

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: INFORMATION TECHNOLOGY

AGENDA DATE: AUGUST 18, 2009

CONTACT PERSON/PHONE: GERALD GORDIER (915) 541-4288
TERRENCE FREIBURG, PURCHASING MANAGER, 541-4313

DISTRICT(S) AFFECTED: ALL

SUBJECT:

Request that the Director of Purchasing be authorized to issue a Purchase Order to Oracle Corporation in the amount of \$305,437.00. Oracle Corporation a State Department of Information Resources (DIR) contractor under DIR State Contract DIR-VPC-03-018 for Oracle PeopleSoft Enterprise Human Capital Management. Participation by the City of El Paso in the DIR Program was approved by Mayor and Council on February 27, 2007.

BACKGROUND / DISCUSSION:

The City of El Paso uses the PeopleSoft Enterprise Human Capital Management software for all of the City's Human Resource functions. Primary users of the software are the City's Human Resources Department; however, all departments have access and use the functionality of the software. The City has been using this software for over seven years. In order to keep the software functional, supported and up to date, upgrades are needed periodically. This item is for the upgrade of the current release. Included in this upgrade is a Fit Gap analysis to help the City take full advantage of the new release functionality.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes, Council has previously approved PeopleSoft software install and upgrades. This is expenditure for Oracle services to perform a Fit Gap for the PeopleSoft Enterprise Human Capital Management 8.9 to 9.0 upgrade, installation of the application, and the performance of the Technical Upgrade in a controlled laboratory environment (Application Support Center) at one or more Oracle sites.

AMOUNT AND SOURCE OF FUNDING:

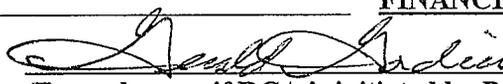
\$305,437.00 Funding is available in FY2009 IT Action Plan Funds: 508010-31136001-27136-PIT09001.

BOARD / COMMISSION ACTION: Enter appropriate comments or N/A

N/A

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD:  _____
(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

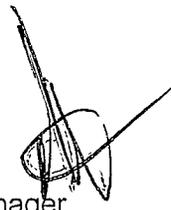
APPROVED FOR AGENDA:

CITY MANAGER: _____

DATE: _____

FINANCIAL SERVICES, PURCHASING DIVISION

DATE: 06 August, 2009
TO: Municipal Clerk
Thru: Terrence Freiburg, Purchasing Manager
Financial Services-Purchasing Division
FROM: Michael W. Plum,
Administrative Analyst



Please place the following item on the Consent Agenda for the
Council Meeting of: August 18, 2009.

Item should read as follows: That the Purchasing Manager be authorized to issue a Purchase Order to Oracle USA Inc., a State Department of Information Resources (DIR) contractor under DIR State Contract DIR-VPC-03-018, for the upgrade of Oracle PeopleSoft Enterprise Human Capital Management software in the amount of \$305,437.00. Participation by the City of El Paso in the DIR Program was approved by Mayor and Council on February 27, 2007.

Award amount is \$305,437.00
Funds available in: 31136001-508010-27136-PIT09001
Fund Source – FY 2009 IT Action Plan Funds

Department: Information Technology

SPECIAL INSTRUCTIONS: _____

City Clerk's Use

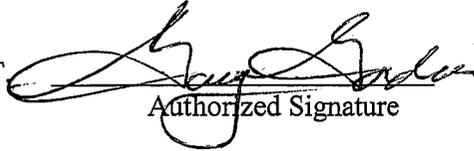
ITEM NO. _____

Dedicated to Outstanding Customer Service for a Better Community

SERVICE SOLUTIONS SUCCESS

To: Terrence Freiburg, Purchasing Manager
Ed Hyatt, Administrative Analyst

From: Gary Gordier, CIO & Director of I.T.



