

CITY COUNCIL
COMMUNICATION:

02-555

OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA

AGENDA:

OCTOBER 21, 2002

SUBJECT:

APPROVAL OF
CONTRACTS WITH
MAXIMUS AND MSI
FOR UPGRADE OF
CITY'S FINANCIAL/
ACCOUNTING AND
HUMAN RESOURCES/
PAYROLL
APPLICATION
SOFTWARE SYSTEM
(PEOPLESOFT)

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

MERRILL R. STANLEY
FINANCE DIRECTOR

THOMAS G. TURNER
HUMAN RESOURCES
DIRECTOR

MICHAEL
ARMSTRONG
CHIEF INFORMATION
OFFICER

SYNOPSIS —

Approval of contracts with MAXIMUS Consulting Group (David Nickel, President, MAXIMUS ERP Solutions Division, 3130 Kilgore Rd., Suite #400, Rancho Cordova, CA 95670) and Modern Solutions, Inc. (MSI, Mike Lang, President, 4949 Pleasant Street, Suite 200, West Des Moines, IA 50266) is necessary to upgrade our enterprise software (PeopleSoft) in order to ensure ongoing vendor support and to take advantage of existing technology. Ongoing vendor support of the City's current version of this software will expire on March 31, 2003.

FISCAL IMPACT —

The cost of the upgrade, for both the Financials (General Ledger, Accounts Payable, Accounts Receivable, Asset Management, Project Costing, Purchasing and Workflow) and Human Resources (Payroll, Time and Labor, and Benefits Administration) applications is estimated at \$461,025. This amount is available in the approved CIP budget.

The upgrade expense includes project initiation, design, development, acceptance testing, and training of Citywide users, as well as post-production support of the System.

RECOMMENDATION —

Approval of contracts with MAXIMUS and MSI for the upgrade of the PeopleSoft Enterprise Software System. Due to the complex nature of enterprise software systems, periodic enhancements and modifications are necessary.

BACKGROUND —

On February 16, 1998, Council approved a contract with PeopleSoft, Inc. and Carrera Consulting (now known as MAXIMUS) for acquisition and implementation of a new Financial/Accounting and Payroll/Human Resources Software System. On October 5, 1998, Council approved a contract with MSI for consulting services to assist with the implementation of this System. Quotes were obtained from both MAXIMUS and MSI for the upgrade of the City's PeopleSoft System. Both companies have worked with the City since 1998 on our PeopleSoft System and are very familiar with the nuances of our particular Financial and Human Resources applications. Because of this history with our System, it was determined that this project was exempt from the RFP process as referenced in the Municipal Code of the City of Des Moines Section 2-725(a)(7): "Contracts

for the purchase of goods or services that are of such a nature that they are the only goods or services which will fit and comply with the required use, or are an integral part of a total system so as to be uniquely compatible with existing city needs, materials or equipment to be cost effective, and the city manger or his or her designee so finds and declares in writing. The city manager's or his or her designee's written determination shall be filed with the purchase documents in each such instance."

Of the two, MAXIMUS was the only one to have specific experience with an upgrade of this sort in the public sector environment. In fact, MAXIMUS works exclusively with public sector clients in their PeopleSoft endeavors. MSI's experience with upgrades such as this has been more limited to the private sector. Because of their expertise in this area and the critical nature of this project, MAXIMUS was chosen to do the bulk of the upgrade. MSI was incorporated into the project plan where feasible in an effort to keep the overall cost of the upgrade as low as possible.

The upgrade to the latest version of this software will take the City from a client/server to a web-based system. This means all users will be able to access PeopleSoft from the Internet. The City will obtain the ability to improve e-Commerce practices with vendors and customers as well.

One of the main objectives of this upgrade is to provide greater and easier access to PeopleSoft reports and other data by all users (including upper management) of the software. The new upgraded version contains several enhancements that will allow us to achieve this important goal. These features include: an application portal, improved response time, functionality tailored more toward the public versus private sector environment, and a more intuitive interface making it more user-friendly for the casual user. As a result of more accurate and efficient extraction of data, this upgrade should also aid in decision-making, and allow for quicker response times to City Council, public and intra-departmental inquiries.