabilities are expected to yield long-term efficiencies that justify the cost. Furthermore, the generative AI component positions the solution as adaptable for future needs, providing a degree of innovation not available in competing platforms.

The proposed agreement includes several provisions required by Workiva that are common in software agreements, including software agreements that the County has previously entered. But these provisions are not usually included in the County's other service agreements. These provisions include:

- Most County agreements require the vendor to indemnify the County for losses resulting from the vendor's performance or failure to perform. Workiva will only indemnify the County for claims alleging that the County's data infringes on a third party's intellectual property, and limits Workiva's liability for such indemnity to the amount of the fees paid or payable by the County during the 12 months before the claim. This kind of limitation is common software agreements, including software agreements that the County has entered previously.
- The proposed agreement does not require Workiva to carry the insurance coverages usually required by the County.
- The proposed agreement does not include the Data Security Exhibit that is typically part of some of the County's software agreements. However, prior to the presentation to the Board, the Internal Services Department has conducted a software assessment of the SaaS solution and found it acceptable for use.
- The proposed agreement grants Workiva the right to use the County's name and/or logo in Workiva's marketing materials, social media, and websites.

If the County provides Workiva with any feedback regarding the software application, the County grants Workiva a perpetual, irrevocable, royalty-free, fully paid-up worldwide license to use that feedback in any way. This is common in software agreements.

The ACTTC has considered these provisions in consultation with Risk Management and believes they are acceptable here.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with Workiva

CAO ANALYST:

Paige Benavides