

**CITY OF SAN ANTONIO  
INTERDEPARTMENTAL MEMORANDUM  
ERM PROJECT**

**TO:** Mayor and City Council  
**FROM:** Troy Elliott, Project Director, Enterprise Resource Management Project  
**THROUGH:** Terry M. Brechtel, City Manager  
**COPIES:** J. Rolando Bono, Deputy City Manager; Andrew Martin, City Attorney; Gary Moeller, Director, Information Technology Services Department; Milo Nitschke, Director, Finance Department; Patricia Major, City Auditor; Bill Wood, Assistant City Attorney; ERM Steering Committee; File  
**SUBJECT:** Authorization of Amended Statement of Work with Deloitte Consulting  
**DATE:** September 23, 2004

**SUMMARY AND RECOMMENDATIONS**

This Ordinance amends the contract with Deloitte Consulting, L.P. to revise the Phase III Waves A & B Development Services and Phase III Waves C, D, E, F & G ERP/CRM Statements of Work to incorporate changes in project scope, authorizing the transfer of funds in the amount of \$2,090,000 (\$1,900,000 for fees and \$190,000 for expenses) from the project contingency for the implementation of SAP Plant Maintenance Work Orders, reducing the amount payable to Deloitte Consulting, L.P. in the amount of \$215,424 and establishing an option for additional support hours to be executed by the Project Director as required.

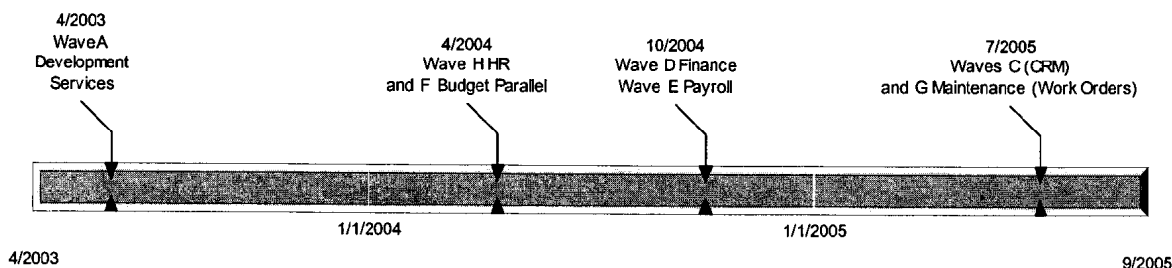
This Ordinance is in accordance with the plan proposed to City Council on August 26, 2003 during the ERM Project budget work session and the City Council Governance Committee on September 3, 2003 and remains within the ERM Project Budget and appropriations approved for Deloitte Consulting. The plan was proposed in order to address the extension of project timelines under a fixed contract price.

Staff recommends approval.

**BACKGROUND INFORMATION**

On April 14, 2003, Wave A of the ERM Project went live. Wave A focused on implementing functionality in support of the City's new Development and Business Service Center. Functionality included online permitting, issuance of building and trade permits, issuance of trade licenses, conducting and scheduling of inspections, and assignment of plan reviews and inspectors. The combination of a new system, new location and redesigned business processes created several issues which were required to be addressed prior to proceeding with the remaining components (Waves) of the ERM Project. The remaining Waves of the ERM Project were extended in order to resolve outstanding issues associated with the Wave A implementation and technical architecture. Upon stabilizing the system and business processes for Wave A, the City and Deloitte Consulting refocused on the remaining components of the Project. A plan was

presented to City Council with respect to a revised project timeline and a proposed revised project scope in order to address the extension of project timelines under a fixed contract price. At that time staff agreed to continue to work on finalizing the scope and to return to the City Council with a final recommendation. Staff has completed this review based on continuing experience with SAP and the capacity of the Information Technology Services Department's (ITSD) Production Support Organization. This item requests authorization of the proposed amendments to the Statement of Work between the City and Deloitte Consulting and authorizes the use of the project's contingency to fund the Plant Maintenance work order functionality scheduled to go-live July 2005. The revised timeline and details of the plan are presented below.



In addition to the revised timeline, the changes in project scope previously presented to City Council included redirecting and removing Employee Self Service, E-procurement, Grants Management, ITSD Help Desk and Fleet Management, and utilizing the project contingency to fund Plant Maintenance (Work Orders). The ERM Project would establish the foundation for these services and the City ITSD's Production Support Organization would be responsible for the implementation of these items in the future.

