

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING) RESOLUTION NO. 97-2511
AMENDMENT NO. 2 OF THE PUBLIC)
CONTRACT WITH PEOPLESOFT, INC.) Introduced by Mike Burton
FOR THE PROVISION OF CONSULTING) Executive Officer
SERVICES.)

WHEREAS, As described in the accompanying staff report, Metro and PeopleSoft, Inc. have entered into a multi-year contract for the provision of software and consulting services in support of the installation and implementation of a new management information system; and

WHEREAS, Metro requires specific technical and functional consulting services to support completion of the management information system project; and


WHEREAS, Metro wishes to amend the contract with PeopleSoft to provide the needed consulting services; and

WHEREAS, Metro Code section 2.04 requires Council approval for an amendment under the circumstances; and

WHEREAS, The resolution was submitted to the Executive Officer for consideration and is recommended to the Council for approval; now therefore,

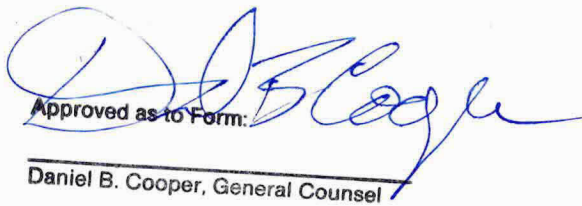
BE IT RESOLVED, That the Metro Council authorizes the Executive Officer to execute amendment No. 2 to the PeopleSoft, Inc. contract attached as exhibit "A."

ADOPTED by the Metro Council this 12th day of June, 1997.



Jon Kvistad, Presiding Officer

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Approved as to Form:

Daniel B. Cooper, General Counsel

Exhibit "A"

AMENDMENT NO. 2
CONTRACT NO. 905059

This Agreement hereby amends the above titled contract between Metro, a metropolitan service district, and PeopleSoft, Inc., hereinafter referred to as "Contractor".

The amendment is a change order to the original Scope of Work as follows:

Provide PeopleSoft Services Group (PSG) consulting services regarding the installation, configuration, integration, conversion to and testing of PeopleSoft applications obtained under the license agreement. \$200,000 of services will be prepaid at a 15 (fifteen) percent discount in two installments of \$85,000 each. These consulting services will be provided over the two year period commencing with the effective date of this amendment.

Except for the above, all other conditions and covenants remain in full force and effect.

In witness to the above, the following duly authorized representatives of the parties referenced have executed this agreement:

PEOPLESOFT, INC.

METRO

SIGNATURE DATE

SIGNATURE DATE

NAME

NAME

TITLE

TITLE

STAFF REPORT

IN CONSIDERATION OF RESOLUTION No. 97-2511 FOR THE PURPOSE OF APPROVING AMENDMENT NO. 2 TO THE PUBLIC CONTRACT WITH PEOPLESOFT, INC. FOR THE PROVISION OF CONSULTING SERVICES.

Date: June 4, 1997

Presented by: Jennifer Sims

PROPOSED ACTION

Adopt Resolution No. 97-2511, authorizing the Executive Officer to execute amendment No. 2 to the PeopleSoft contract.

FACTUAL BACKGROUND AND ANALYSIS

In May of 1996, Council adopted resolution 96-2346 authorizing contracts with PeopleSoft, Inc. and Business Information Technology (BIT) required to support Metro's InfoLink project. Infolink is a \$2.38 million project to replace Metro's financial and human resource information systems.

The PeopleSoft contract provides software, training and consulting services. The BIT contract provides fit analysis, planning, conversion and implementation consulting services. BIT's involvement was intended to be of an advisory nature with the primary purpose to train Metro staff to perform these activities themselves.

Work to date on the implementation of general ledger, purchasing, accounts payable, billing and accounts receivable has demonstrated that:

- Metro staff has the skill to successfully plan, implement and convert to PeopleSoft applications;
- BIT is most effective when augmenting Metro staff to perform specific analysis and implementation tasks; and
- On-site support by the PeopleSoft Professional Services Group (PSG) to provide functional and technical consulting is essential for successful implementation. Council adopted Resolution 97-2472, amending the PeopleSoft contract to provide approximately 60 days of PSG services in addition to the 17 days included in the original contract.

Staff is using this experience to plan for the implementation of human resource and payroll applications scheduled to begin in July, 1997. This plan uses PSG for the initial fit/gap analysis, system prototyping and verification and technical troubleshooting and training. BIT's role and corresponding expenditures will be greatly reduced. BIT will augment Metro staff as needed for specific analysis, design and implementation tasks.

The proposed Amendment No. 2 to the PeopleSoft contract supports this plan by providing approximately 140 days of additional on-site support by PSG to be used to complete implementation of financial, human resource and payroll modules. The amendment authorizes staff to make two pre-payments for services at \$85,000 each. This represents a 15% discount to the cost of purchasing the same services on an as needed basis.

Metro will be responsible for paying travel and expenses for PSG staff while they are on-site at Metro. This cost is estimated at \$29,000 for the 140 days of services.

BUDGET IMPACT

This amendment is cost neutral with regard to the project budget. Implementation services planned from BIT will be reduced by \$199,000. The total cost of this contract amendment and related expenses is \$199,032 which will be covered by the InfoLink project budget for implementation services.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 97-2511.

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