



DEPARTMENT OF
FINANCE

REVENUE DIVISION
UTILITY SERVICES SECTION

CITY OF SACRAMENTO
CALIFORNIA

November 1, 2004

CITY HALL
ROOM 114
730 I STREET
SACRAMENTO, CA
95814-2610

916-808-5454

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Approval of Supplemental Agreement No. 1 to City Manager Agreement Number 2002-227 for Consultant and Professional Services for SPL Worldgroup Inc. to provide Consulting Services for Utility Billing Program

LOCATION: Citywide

RECOMMENDATION:

This report recommends that the City Council authorize the City Manager to execute Supplemental Agreement Number 1 to City Manager Agreement 2002-227 with SPL Worldgroup, Inc. to extend the services of SPL Worldgroup, Inc. from the period of November 1, 2004 through February 28, 2005. The supplemental agreement is for an amount not to exceed \$1,977,500.

CONTACT PERSON: Gustavo Vina, CIS Project Sponsor, 808-7138

FOR THE COUNCIL MEETING OF: November 16, 2004

SUMMARY:

In December 2002, the City Council approved the procurement of a new Utility Billing Customer Information System (CIS) - PeopleSoft CIS. The implementation of the new CIS system began in May 2003. This report recommends approval to extend the Consulting Services Agreement with SPL Worldgroup, Inc. for software development services. This extension would raise the contract value from \$2,365,200 to \$4,342,700. These services are required for a successful implementation of CIS.

COMMITTEE/COMMISSION ACTION: None Required

BACKGROUND INFORMATION:

In December 2002, City Council approved vendor agreements for the procurement and implementation of a new Utility Billing/Customer Information System, PeopleSoft CIS. In February 2003, City Council approved procurement of the required new computer hardware. The computer hardware and application software has been ordered, received and installed. In May 2003, City staff and the PeopleSoft CIS implementation vendor, SPL, began process analysis workshops to determine the final product configuration. The development of the test plans to test the PeopleSoft CIS software configuration began in July 2003. From November 2003 through January 2004, the CIS Project went through a project transition phase to address problems and issues.

Beginning April 2004, SPL Worldgroup, Inc provided consulting services on the Peoplesoft CIS software, its configuration, and how best to implement the software within the City environment. There are seven consultants on the project from SPL. During the project, SPL provides services under a time and materials basis and on a fixed price basis. Typically the former leads to the latter.

SPL Worldgroup, Inc. role on the project has expanded since April, 2004 in several areas:

1. Responsible for leading the efforts of the Interface team, overseeing the design, programming, testing, and implementation of Interfaces from CIS to thirteen City systems.
2. Responsible for leading the efforts of the Conversion team overseeing extracting, transforming, and loading data from the UCIS legacy system to the new CIS system.
3. Responsible for interpreting the business requirements and translating them into either configuration values in tables or modifications to the CIS package (e.g. Liens processing).

The increase of \$1,977,500 is comprised of \$1,224,775 of services and \$752,725 of software deliverables representing the above expansion of SPL Worldgroup's role.

Given the past performance and experience of SPL Worldgroup, Inc., the CIS Project Team, with the consensus of the Project Management Team, recommends that the City contract with SPL Worldgroup, Inc for the project services related to the implementation of the new CIS System be extended.

City Council Report
Supplement Agreement No. 3 to City Manager Agreement No. 2002-227
November 1, 2004

FINANCIAL CONSIDERATIONS:

The total costs for this Supplemental Agreement Number 1 is \$1,977,500. The funding is currently available in the Capital Improvement Program Budget – Project AB61-CIS Project. No additional funding is required.

ENVIRONMENTAL CONSIDERATIONS:

Ongoing administrative and maintenance activities, which are not made from purposes of a public work construction project, do not constitute a project and are exempt from the California Environmental Quality Act (CEQA), CEQA Guidelines, Sections 15061 (b) (1), 153778(b) (3).

