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REPORT TO COUNCIL
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
December 12, 2006

Honorable Mayor and
Members of the City Council

Title: Agreement: Quality Assurance (QA) Services for the eCAPS (electronic Citywide Accounting and Personnel System) Project AB81

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** authorizing the City Manager to execute a professional services agreement with Pacific Group Consulting for quality assurance consulting services for the eCAPS Project (AB81), for an amount not to exceed $353,208.

Contact: Stephen R. Ferguson, Chief Information Officer, 808-8600
Russell Fehr, Director of Finance, 808-5832
Geri Hamby, Director of Human Resources, 808-7173
Reina Schwartz, Director of General Services, 808-7195

Presenters: None

Department: City Manager's Office - Support Services

Division: Administration

Organization No: 1111 (Finance), 1511 (HR), 1311 (IT), and 3111 (General Services)

Description/Analysis

Issue: The City of Sacramento has initiated an Enterprise Resource Planning (ERP) Project, now officially known as eCAPS, which will result in the acquisition and implementation of a software system to replace the legacy city-wide systems for Financial and Human Resources (HR)/Payroll administration. Due to the scope, magnitude of investment, and critical importance of the eCAPS Project, Staff has identified the need to independently monitor and track the implementation progress of the eCAPS project.

Policy Considerations: This recommendation is in accordance with the FY-2006/07 Approved Budget Document's Strategic Planning Process. In particular, this recommendation is consistent with the Sustainable Budget Concept that includes the following areas:

- Use one-time resources strategically
- Continuous evaluation for efficiencies and effectiveness
- Identify return on investment and impacts; fiscal and social benefits

Environmental Considerations: The report concerns administrative activities that will not have a significant effect on the environment, and does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3);15378(b)(2)].

Rationale for Recommendation: To protect the City's large investment in this critically important project, Staff has identified a need to independently monitor and track the implementation progress to ensure the work on the eCAPS Project is being performed according to the scope and design of the project. By having an independent QA consultant, Pacific Group Consulting, will help ensure the success of the project by providing QA management and oversight on the implementation and development of the project.

Financial Considerations: The current estimate for the total eCAPS project including consulting services contract, acquisition of hardware and software, and backfill staffing is approximately $22-25 million. In February 2006 City Council approved the allocation of $14.6 million of accumulated departmental carryover for the majority of the General fund portion of the project. These funds will cover FY 2006/07 costs associated with the recommended agreement that will authorize execution of a contract with Pacific Group Consulting for an amount not to exceed $353,208.

Emerging Small Business Development (ESBD): Pacific Group Consulting is not a City certified E/SBE firms.

Respectfully Submitted by: Ignacio Estevez, Program Manager

Approved by: _____
Stephen R. Ferguson
Chief Information Officer

Recommendation Approved:

for _____
Ray Kerridge
City Manager

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Attachment 1

Background

On February 7, 2006, City Council Adopted a Resolution (2006-106) that approved establishing a Capital Improvement Project (AB81) and appropriated $14.6 million of General Fund department carryover to fund the General Funded portion of the Human Resources/Financial System Replacement.

On October 24, 2006, City Council adopted Resolution (2006-785) that authorized the purchase of a software license from Oracle, Inc., and the installation and implementation of the ERP system by CherryRoad Technologies.

On August 1, 2006, Staff released a Request for Proposal (RFP) inviting proposals from qualified firms to provide QA consulting services for the City's eCAPS Project. The recommendation from staff to award a contract with Pacific Group Consulting, follows an extensive four (4) month selection process. The process was completed by a management appointed proposal evaluation team consisting of the City's Auditor, and three of the four project sponsors (IT, HR, and Finance). The team reviewed eight (8) original proposals, verified vendor references, and conducted interviews for the top three finalists. Pacific Group Consulting presented the most comprehensive and thorough approach to the QA process. Pacific Group Consulting will independently monitor and report to the Project Steering Committee on the quality of work done by the City and the consultants in implementing the new ERP system.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

AGREEMENT WITH PACIFIC GROUP CONSULTING FOR QUALITY ASSURANCE SERVICES FOR THE ECAPS PROJECT (AB81) IN AN AMOUNT NOT TO EXCEED $353,208

BACKGROUND

A. The City of Sacramento has initiated an Enterprise Resource Planning (ERP) Project, now officially known as eCAPS, which will result in the acquisition and implementation of a software system to replace the legacy city-wide systems for Financial and Human Resources/Payroll administration. Current estimated project costs are $22-25 million.

B. On October 24, 2006, City Council adopted Resolution (2006-785) that authorized the purchase of a software license from Oracle, Inc., and the installation and implementation of the ERP system by CherryRoad Technologies.

C. On August 1, 2006, Staff released a Request for Proposal (RFP) inviting proposals from qualified firms to provide quality assurance (QA) consulting services for the City's eCAPS Project. City received eight proposals which were reviewed by an evaluation team consisting of the City's Auditor, and three of the four project sponsors (IT, HR, and Finance). The team verified vendor references and conducted interviews for the top three finalists. Pacific Group Consulting presented the most comprehensive and thorough approach to the QA process.

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

Section 1. The City Manager is authorized to execute a Consultant and Professional Services Agreement with Pacific Group Consulting for quality assurance services for the eCAPS Project (AB81), for an amount not to exceed $353,208.