

# Agenda Report

**ATTN:** FINANCE COMMITTEE  
**TO:** CITY COUNCIL

January 26, 1998

**FROM:** CITY MANAGER

**SUBJECT:** Amendment to Contract No.16,426 for Implementa-  
tion and Production Support Services to Increase  
Contract Amount from \$125,000 to \$602,685  
Amendment to Contract No.16,222 for Project  
Management Services to Increase Contract Amount  
from \$266,100 to \$316,100

**RECOMMENDATION:**

It is recommended that the City Council take the following actions:

Authorize the City Manager to enter into a contract amendment to Contract 16,426 with Datastudy, Inc. for implementation and production support services for the new financial management system that will increase the contract "not to exceed" amount by \$477,685 from \$125,000 to \$602,685.

Authorize the City Manager to enter into a contract amendment to Contract 16,222 with AEF Systems Consulting, Inc. for project management services for the new financial management system that will increase the contract "not to exceed" amount by \$50,000 from \$266,100 to \$316,100.

**BACKGROUND:**

On November 18, 1996 the City Council approved a contract with PeopleSoft, Inc. for \$482,000 for implementation, installation, and conversion of data services for the new financial management information system. Under this contract PeopleSoft completed work totaling \$351,000. On this date the City Council also approved a contract with AEF Consulting, Inc. for project management assistance.

PeopleSoft subcontracted part of the work to Datastudy, Inc. with the City's concurrence. The City and PeopleSoft agreed that it would be to the City's benefit if they contracted directly with Datastudy. On July 14, 1997 the City Council approved a contract with Datastudy, Inc. in the amount of \$125,000 to continue the implementation and to provide

production support services. Datastudy's rate would be \$140 per hour vs. \$175 per hour charged by PeopleSoft. The contract was awarded with the intent that Datastudy, Inc. would complete phase I of the implementation.

Currently, the City has implemented Phase I of the project or four of the modules (General Ledger, Accounts Payable, Project Costing, and Purchasing). Staff has begun work on Phase II which includes another four modules (Accounts Receivable/Billing, Inventory, Asset Management, and Budget). It is anticipated that the remaining modules except Budget will be fully implemented before the end of this fiscal year. Initially the implementation services would have been performed under the PeopleSoft contract and the production support would have been under Datastudy's contract. But because of the lower rate it was economical to have Datastudy do both functions. In order to complete Phase II of the project and to provide the production support needed it is necessary to increase the Datastudy contract.

AEF Consulting, Inc. was hired to do project management, process reengineering, interfaces, and documentation. AEF Consulting has been assisting with technical support to enable the City to meet its deadlines. Although this was not part of their scope of work it was necessary as there was not a staff person knowledgeable in this new technology. In order for AEF to complete the tasks associated with Phase II of the project it is necessary to increase this contract.

**FISCAL IMPACT:**

Charges under the PeopleSoft contract amounted to \$351,000 which left \$131,000. This savings will be used for the Datastudy contract. The remaining funds for the implementation services and project management are available in the FY1998 Capital Improvement Project Budget, Account Number 71896, Financial Management Systems. Funds for the production support are available in Budget Account 322000, Accounting & Analysis Division of the Finance Department.


Prepared by:

  
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Respectfully submitted,

  
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Approved by:

  
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