

STAFF REPORT*CITY OF OCEANSIDE*

DATE: January 23, 2008

TO: Honorable Mayor and City Councilmembers

FROM: City Manager's Office/ Information Technologies Division

SUBJECT: **APPROVAL OF AMENDMENT 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH PARTNERS CONSULTING SERVICES IN THE AMOUNT OF \$45,000 AND APPROVAL OF SOFTWARE AND HARDWARE UPGRADES FOR THE FINANCIAL SYSTEM IN THE AMOUNT OF \$150,000**

SYNOPSIS

Staff recommends that the City Council approve Amendment 2 in an amount not to exceed \$45,000 to the Professional Services Agreement with Partners Consulting Services for financial system software upgrades and training, to upgrade the technical requirements of the system; approve an expenditure of \$150,000, through an existing purchase order, to upgrade and convert the current JDE financial software and hardware to the Oracle system to meet the current needs of the City; and authorize the City Manager to execute the amendment.

BACKGROUND

On January 9, 2007, a professional services agreement with Partners Consulting Services for financial system software upgrades and training was administratively approved. On April 4, 2007, the City Council approved Amendment 1 to the agreement for additional software analysis and assessment. A complete system assessment has been performed on the Oracle system to document system inconsistencies including overdue software version upgrades as well as necessary hardware upgrades.

Upgrades of the Oracle Tools, Payroll Year End, 1099 Year End and Vertex tax software are necessary to enable the Finance Department to facilitate year end processes, as well as process required tax updates. The server infrastructure must also be upgraded to current standards to support the necessary database configuration. The back-up power system needs to be replaced to support the Oracle servers. If there was a power outage today there would not be enough time to switch the servers to a generator to avoid data corruption.

The original professional services agreement signed on January 9, 2007, was awarded through a bid process. A total of four companies participated in the Request for Proposal (RFP) process. Partners Consulting Services was the lowest hourly rate bidder of the four companies that participated in the RFP process.

ANALYSIS

The \$45,000 will pay for the necessary services to configure and install the upgrades for the Oracle Tools release, Payroll Year End software, 1099 Year End software, Vertex tax software, Microsoft Operating System 2007, upgrade SQL 2000 to 2005, and provide training. The \$150,000 will facilitate the purchase of several new computer workstations, a new back-up power system; new server to support the software upgrades, the newest version of SQL and the latest version of Microsoft Operating System 2007.

The hardware and software will be purchased through Dell, the City's sole-source vendor, through an authorized purchase order.

It is anticipated that the project will kick off within thirty days from the date the City Council approves the amendment. From the kickoff date, it is estimated the software upgrades and the upgrades to the hardware will take two months to configure, install, test, train and release.

Partners Consulting Services will provide a monthly bill outlining the work performed, and the cost of services, when applicable. The Financial Services Director and designated manager will be responsible to review and approve the monthly bill.

FISCAL IMPACT

The \$45,000 will pay for the necessary services to configure and install the upgrades for the Oracle Tools release, Payroll Year End software, 1099 Year End software, Vertex tax software, Microsoft Operating System 2007, upgrade SQL 2000 to 2005, and provide training. The \$150,000 will facilitate the purchase of several new computer workstations, a new back-up power system; new server to support the software upgrades, the newest version of SQL and the latest version of Microsoft Operating System 2007.

The cost of the professional services agreement and the hardware and software will be paid from the FY 2006-07 carry forward account (101.194200.5703) from the \$1.3M that was approved by the City Council for a new financial system.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

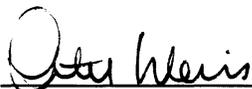
Staff recommends that the City Council approve Amendment 2 in an amount not to exceed \$45,000 to the Professional Services Agreement with Partners Consulting Services for financial system software upgrades and training, to upgrade the technical requirements of the system; approve an expenditure of \$150,000, through an existing purchase order, to upgrade financial software and hardware for the Oracle system to meet the current needs of the City; and authorize the City Manager to execute the amendment.

PREPARED BY:



Michael Sherwood
Chief Information Officer
Information Technologies Division

SUBMITTED BY:



Peter A. Weiss
City Manager



Teri Ferro
Co-author
Financial Services Director

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager _____

CITY OF OCEANSIDE
AMENDMENT No. 2 TO
PROFESSIONAL SERVICES AGREEMENT

PROJECT: Oracle Services No. 2

THIS AMENDMENT No. 2 TO PROFESSIONAL SERVICES AGREEMENT (hereinafter "Amendment") is made and entered into this 23rd day of January, 2008, by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and Partners Consulting Services, hereinafter designated as "CONSULTANT."

RECITALS

WHEREAS, City and Consultant are the parties to that certain Professional Services Agreement signed on January 9, 2007, hereinafter referred to as the "Agreement", wherein Consultant agreed to provide certain services to the City as set forth therein;

WHEREAS, the parties desire to amend the Agreement to provide for changes and/or modifications to the Scope of Work and the Compensation.

AMENDMENT

NOW, THEREFORE, as set forth herein, the parties hereto do mutually agree that the Agreement shall be amended as follows:

Scope of Work. Consultant shall provide Oracle technical and network configuration (CNC) services to include package builds, data refreshes, and environment synchronizations. Upgrade the Oracle Tools release, Payroll Year End software, 1099 Year End software, Vertex tax software, Microsoft Operating System 2007, upgrade SQL 2000 to 2005, and provide training to Finance personnel.