POLICY CONSIDERATIONS:

This recommendation is in conformance with the goals, objectives, initiatives and operating principles of the City's Information Technology Strategic Plan. In particular, it is in accordance with Goal #1, Improve Technical Infrastructure, the successful implementation of the new CIS Project will result in improved customer service for all City residents. Providing improved, timely customer service to all residents of the City is in accordance with the City Council's vision that the City of Sacramento is the city of choice to live, learn, work and play.

The action requested is consistent with Chapter 3.64 of the Sacramento City Code and existing policy regarding professional services agreements

ESBD CONSIDERATIONS:

SPL Worldgroup, Inc is not a certified ESBD firm. If further services are required for this project, an effort will be made to attempt to identify ESBD firms.

Respectfully submitted,


Gus Vina, Director
Finance Department

RECOMMENDATION APPROVED:


Robert P. Thomas
City Manager

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**SUPPLEMENTAL AGREEMENT
DEPARTMENT OF FINANCE**

Project Title: CIS Project Management
Date: November 1, 2004
Purchase Order No.: 3AB6126110
City Manager Agreement Number: 2003-227
Supplemental Agreement No.: 1

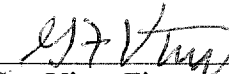
The City of Sacramento ("City") and SPL Worldgroup, Inc ("Consultant"), as parties to that certain Consultant and Professional Services Agreement designated as City Manager Agreement Number 2003-227 including any and all prior addenda and supplemental agreements modifying said agreement (said agreement, addenda and supplemental agreements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The scope of services for City Manager Agreement Number 2003-227 will not change. This Supplemental Agreement No. 1 will allow for continued consulting services through April 30, 2005.
2. In consideration of the additional and/or revised services described in section 1, above, the maximum not to exceed amount that is specified in Exhibit B of the Agreement for payment of Consultant's fees and expenses, is increased by \$2,117,500 and, accordingly, said maximum not to exceed amount is amended as follows:

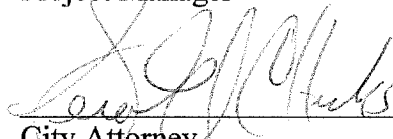
Agreement's original not to exceed amount:	\$ 2,365,200
Increase by Supplemental Agreement No. 1:	\$ 1,977,500
New not to exceed amount:	\$ 4,342,700
3. Consultant agrees that the amount of increase or decrease in the not to exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Consultant for any and all direct and indirect costs that may be incurred by Consultant in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Consultant.
4. Consultant warrants and represents that the person(s) executing this supplemental agreement on behalf of Consultant has or have been dully authorized by Consultant to sign this supplemental agreement and bind Consultant to the terms hereof.

Supplemental Agreement No. 1 to City Manager Agreement No. 2003-227

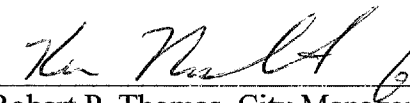
5. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Consultant shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this supplemental agreement.


Approval Recommended By:  Date 11/4/04
Gus Vina, Finance Director

Project Manager:  Date 11/2/04
Project Manager

Approved As To Form By:  Date Nov 3, 2004
City Attorney

Approved by:

City of Sacramento:  Date 11/9/04
Robert P. Thomas, City Manager

SPL Worldgroup, Inc.:  Date 11/2/04
Petro Steyn, Project Director

Attest:

City Clerk Date _____

*When the consultant is a corporation, the following two signatures are required:

- (1) The first signature by either the Chairman of the Board, the President or any Vice President of the Corporation; and
- (2) The second signature by either the Secretary, an Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer of the Corporation.

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON THE DATE OF _____

**RESOLUTION AUTHORIZING EXECUTION OF A SUPPLEMENTAL
CONSULTING SERVICES AGREEMENT WITH SPL WORLDGROUP, INC. FOR PROJECT
SERVICES IN AN AMOUNT NOT TO
EXCEED \$1,977,500.**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

The City Manager and City Clerk are hereby authorized to execute a supplemental agreement to extend our Consulting Services Agreement with SPL Worldgroup, Inc. to provide consulting services for the implementation of the new Utility Billing/Customer Information System (CIS) in an amount not to exceed \$1,977,500.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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