Authorized Signature

Date: August 11, 2009

Re: Oracle - Texas Department of Information Resources
Contract No: DIR-VPC-03-018

The Information Technology Department recommends purchasing these specialized services from Oracle. This is for the purpose of the proper scoping and design of the Peoplesoft HR upgrade.

- 1. Is there an urgent need for the product/service? In other words, is time of the essence?*
Yes, the City needs to upgrade the PeopleSoft HR environment and these services are crucial to a successful upgrade.
- 2. Does the purchase through the Program promote the standardization of equipment?*
Yes, the City has standardized on Peoplesoft for not only the HR environment, but also the Financials environment.
- 3. Does the purchase through the Program support local business? If not, is there a comparable product/service available locally?*
No, this is a very detailed analysis of the City's PeopleSoft environment that needs to be conducted by Oracle. To the best of our knowledge, this type of detailed work is not available locally.
- 4. Do the available vendors have prior work experience and/or familiarity with the City?*
Yes, Oracle is the manufacturer of the City's PeopleSoft environments and they are not only qualified but very knowledgeable on the City's software.
- 5. Is the pricing reasonable as compared to other similar products/work performed for the City of El Paso in the past or as quoted from other companies?*
Yes, this is through the State of Texas DIR negotiated pricing. Outside consultant pricing is much higher than the State DIR contracts.

The participation by the City of El Paso in the Texas Department of Information Resources was approved by Mayor and City Council on February 27, 2007. The standard factors used to determine the use of a Cooperative Purchasing program were approved by City Council on June 24, 2008.



Mayor
John F. Cook

City Council

District 1
Ann Morgan Lilly

District 2
Susie Byrd

District 3
Emma Acosta

District 4
Carl L. Robinson

District 5
Rachel Quintana

District 6
Eddie Holguin Jr.

District 7
Steve Ortega

District 8
Beto O'Rourke

City Manager
Joyce A. Wilson

Dedicated to Outstanding Customer Service for a Better Community

SERVICE SOLUTIONS SUCCESS

Date: August 13, 2009
TO: Terry Freiburg, Purchasing Director
FROM: Gerald Gordier, CIO & Director of I.T.
SUBJECT: Oracle Contract



The purpose of this memo is to provide a general outline of the purpose for this contract with the Oracle Corporation and to present the business case for this expenditure. A very brief history of our PeopleSoft system will be helpful to provide some context.

The City of El Paso has a significant investment in Oracle's PeopleSoft system. PeopleSoft is a true ERP system since it is a business support system that maintains in a single database, the data needed for a variety of business functions including but not limited to general accounting, procurement, projects, human capital management, and customer relationship management.

The history of use of PeopleSoft by the City has been varied and has been problematic, beginning with a failed attempt at using an Application Service Provider (ASP) in 2001. It quickly became apparent that a hosted solution was not workable at the scale of El Paso's operations. So, between September 2003 and December 2004 the migration from the ASP to City Hall was completed.

The Human Capital Management (HCM) has followed with some incremental upgrades. There have been no upgrades to the Financial Management modules, and very little work process redesign has been done. Further, the Budgeting module has never been implemented.

At the present time the City of El Paso makes use of a fraction of the PeopleSoft's available modules. The system is six years old; the Financial Management modules are outside the active support window of the vendor; hardware is beyond available maintenance contracts; the operating systems are on old versions as is the backup software; and, it uses old tape drives for backup that no longer qualify for maintenance contracts. It's time to fix the problems. This also was a recommendation of the Strategic Plan for I.T.

Because of the age of the version in use and what has become obvious was a poor implementation by a third-party consulting company, it has been determined that a "re-implementation" would be more effective than an upgrade. This will enable us to upgrade to the current version, re-engineer some of our work

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processes, establish a more effective chart of accounts, and deploy modern technology.

After considering a number of options, it has been determined that we should engage the creators of the software to assist us with this project. Their intimate knowledge of the system as well as their ability to pre-stage and test the system in their laboratory makes this a very attractive offering – technically.

