COUNCIL COMMUNICATION
City Manager's Office

GENERAL INFORMATION

Agenda Date: 3/8/04   Communication No.: 04-118

Agenda Item Type: Resolution   Roll Call No.:

Submitted by: Merrill Stanley, Finance Director
                      Michael Armstrong, Chief Information Officer

SUBJECT—

Authorize the negotiation of a contract with Emerging Solutions to provide PeopleSoft support.

SYNOPSIS—

Authorizing the Finance and Information Technology departments to negotiate a contract with Emerging Solutions for ongoing maintenance and support of the City's accounting/financial software system (PeopleSoft) as detailed in the attached Statement of Work. The contract scope includes application, testing and trouble shooting support for current product service packs; training on new year-end accounting procedures, correction of current data integrity issues, and development of a user-friendly budget status report. These improvements are necessary in order to keep the PeopleSoft system functioning at a level that will provide maximum benefits to end users.

FISCAL IMPACT—

The cost of the contract, for the Financials (General Ledger, Accounts Payable, Accounts Receivable, Asset Management, Project Costing, Purchasing) applications is $146,880. This amount is a fixed fee bid and is available in the approved CIP budget.

RECOMMENDATION—

Approval

BACKGROUND—

On January 27, 2003, Council, following a competitive RFP process, approved a contract with Emerging Solutions to perform the upgrade of the City's PeopleSoft Financials system. This upgrade to the latest version of the software occurred between April 2003 and September 2003. The upgrade took the City from a client/server to a web-based system so that all users can now access the PeopleSoft system from the Internet.

Since "going live" on the new system in September 2003, we have encountered additional needs that were not anticipated prior to the upgrade. This upgrade resulted in vast changes to the system, not only to the end users due to functionality changes, but also to the technical support team in the IT Department.

PeopleSoft is an extremely complex application, requiring many years of training and experience to acquire the levels of expertise needed to maintain the City's system. The level of technical expertise required continues to grow with the complexity of the system, therefore, we have been forced to rely on "PeopleSoft experts" more than in the past. In addition, internal staff have had to be reassigned to other enterprise software maintenance to meet critical demands, thereby reducing the internal resources available to support PeopleSoft.

Emerging Solutions is intimately familiar with the city's current configuration of PeopleSoft and is clearly the best choice to continue to provide the expertise needed to accomplish the desired tasks. The introduction of a new vendor would require a steep learning curve to become familiar with the current system set-up and would not have the knowledge of issues encountered and addressed during the recent upgrade.

SOLUTIONS

EXHIBIT A

CODM012803

EMERGING SOLUTIONS STATEMENT OF WORK

This SOW sets forth the details of the services project and its delivery method between Customer and Emerging Solutions. This SOW provides a description of the scope of work, conditions, assignment of responsibilities, exclusions and phases. Signature of this SOW will represent the required authorization for Emerging Solutions to proceed with the Consulting Services under this SOW. This SOW will remain in effect until all tasks under this SOW are completed or until the termination date of the Services Agreement, whichever occurs first. Any changes to this SOW that may be required after signature will be executed solely through the Change Process procedures, outlined in the Agreement.

Scope of Work

The Customer has requested Emerging Solutions to help accomplish several initiatives. The table below lists the current initiatives and the estimated effort to complete these tasks. The actual work performed will be initiated and directed by the Customer's Project Manager.

Task	Description	Amount
Application of delivered PeopleSoft Fix packs, Service packs and Maintenance packs	During the course of the life cycle of a PeopleSoft product version, the software vendor mandates periodic updates. These updates require a series of labor intensive tasks to be performed. These tasks include the following: **Running Update Scripts** **Testing the System** **Issue resolution** **Coordination of databases and cut over to Production**	$ 72,120.00
Data Integrity and budget definition issues	Since the system go-live date of September 2003 The City has encountered several instances where the data has been out of sync. When this occurs several database queries need to be performed and database synchronization scripts need to be executed. Causes of this issue include: **Data Conversion anomalies** **Budget Definition omissions** **Data entry issues**	$ 32,880.00
PO Rollover	The PO rollover process migrates purchase orders from one budget period / year to a new budget period. This process is improved in the 8.4 version and The City requires delta training as well as some possible troubleshooting assistance.	$ 8,400.00
Misc nVision & Reporting Issues	This task includes updating and fine tuning existing reports currently used by The City. These reports were migrated from the earlier 7.02 version of PeopleSoft and a few of the reports need to be adjusted to adhere to a new versions table structure and to ensure reporting accuracy.	$ 4,800.00
P&L Report and other Custom reports	A new report was requested to provide an on-line source for budget to actual expenditure data by cost center. This report also provides an easy to use interface to accommodate the needs of the casual user of the PeopleSoft system.	$ 28,680.00
TOTAL		$ 146,880.00

The amounts above are the maximum billing amounts authorized under the Services Agreement.

SOLUTIONS

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EMERGING SOLUTIONS STATEMENT OF WORK

Hourly Fees

The services will be billed at an all inclusive time rate of $150 per hour for work on the customer's premises and $120 for work performed off the customer's premises. The all inclusive rate includes both consulting and travel expenses. Payment for all services under the Services Agreement shall not exceed $146,880.00 and could be less if the work is satisfactorily performed for less than the number of hours estimated in this Exhibit A.   Emerging Solutions shall charge the Customer for only the work actually performed.

Acceptance

CUSTOMER ACKNOWLEDGES THAT IT HAS READ, UNDERSTOOD AGREED TO THE EMERGING SOLUTIONS SERVICES AGREEMENT, DATED 02/01/2004.

City of Des Moines   Gnuco, LLC

                                                         d/b/a EMERGING SOLUTIONS,
LLC

By:_____   By:_____

Name: Eric A. Anderson   Name:_____

Title: City Manager   Title:_____

Date:_____   Date:_____