1. The agreed project cost not to exceed \$45,000 will pay for the necessary services to configure and install the upgrades for the Oracle Tools release, Payroll Year End software, 1099 Year End software, Vertex tax software, Microsoft Operating System 2007, upgrade SQL 2000 to 2005, and provide training. The Scope of Work for this Amendment No. 2 is attached as Exhibit A and incorporated by reference.
2. Except, as expressly set forth in this Amendment, the Agreement and Amendment No. No. 1 shall remain in full force and effect through April 30, 2008 and is hereby ratified and reaffirmed.

Amendment No. 2, Professional Services Agreement

SIGNATURES. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF the parties hereto being duly authorized on behalf of their respective entities to execute this Amendment, do hereby agree to the covenants contained in the Agreement, including this Amendment and have caused this Amendment to be executed by setting hereunto their signatures this _____ day of _____, 2008.

PARTNERS CONSULTING SERVICES

CITY OF OCEANSIDE

By: Wayne J. Plizga
Wayne J. Plizga
Sr. Vice President & CFO

By: _____
Peter A. Weiss, City Manager

By: _____
Name/Title
33-0939061
Employer ID No.

APPROVED AS TO FORM:
John P. Muller
City Attorney

NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Orange

On January 15, 2008 before me, Veronica Hussar, Notary
(Here insert name and title of the officer)

personally appeared Wayne J. Plizga

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Veronica Hussar
 Signature of Notary Public

(Notary Seal)



ADDITIONAL OPTIONAL INFORMATION

<p>DESCRIPTION OF THE ATTACHED DOCUMENT</p> <p><u>Amend. No. 2, Prof. Services Agr.</u> <small>(Title or description of attached document)</small></p> <p><small>(Title or description of attached document continued)</small></p> <p>Number of Pages <u>3</u> Document Date <u>01/23/2008</u> Part of a Staff Report dated 01/23/2008 <small>(Additional information)</small></p>
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<p>CAPACITY CLAIMED BY THE SIGNER</p> <p><input type="checkbox"/> Individual (s)</p> <p><input checked="" type="checkbox"/> Corporate Officer <u>Senior VP & CFO</u> <small>(Title)</small></p> <p><input type="checkbox"/> Partner(s)</p> <p><input type="checkbox"/> Attorney-in-Fact</p> <p><input type="checkbox"/> Trustee(s)</p> <p><input type="checkbox"/> Other _____</p>

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ✦ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ✦ Indicate title or type of attached document, number of pages and date.
 - ✦ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

EXHIBIT A

SCOPE OF WORK: JD Edwards Finance Technical Infrastructure Upgrade

The project is more particularly described as follows: Provide JD Edwards technical and network configuration (CNC) services to include package builds, data refreshes, and environment synchronizations. Upgrades of the JDE Tools, Payroll Year End, 1099 Year End and Vertex tax software are necessary to enable the Finance Department to facilitate year end processes, as well as process required tax updates. The server infrastructure must also be upgraded to current standards to support the necessary database configuration. The back-up power system needs to be replaced to support the JDE servers.

Requirements Time Line – Technical Upgrades			
Tasks	Estimated Time Required		
	Consultant		City Staff Days
	Days	Price	
1) Upgrade and provide support for 8/96 Tools Release	15	\$16,200	3
2) Install Payroll Year End ESU for W2's and Roll Overs	3	\$3,240	1
3) Install 1099 Year End ESU	1	\$1,080	1
4) Install New Vertex Upgrade	1	\$1,080	1
5) Acquire and Install new hardware (servers, drives, etc.)	5	\$5,400	1
6) Rebuild OS platform to Windows Server 2003 R2 (x64 Edition if hardware supports it)	1-2	\$1,080 - \$2,160	0
7) Upgrade SQL 2000 to 2005 (x64 Edition if hardware supports it)	1-2	\$1,080 - \$2,160	0
8) Re-organize drive space on the server. a) Will be some downtime while databases are detached and moved. If databases are not actively in use, there will be no issues. b) For the Server and Database upgrades there will also be	1	\$1,080	0

EXHIBIT A

Requirements Time Line – Technical Upgrades			
Tasks	Estimated Time Required		
	Consultant		City Staff Days
	Days	Price	
downtime. The whole project should be done over a weekend.			
9) Quality Control and rework a) Complete system test b) User Acceptance Testing c) Quality Control Review	5	\$6,600	5
10) Perform Server Upgrade to latest releases	5	\$5,400	1
TOTAL ESTIMATED EFFORT REQUIRED FOR COMPLETING ABOVE SCOPE⁽²⁾	38 - 40	\$42,240 - \$44,400	13

Notes:

- (1) Consultant's time is for a Sr. JDE consultant except where otherwise noted.
- (2) Estimates do not represent elapsed days, but overall level of effort based on a standard 8 hour work day.
- (3) Based on total amount as extended from the estimated above, the time of a Sr. JDE Financials consultant (@ \$165/hr) and a Sr. JDE Developer (@ \$135/hr). Costs assume use of local resources only with no travel expenditures expected.
- (4) The City of Oceanside will be invoiced for actual consultant's time expended at the rates quoted above.