

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

98-537

SYNOPSIS -

AGENDA:

DECEMBER 7, 1998

SUBJECT:

CONTRACT WITH
NESTINGEN, INC. FOR
DATABASE
ADMINISTRATION
SERVICES

The Information Technology (IT) Department has an immediate and ongoing need for database administration services. These are highly technical skills that are not available internally and which are very scarce in the marketplace. Failure to provide these services will have a serious impact on the current PeopleSoft project, as well as other Client/Server projects that are planned for the coming months. The IT Department proposes to contract with Nestingen, Inc. (Carl Nestingen, President, 15076 Wildwood Drive, Clive, IA 50325) to provide database administration services and to train IT Department staff to assume those functions at the end of the proposed contract period.

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

FISCAL IMPACT -

This is projected to be a one-year contract renewable for a second year. The contract will span parts of three fiscal years. The fiscal impact for each year is shown below:

SUBMITTED BY:

MICHAEL ARMSTRONG
INFORMATION
TECHNOLOGY DIRECTOR

Fiscal Year 1998/1999
Nesting, Inc. - \$87,750
Management Recruiters - \$15,000
Fiscal Year 1999/2000
Nesting, Inc. - \$130,500
Fiscal Year 2000/2001
Nesting, Inc. - \$26,250

Funds for Fiscal Year 1998/1999 are available in the IT Department budget. (The primary source of funds will be salary savings from maintaining the Database Administrator position vacant. Other funds are available from savings we have achieved in other areas.) Funds for subsequent years have been included in the IT Department's budget requests for the affected years.

RECOMMENDATION -

Approval.

BACKGROUND -

The IT Department has had a need for database administration services since the inception of the PeopleSoft project. It is apparent that we will also need those services for other large systems that will eventually be implemented. The proposed reorganization of the IT Department includes a position of Database Administrator. That position will not be filled for the duration of the proposed contract.

No current staff member has the skills required to fill the Database Administrator position. Market research by Human Resources has revealed that these skills are scarce and in high demand. A major element of this contract is the transfer of technical knowledge to IT Department staff to allow us to perform these services in-house by the end of the contract period.

Database administration services are a key element of Client/Server system installation. We had previously contracted for the services of a Database Administrator on a half-time basis. This arrangement proved unsatisfactory and that relationship was ended. However, the need for those services continues to exist.

We were recently approached by a recruiting firm, Management Recruiters of Des Moines, who represented a highly qualified individual whose spouse had accepted a position in Des Moines. After substantial investigation, we determined that this individual was indeed well qualified for the work we have at hand. During interviews with this individual, we discovered that he wished to work as an independent contractor and that he had already incorporated for that purpose. After negotiation, the recruiting firm agreed to forgo their normal fee of 30 percent of the first year's compensation and would, upon payment of a flat fee of \$15,000, release this individual to contract directly with the City.

This will result in savings of approximately \$15,000 during the first year of the contract.

The IT Department recommends approval of the contract with Nestingen, Inc. for one year at the rate of \$65 per hour for approximately 1,800 hours, renewable for a second year at a rate of \$75 per hour for approximately 1,700 hours. The proposed contract costs are similar (within \$6,000) to the combined salary and benefit costs we would pay an employee in the Database Administrator position. These hourly rates compare very favorably with those paid to other consultants working on current projects.

The IT Department further recommends approval of payment of \$15,000 as a recruitment fee to Management Recruiters of Des Moines.

Note: There are substantial insurance requirements related to this contract. Additional coverage required by the City has been acquired by the recommended contractor and informal verification of this coverage has been received. However, required formal certifications from insurance carriers have not yet been received. This contract should be contingent upon the recommended contractor furnishing proof of required insurance.