In addition to the technical considerations, Oracle Consulting has already been bid and awarded by the Texas Department of Information Resources (DIR), contract number: DIR-VPC-03-018. The hourly consulting fees are substantially below what we've seen from others outside this DIR Contract. Consequently, it is our recommendation to accept their quote and approve this contract.

This is the beginning phase and will update the Human Capital Management (HCM) modules first, because they are the most current and will serve as the most timely in the total process that will be engaged in over the next 18-months. Some of the specific elements that will be done with this contract include:

Fit-gap analysis, which will:

- Review business practices for efficiencies.
- Review new functionality.
- Match new functionality with efficiencies for optimum use of the upgraded software.
- Identify costly existing customizations to eliminate with new software functionality.
- Identify and make recommendations on new and/or modifications to existing business practices.
- Assist in scoping and configuration of new software upgrade.
- Give staff view of new software functionality.

Lab Installation of Software:

- Will benefit from a controlled environment for installation, configuration and testing.
- Be done by PeopleSoft experts for correct installation and configuration.
- Easily tested for correctness of configuration and functionality.
- Verify all PeopleSoft software to include SQRs, PeopleTools, Crystal Reports, etc.

Provide Assistance to City staff:

- For moves to production to ensure that moving new environment will be properly done.
- For moves to production to include several test moves for a correct production move.
- For moves that will bridge the move from the lab installation to production.

Technical Support:

- Will be specific to the City's installed and configured system and not a "generic" version.
- Will cover a "standard" installation to which the City has committed.

Cost for each of these components are:

Fit/Gap Analysis	\$ 125,702	\$ 20,000	\$ 145,702
Software Install	\$ 10,000	\$ 1,500	\$ 11,500
Lab Install	\$ 104,000	\$ 3,000	\$ 107,000
Test Moves	\$ 35,235	\$ 6,000	\$ 41,235
		TOTAL	\$305,437



State of Texas
Department of Information Resources
Leadership for Texas Government Technology



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Go DIRect

for Oracle Software and Services

Oracle USA, Inc and its named resellers offer Oracle software, technical support, professional services, and learning credits to Texas governmental entities at discounted prices through DIR's Go DIRect Program.

- [Product and Pricing Information](#)
- [How to Order](#)
- [Contract Information](#)
- [Contacts](#)

Product and Pricing Information

- Visit the [Oracle website](#) for more information. Contact an Oracle or reseller representative for information or to place an order.
- The representative will issue an order form which reflects the discounts and DIR administrative fee defined in the contract. Discounts vary based on the dollar amount of the transaction. Per transaction, there is no difference in price, whether you choose Oracle or a reseller.

How to Order

- Generate a purchase order, made payable to **the party from whom you order**.
Note: You must reference Contract Number **DIR-VPC-03-018** on your purchase order.
- Fax your purchase order to the party from whom you order.

Contract Information

To access PDF files use the free Adobe Acrobat Reader.

Contract [DIR-VPC-03-018](#) expires 04/20/2010 (4.69 MB)
[Amendment 2](#) (14 KB)

[Amendment 3 \(17 KB\)](#)
[Amendment 4 \(17 KB\)](#)
[Amendment 5 \(14 KB\)](#)
[Amendment 6 \(14 KB\)](#)
[Amendment 7 \(14 KB\)](#)
[Amendment 8 \(88 KB\)](#)
[Amendment 9 \(16 KB\)](#)
[Amendment 10 \(25 KB\)](#)
[Appendix B, Oracle Price List Attachment \(632 KB\)](#)
[Appendix E, License and Support Ordering Document \(127 KB\)](#)
[Appendix F, Oracle Service Rates \(51 KB\)](#)
[Appendix G, Technical Services Ordering Document \(51 KB\)](#)
[Appendix G, Exhibit 1, T&M Ordering Document \(33 KB\)](#)
[Appendix G, Exhibit 2, FPE Ordering Document \(44 KB\)](#)
[HUB Subcontracting Plan \(79 KB\)](#)

