

Agenda Report

TO: CITY COUNCIL
THROUGH: FINANCE COMMITTEE

DATE: October 28, 2002

FROM: CITY MANAGER

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH ACUENT, INC., FOR SERVICES RELATED TO THE UPGRADE OF THE PEOPLESOFT FINANCIAL SYSTEM

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to enter into a contract with Acuent, Inc., in an amount not to exceed \$470,800 for services related to the upgrade of the PeopleSoft Financial System. Competitive Bidding is not required pursuant to City Charter Section 1002(F), contracts for professional or unique services.

It is further recommended that the City Council grant the proposed contract an exemption from the Competitive Selection process of the Competitive Bidding & Purchasing Ordinance, pursuant to P.M.C. Section 4.08.049(B), contracts for which the City's best interests are served.

BACKGROUND:

The City of Pasadena implemented PeopleSoft Financials (version 5.1) in August of 1997. The first upgrade (to version 7.01) was completed in July of 1999. It has been three years since the City last implemented a major release. The version currently in use by the City has not been fully supported by PeopleSoft since June 30, 2000. Remaining on an older version of the software was part of an effort to reduce system-related costs by maximizing the useful life of each version and extend the time between upgrade efforts. The City has opted to evaluate each upgrade individually versus implementing as they become available.

It is now necessary, however, to implement the current version (8.4) of PeopleSoft Financials so that the City may benefit from industry specific enhancements in addition to improved functionality and performance delivered by PeopleSoft. This upgrade includes significant changes, including movement to a web-based environment that will allow improved access to financial information for all of the system's 250+ users.

The level of effort necessary to implement a major upgrade of this type and its attendant risks are such that there is a need for the services of an outside consulting firm to assist with the project.

Rather than undertake a competitive selection process to identify a consulting firm to provide the needed services, it is recommended that the City Council award a contract to Acuent Inc. Acuent assisted the City with the successful implementation and subsequent upgrade of the PeopleSoft financial system and is an industry leader in this regard. Acuent is very familiar with the City's existing financial systems, including customizations as well as business processes. Utilizing another consultant unfamiliar with the configuration of the financial system in Pasadena and the City's business processes would likely result in additional costs. Acuent brings specific experience implementing 8.4 upgrades and has explicitly committed those experienced resources to the City's project. For these reasons, it is in the best interests of the City to exempt the proposed contract from the competitive selection process of the Competitive Bidding and Purchasing Ordinance.

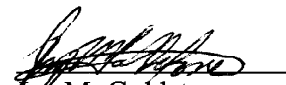
FISCAL IMPACT:

Funding for the PeopleSoft Financials upgrade project, including implementation consultant services is included in the 2002-08 CIP budget, project #71132 as well as in the Department of Finance's fiscal year 2003 operating budget.

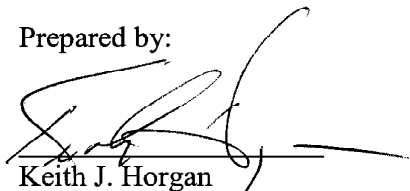
Respectfully submitted,


Cynthia J. Kurtz
City Manager

Approved by:


Jay M. Goldstone
Director of Finance

Prepared by:


Keith J. Horgan
Information Systems Analyst III