

Meeting Date: 7/23/2013

Report Type: Consent

Report ID: 2013-00579

Title: Supplemental Agreement Number 5 for RCW Services Inc. for the City's Enterprise Performance Management (EPM) System

Location: Citywide

Issue: The City does not have the required expertise and knowledge to complete the implementation of the Hyperion EPM system necessary to develop the City's annual budget.

Recommendation: Pass a Motion 1) authorizing the City Manager or his designee to execute Supplemental Agreement No. 5 in the amount of \$179,320 with RCW Services Inc., to assist in the implementation, development, and training of the City's new EPM system, for a total not-to-exceed amount of \$402,920; and 2) resetting the City Manager's authority to issue additional supplemental agreements to City Agreement 2009-0987.

Contact: Leyne Milstein, Director, (916) 808-8491; Dawn Holm, Budget Manager, (916) 808-5574, Department of Finance

Presenter: None

Department: Information Technology / Finance Department

Division: IT Business Management

Dept ID: 07001011

Attachments:

1-Description/Analysis

2-Background

3-Supplemental Agreement #5

City Attorney Review

Approved as to Form
Steve Itagaki
7/18/2013 2:34:18 PM

City Treasurer Review

Reviewed for Impact on Cash and Debt
John Colville
7/17/2013 3:32:13 PM

Approvals/Acknowledgements

Department Director or Designee: Maria Macgunigal - 7/18/2013 12:07:22 PM

Description/Analysis

Issue Detail: In Fiscal Year (FY) 2013/14 the City will be implementing a new Enterprise Performance Management (EPM) application, as part of the Electronic Citywide Accounting and Personnel System (eCAPS) project. The new implementation is based on Oracle recently announcing that they will no longer be investing and supporting PeopleSoft Enterprise Performance Management (EPM), currently being used by the City for budget development. In place of PeopleSoft EPM, Oracle acquired Hyperion EPM application software which is Oracle's new budget development system. Hyperion will be used by the City for budget development beginning with the FY2014/15 budget.

The City does not currently have the required expertise and knowledge to complete the implementation. The president of RCW Services, Inc. has been the lead consultant during both EPM implementations (see Attachment 2 for additional information), and his vast experience and familiarity with the data make this company the best choice for the completion of this project. Therefore, the Information Technology and Finance Departments recommend that the City execute Supplemental Agreement No.5 with RCW Services Inc. to provide the system implementation and necessary training.

Policy Considerations: The final implementation of EPM and related training and development is critical to preparing the annual budget.

Economic Impacts: None.

Environmental Considerations: None.

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The EPM application is essential for the preparation of the annual budget. The City does not currently have the expertise and knowledge to complete the implementation and training required. To address these critical needs, the Information Technology and Finance Departments recommend the City Council approve a supplemental agreement in the amount of \$179,320 with RCW Services Inc. to provide these services.

Financial Considerations: There are adequate resources within the PeopleSoft System Upgrade Project (A07000600) 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 PeopleSoft Enterprise Performance 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 No. 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 Fiscal Year (FY) 2012/13 budget documents, create and/or update reports, and continue cross training Budget and Information Technology staff in the use of Crystal Reports and Ascential software.
- October 5, 2011, Supplemental Agreement No. 2 was executed extending the term of the agreement to December 31, 2011, to allow more time for staff training.
- December 13, 2011 Supplemental Agreement No. 3 was executed extending the term of the agreement to July 1, 2013 and increasing the contract by \$50,000, for a total not-to-exceed amount of \$198,600.
- On May 29, 2012 the City entered into an agreement with Graviton Consulting Services, Inc. for the upgrade of the PeopleSoft version 8.9 to the latest supported version for the City's financial and human resources enterprise system known as the City's electronic Citywide Accounting and Personnel System (eCAPS). Following the agreement with Graviton, Oracle announced that it will no longer support the PeopleSoft Enterprise Performance Management (EPM) module that is used by the City for budget development. In its place, Oracle has acquired the Hyperion software application. Staff has determined that switching to the Hyperion software application will result in efficiencies and ultimately reduce costs if done in conjunction with eCAPS upgrade project.
- July 1, 2013 Supplemental Agreement No. 4 was executed extending the term of the agreement to December 31, 2015, and increasing the contract by \$25,000, for a total not-to-exceed amount of \$223,600. The scope of services was amended to provide support to the Budget office for preparation of the FY2013/14, FY2014/15, and FY2015/16 budget documents, assist with FY2014/15 and FY2015/16 budget module set-up and report maintenance, and continue cross-training Budget and IT employees in the use of Hyperion and Essbase software.

SUPPLEMENTAL AGREEMENT

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

Date:

Purchase Order #:

Supplemental Agreement No.:

The City of Sacramento ("City") and RCW Services Inc. ("Contractor"), as parties to that certain Professional Services Agreement designated as Agreement Number 2009-0987, including any and all prior supplemental agreements modifying the agreement (the 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. Additional services required to complete the implementation, development, testing, and training of the new EPM system for the FY2014/15 budget cycle. The additional services will provide the necessary knowledge transfer to both IT and Budget Office staff by performing additional passes of the application, finalization of reports, dedicated support at go-live and during budget cycle, and the budget book publication.

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 Contractor's fees and expenses, is increased by 179,320, and the Agreement's maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	<u>123,600</u>
Net change by previous supplemental agreements:	<u>100,000</u>
Not-to-exceed amount prior to this supplemental agreement:	<u>223,600</u>
Increase by this supplemental agreement:	<u>179,320</u>
New not-to exceed amount including all supplemental agreements:	<u>402,920</u>

3. Contractor 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 Contractor for any and all direct and indirect costs that may be incurred by Contractor 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 Contractor.

4. Contractor warrants and represents that the person or persons executing this supplemental agreement on behalf of Contractor has or have been duly authorized by Contractor to sign this supplemental agreement and bind Contractor 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 Contractor 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:


Contractor

Attested To By:

Approved By:

City of Sacramento

City Clerk