Contacts

Primary Vendor Contact

Vendor	HUB	Contact	Address
Oracle USA, Inc Vendor ID: 184-133-2677-000	No	Application License Sales: <u>Juan-Carlos Martinez</u> Phone: 512-632-6680 Support Renewals: <u>Derek Bishop</u> Phone: 512-671-5163 Education Sales: <u>Karen Ferguson</u> Phone: 916-315-4527 Consulting Sales: <u>Vic Bentley</u> Phone: 972-740-2917 Technology License Sales: <u>Craig DeAngelis</u> Phone: 214-621-9180	1910 Oracle Way Reston, VA 20190

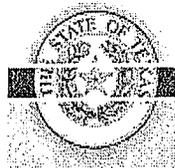
Reseller Vendor Contacts

Vendor	HUB	Contact	Address
DLT Solutions Vendor ID: 154-159-9882-000	No	Ben Henning Phone: 703-708-9137 Fax: 703-709-8450	13861 Sunrise Valley Drive Suite 400 Herndon, VA 20171
Mythics Vendor ID: 154-198-7871-300	No	Doug Altamura Phone: 757-412-4020 Fax: 757-412-1060	1439 N. Great Neck Road Suite 201 Virginia Beach, VA 23454
RFD & Associates, Inc. Vendor ID: 174-273-6774-700	Woman Owned	Barbara Nadalini Phone: 512-786-6497 Fax: 512-347-9412 Melissa Marshall Phone: 512-628-2633 Fax: 512-347-9412	401 Camp Craft Rd. Austin, Texas 78746
Solbourne Computers Vendor ID: 194-302-0446-100	No	John Smylie Phone: 214-213-4822 Fax: 214-378-8753	4001 Discovery Drive Suite 210 Boulder, CO 80303

DIR Contract Contact

Brian Bell

Phone: 512-475-4903

**Department of Information Resources**

300 West 15th St., Suite 1300
Austin, TX 78701 (Map & Directions)
1-512-475-4700

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Last updated August 5, 2009

Technical Services Ordering Document



ORDERING DOCUMENT

ORACLE CONTRACT INFORMATION

Customer Name:	City of El Paso, Texas	Oracle USA, Inc.
Customer Address:	2 Civic Center Plaza El Paso, Texas 79901	500 Oracle Parkway Redwood Shores, CA 94065
Agreement:	State of Texas – Department of Information Resources 2003 Master Agreement Volume Pricing Contract Number: DIR-VPC-03-018	
Ordering Document Number	US-36239-OD-29-JUN-2009	

This ordering document incorporates by reference the terms of the agreement specified above and all amendments thereto (the "agreement"). As used in this ordering document, "you" or "your" shall refer to the Customer as defined in the agreement.

A. SERVICES

You have ordered the services listed below in the table and detailed in the attached exhibit(s), which is incorporated herein by reference.

All fees on this ordering document are in US Dollars.

Services	Reference	Fees
Time and Materials Services	Exhibit 1-TME-300263342	\$35,235.00
*Expenses		\$6,000.00
Time and Material Services	Exhibit 2-TME-300263342	\$125,702.00
*Expenses		\$20,000.00
Fixed Price Services	Exhibit 3-FPE-300263340	\$10,000.00
*Expenses		\$1,500.00
Fixed Price Services	Exhibit 4-FPE-300263340	\$104,000.00
*Expenses		\$3,000.00
Total Estimated Fees		\$305,437.00

*Expenses are in accordance with the referenced exhibit(s)

All fees payable to Oracle are due within 30 days from the invoice date. Invoices for services performed under separate exhibits may be provided separately. Fees for any time and materials engagements listed above are estimated fees, as detailed in the referenced time and material services exhibit(s).