

RESOLUTION NO. 2006-107

Adopted by the Sacramento City Council

February 7, 2006

AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH GOVERNMENT FINANCE OFFICERS ASSOCIATION FOR AN AMOUNT NOT TO EXCEED \$283,107 TO PROVIDE ERP SYSTEM PLANNING

BACKGROUND

- A. The City of Sacramento intends to initiate an ERP Project which will result in the acquisition and implementation of a software system to replace the legacy city-wide systems for Financial and HR/Payroll operations. City managers and staff have determined that better integration of financial data and improved capacity to support activity-based cost accounting is needed. The City is also seeking better integration and compatibility with other internal legacy systems.
- B. ERP software functions as the main software system for all areas of an enterprise. Through the promotion of best business practices and the use of a single database, Enterprise software:
- Maximizes efficiencies
 - Improves reporting capabilities
 - Streamlines the flow of information throughout an organization
- C. The City has identified the following business needs, concerns, and requirements:
- Existing business software architecture is obsolete, and no longer supported by vendor
 - Budget and planning tools inadequate to support current planning needs
 - Finance system modules no longer meet current business management needs
 - Human Resources system modules do not provide adequate support for standard Public Sector Human Resources and Payroll functions
 - Projects management and cost accounting management tools inadequate for present needs
 - Management reporting capability inadequate to support real-time decision making
- D. On December 13, 2005, City staff released a Request for Proposal (RFP) for consulting services to assist City staff in the planning and staging phase of the

ERP System Project. Nearly 100 firms downloaded the RFP from the City's web site, and 7 submitted proposals. A team of city staff from the Finance, HR, and

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IT Departments evaluated the proposals and concluded that the proposal from Government Finance Officers Association (GFOA) best met the City's needs in providing ERP System planning and selection consulting services. This Consultant and Professional Services Agreement will be financed from departmental budget carryover previously released.

- E. The contract with GFOA includes 14 specific fixed price deliverables for a fee of \$219,870 as well as professional contract negotiations support for a fee not to exceed \$37,500. Additionally, we are requesting a contingency of \$25,737 to cover unanticipated costs for a total of \$283,107.

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 GFOA for ERP System Planning for an amount not to exceed \$283,107.

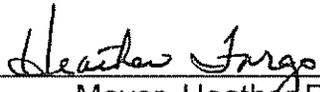
Adopted by the City of Sacramento City Council on February 7, 2006 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.



Mayor, Heather Fargo

Attest:



Shirley Concolino, City Clerk