



City of Sacramento City Council

915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 12/13/2011

Report Type: Consent

Title: Agreement: Enterprise Performance Management (EPM)

Report ID: 2011-01001

Location: Citywide

Recommendation: Adopt a Resolution: 1) authorizing the City Manager or his designee to execute a supplemental agreement with RCW Services Inc. in the amount of \$50,000 to assist in development and maintenance of the City's EPM system, for a total not-to-exceed amount of \$198,600 and a term limit through July 1, 2013; and 2) resetting the City Manager's authority to issue additional supplemental agreements for City Agreement 2009-0987.

Contact: Dawn Holm, Budget Manager, (916) 808-5574, Finance Department

Presenter: None

Department: Finance

Division: Budget Office

Dept ID: 06001411

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Resolution
- 4-Exhibit A-Supplemental Agreement with RCW Services

City Attorney Review

Approved as to Form
Marcos A. Kropf
12/2/2011 9:23:34 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
11/30/2011 4:43:54 PM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 12/1/2011 12:17:16 PM



Description/Analysis

Issue: In Fiscal Year (FY) 2008/09 the City implemented EPM, a new PeopleSoft budget preparation system as part of the larger Electronic Citywide Accounting and Personnel System (eCAPS) project. This tool has been used for budget development starting with the FY2009/10 Budget. Ultimately, EPM will improve the automation and standardization of the budget process, increase efficiencies, and provide more accurate and timely budget related information. However, while the Department of Finance has been able to produce annual Budgets in a timely manner, there are a number of critical areas including training, budget reporting, model design, and preparation for the upcoming eCAPS software upgrade (A07000600) that the City does not currently have the expertise to address. The president of RCW Services, Inc. was the lead consultant during the EPM implementation and his vast PeopleSoft experience and familiarity with the City's data makes this company the best choice to provide the required services for the City. Therefore, the Finance Department recommends that the City execute Supplemental Agreement #3 with RCW Services Inc. to provide the system improvements and necessary training.

Policy Considerations: The Mayor and City Council have adopted a policy of fiscal sustainability. The final implementation of EPM and related training and development is critical to preparing the annual budget.

Environmental Considerations:

California Environmental Quality Act (CEQA): This recommendation does not constitute a "project" and therefore is exempt from the California Environmental Quality Act (CEQA) according to Section 15061 (b)(1) and 15378 (b)(3) of the CEQA guidelines.

Sustainability: Not applicable

Commission/Committee Action: Not applicable

Rationale for Recommendation: The EPM tool is essential for the preparation of the annual budget. The City does not currently have the expertise to complete the necessary improvements and training related to the EPM tool. To address these critical needs the Department of Finance recommends the City Council approve a supplemental agreement in the amount of \$50,000 with RCW Services Inc. to provide these services.

Financial Considerations: There are adequate resources within the Department of Finance's FY20011/12 operating budget for the recommended supplemental agreement.

Emerging Small Business Development (ESBD): Not applicable

Background

- October 27, 2009, Council approved Agreement 2009-0987 with RWC Services, Inc. (Resolution 2009-671) to provide assistance with the design and implementation of the City's Enterprise Project Management (EPM) System for preparing annual budgets. The terms of this agreement expired on November 2, 2010, with a not-to-exceed amount of \$123,600.
- October 11, 2010, Supplemental Agreement #1 was executed extending the term of the agreement to July 31, 2011, and increasing the contract amount by \$25,000. The scope of services was amended to provide support to the Budget office for preparation of the FY2012/13 budget documents, create and/or update reports, and continue crosstraining Budget and Information Technology staff in the use of Crystal Reports and Ascential software.
- October 5, 2011, Supplemental Agreement #2 was executed extending the term of the agreement to December 31, 2011, to allow more time for staff training.



RESOLUTION NO.

Adopted by the Sacramento City Council

December 13, 2011

APPROVING SUPPLEMENTAL AGREEMENT #3 WITH RCW SERVICES, INC.

BACKGROUND

- A. The Department of Finance implemented a new Budget preparation system in FY2008/09, Enterprise Project Management (EPM). The system was successfully implemented, but there are still some critical staff training and technical improvements that need to be made to the EPM tool.
- B. The City does not currently have the expertise to make the needed improvements or provide staff training in EPM.
- C. RCW Services, Inc.'s vast PeopleSoft experience and familiarity with the City's data makes this company the best choice to provide the required services for the City in a timeframe necessary to produce the FY2012/13 budget.
- D. The Finance Department has recommended that the City enter into a supplemental agreement with RCW Services Inc. to make the needed system improvements and to provide the related staff training.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager or his designee is hereby authorized to execute Supplemental Agreement #3 in the amount of \$50,000 with RCW Services Inc., attached hereto as Exhibit A, for a total not-to-exceed amount of \$198,600 and a term limit through July 1, 2013.
- Section 2. The previous supplemental agreements to City Agreement 2009-0987 with RCW Services, Inc. are ratified and the City Manager's authority to issue additional supplemental agreements for City Agreement 2009-0987 is reset.

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Exhibit A – Supplemental Agreement



SUPPLEMENTAL AGREEMENT

Project Title and Job Number: Preparation of FY2010/11 Budget
Purchase Order #:

Date: 12/13/2011
Supplemental Agreement No.: 3

The City of Sacramento ("City") and RCW Services, Inc. ("Consultant"), as parties to that certain Consultant and Professional Services Agreement designated as Agreement Number 2009-0987 , including any and all prior supplemental agreements modifying said agreement (said agreement and supplemental agreements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The scope of Services specified in Exhibit A of the Agreement is amended as follows:
 - A. Provide support to Budget Office for preparation of FY2012/13 Budget documents.
Assist with FY2012/13 Budget Module set-up.
Create and/or update reports.
Continue cross-training Budget & IT employees in the use of Crystal Reports and Ascential software.
 - B. The term of the Agreement specified in Paragraph 9 of Exhibit D is extended to July 1, 2013.
2. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Agreement for payment of Consultant's fees and expenses, is **increased \$50,000**, and said maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	\$123,600
Net change by previous supplemental agreements:	\$25,000
Not-to-exceed amount prior to this supplemental agreement:	\$148,600
Increase by this supplemental agreement:	50,000
Not-to exceed amount including all supplemental agreements:	\$198,600

3. Consultant agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Consultant for any and all direct and indirect costs that may be incurred by Consultant in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Consultant.
4. Consultant warrants and represents that the person or persons executing this supplemental agreement on behalf of Consultant has or have been duly authorized by Consultant to sign this supplemental agreement and bind Consultant to the terms hereof.
5. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Consultant shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this supplemental agreement.

Approval Recommended By:

Approved As To Form By:

Project Manager

City Attorney

Approved By:

Consultant

Approved By:

Attested To By:

Leyne Milstein, Director of Finance
For: John F. Shirey, City Manager

City Clerk