

Agenda Report

March 17, 2014

TO: Honorable Mayor and City Council

FROM: Department of Information Technology

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH RL ENTERPRISE CONSULTING, INC. TO PROVIDE PROJECT MANAGEMENT SERVICES FOR THE ENTERPRISE RESOURCE PLANNING PROJECT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed contract is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b) (3);
2. Find that the proposed contract is exempt from competitive selection pursuant to Pasadena Municipal Code Section 4.08.049; "best interests served by direct award"; and
3. Authorize the City Manager to enter into a purchase order contract with RL Enterprise Consulting, Inc. to provide project management services for the Enterprise Resource Planning (ERP) project in an amount not to exceed \$150,000 for a one-year period commencing the date the contract is fully executed with three optional one-year extensions for an amount not-to-exceed of \$150,000 each, subject to approval by the City Manager without further Council consideration. Competitive bidding is not required pursuant to City Charter Article X Section 1002(F), Contracts for professional or unique services.

BACKGROUND:

On November 25, 2013, City Council approved a recommendation to enter into a contract with Tyler Technologies, Inc. to furnish and deliver an Enterprise Resource Planning (ERP) system. In support of this project, City Council also approved the addition of six new at-will limited-term full-time equivalent (FTE) positions. One of these new positions is for the ERP Project Manager. This position is responsible for overall management and delivery of the entire project, which includes managing the Tyler

contract and all related professional services, executing the agreed upon statement of work, and monitoring the project timeline and budget.

Within that same agenda report, Rhonda Lee, who is a certified Six Sigma Black Belt with 12 years of experience implementing various multi-million dollar ERP systems across industries, was recommended for appointment into the new at-will ERP Project Manager position. Since that time, Ms. Lee has continued in her role as the ERP Project Manager, overseeing and directing the activities of the ERP implementation, ensuring the project stays on track and on budget and delivers a fully integrated system that will combine finance, budget, human resources, and payroll applications.

Ms. Lee currently operates her own firm, RL Enterprise Consulting, Inc., a sole proprietorship located in Beverly Hills, California. Originally, it was envisioned her continuance on the project would be through an appointment to the at-will ERP Project Manager position, however, during negotiations on the employment contract, it was determined that this was not the best fit long-term. So, it was mutually agreed upon by both parties, that a contract with RL Enterprise Consulting, Inc. would be a better vehicle for the City to receive project management services.

Staff is recommending authorization for the City Manager to enter into a purchase order contract with RL Enterprise Consulting, Inc. for an amount not to exceed \$150,000 for a one-year period commencing the date the contract is fully executed with three optional one-year extensions for an amount not to exceed \$150,000 each. Services will be billable twice monthly at a fixed flat rate of \$6,250 and will be tied to specific deliverables that will be measured and managed by the DoIT Program Management Office. Project management services from RL Enterprise Consulting, Inc. are expected to last through January 30, 2017, which is the date the ERP project is scheduled to be completed. However, either party may terminate the contract at any time. In contrast, the annual fully burdened cost for the ERP Project Manager position is \$154,439, so this engagement of services through a contract will result in some savings to the project.

With the contract through RL Enterprise Consulting, Inc., Ms. Lee will continue to use her extensive experience to guide and advise Tyler Technologies on what will be the best implementation strategy and schedule for the City. She will closely monitor the ERP project's progress and meet with the Executive Project Steering Committee twice a month to report on the project status and also provide quarterly status reports to the City Council through the Finance Committee.

COUNCIL POLICY CONSIDERATION:

This contract with RL Enterprise Consulting, Inc. supports the City Council's three year goal to improve, maintain and enhance public facilities infrastructure; to provide a high quality of public service, which adds to the quality of life in the City and increases its attractiveness through more efficient management of resources.

ENVIRONMENTAL ANALYSIS:

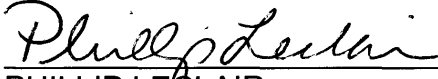
The proposed contract is exempt from CEQA per section 15061(b) (3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed action is for requirements assessment document and will not result in any new development or physical changes.

FISCAL IMPACT:

The maximum cost of this action will be \$600,000 over four years if the contract is renewed for the three additional one-year periods. However, it is anticipated that services will only be required through January 30, 2017, which is the date the ERP project is scheduled to be completed. Additionally, either party may terminate the contract at any time.


Annual funding for this action in the amount of \$150,000 will be addressed by the utilization of existing and future budgeted appropriations in the capital improvement project 71149, Enterprise Resource Planning System. The ERP Project Manager position is budgeted at \$154,439, so this action will result in net annual savings of almost \$4,500. It is anticipated that \$50,000 of the contract amount will be spent during the current fiscal year. There are no anticipated impacts to other operational programs or capital projects as a result of this action.

Respectfully submitted,




PHILLIP LECLAIR
Chief Information Officer
Department of Information Technology

Prepared by:



Deedy Alvarez-Sample
IT Manager – Program Management

Concurred by:



ANDREW GREEN
Director of Finance
Department of Finance

Approved by:



MICHAEL J. BECK
City Manager

TAXPAYER PROTECTION AMENDMENT

Under the provisions of the City of Pasadena Taxpayer Protection Amendment ("Taxpayer Protection Act"), the Contractor/Organization will be considered a "recipient of a public benefit." The full provisions of the Taxpayer Protection Act are set forth in Pasadena City Charter, Article XVII. Under the Taxpayer Protection Act, City public officials who approve this Contract are prohibited from receiving specified gifts, campaign contributions or employment from Contractor for a specified time. As well, if this Contract is to be approved by the City Council, Councilmembers or candidates for Council are prohibited from receiving campaign contributions during the time this Contract is being negotiated. This prohibition extends to individuals and entities that are specified and identified in the Taxpayer Protection Act and includes Contractor/Organization and its trustees, directors, partners, corporate officers and those with more than a 10% equity, participation, or revenue interest in Contractor/Organization. Contractor/Organization understands and agrees that: (A) Contractor/Organization is aware of the Taxpayer Protection Act; (B) Contractor/Organization will complete and return the forms provided by the City in order to identify all of the recipients of a public benefit specified in the Taxpayer Protection Act; and (C) Contractor/Organization will not make any prohibited gift, campaign contribution or offer of employment to any public official who negotiated and/or approved this Contract.

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name: RL Enterprise Consulting

2. Type of Entity:
 non-government nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

<u>Rhonda Lee, officer, President</u>

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

<u>Rhonda Lee, officer President</u>

Prepared by: Rhonda Lee
Title: President
Phone: 323-633-2449
Date: 3/5/14