The City Project Team has gained additional experience with the SAP and Hansen software packages since the August 2003 briefing to City Council. As such, additional redirections of scope have been identified, and staff proposes the utilization of funds associated with these redirections to fund other project functionality. These changes in scope will provide for functionality that will increase efficiencies and enhance customer service to City of San Antonio employees. This would include redirecting the remaining contract hours under the Wave B Hansen implementation and CRM functionality for the Community Link Centers in exchange for Employee Self Service Functionality, and an option to be exercised at the discretion of the Project Director for additional staff support from Deloitte Consulting for Production Support.

The Wave B Hansen implementation was scheduled to go-live July 2005 in conjunction with Customer Relationship Management (CRM) and Plant Maintenance. Wave B focuses on utilizing the Hansen software to implement Code Compliance functionality and additional permits for the Fire and Public Works Departments. The configuration of the Hansen Software and process design for Wave B was substantially complete prior to being delayed in August of 2003 and was scheduled to go-live on July 2005. Since April 14, 2003 the City has been supporting the Hansen Software implemented in Wave A in support of the Development and Business Service Center. As a result, City staff now have the necessary experience to complete the remaining tasks of training and final preparation for go-live. It is recommended that the remaining contract hours be redirected, which equates to \$249,984.

The Wave C CRM implementation is scheduled to go-live July 2005. The current blueprint design includes implementing CRM at each of the Community Link Centers as an extension of

the 311 Call Center. With the implementation of CRM, the link centers would be utilizing many of their existing systems, resulting in multiple systems supporting their daily operations. It was originally envisioned that the Link Center staff would provide backup support for the 311 Call Center operators and would utilize CRM as their main system interfacing with many other existing City point of sale systems to provide services such as Parks Reservations, selling of Bus Passes, Birth and Death certificates, Building Permits, and collection of Municipal Court fines and fees. The initial vision was for CRM to integrate with the existing applications collecting customer information into a single system and transfer that information into the other systems. The technical difficulties in developing these interfaces with multiple systems on multiple technical architectures would create overly complex work for the Link Center staff. Staff believes that this would have a negative impact on the service provided to the customers at the Link Centers and recommends that the Link Centers continue to use their current applications and interface these applications to SAP. It is recommended that the remaining contract hours be redirected, which equates to \$351,360.

The total amount of funds to be redirected within the Deloitte Consulting Contract equate to \$601,344. It is recommended that this amount be redirected from the Wave B and Link Center's implementations to fund the cost of implementing Employee Self Service Functionality. Employee Self Service Functionality would allow city employees access via the internet to online payroll remittances, leave balances, benefits information, W-2 information, viewing and updating employee address and emergency contact information, and objects on loan (pagers, telephones etc.). The implementation of Employee Self Service Functionality has been negotiated at an amount of \$385,920 and would use the redirected amounts above to fund this additional functionality. The remaining amount of \$215,424 is proposed to be utilized as an option for additional support hours to be executed by the Project Director as needed. The option includes a pool of hours, representing Deloitte Staff resources to be utilized to supplement the city staff support efforts until all vacant ERM Project positions are filled, and knowledge transfer to city staff has been completed.

### **POLICY ANALYSIS**

The amendment to the Statements of work with Deloitte Consulting is consistent with the plan proposed to City Council August 2003 and is consistent with previous City Council actions and the implementation of an Enterprise Resource Management System. The Option and Employee Self Service Functionality will be funded from redirecting funds from the Wave B and Link Center implementation as defined in the current scope of work. Additionally, the Project Contingency associated with the Consulting contract will be utilized to fund the Plant Maintenance Work Order Functionality.

### **FISCAL IMPACT**

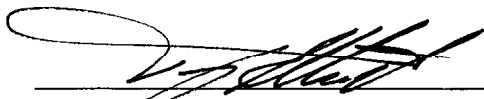
This ordinance authorizes the appropriation of funds from the ERM Project contingency in the amount of \$2,090,000 (\$1,900,000 for fees and \$190,000 for expenses) and amending the Phase III Statements of Work with Deloitte Consulting in support of the Enterprise Resource Management (ERM) Project. Additionally, it reduces the contract with Deloitte Consulting in the amount \$215,424 and establishes an option for staff assistance.

## SUPPLEMENTAL COMMENTS

The contract terms and conditions remain consistent with the City's Small Business Economic Development Advocacy Program Goals as previously negotiated with Deloitte Consulting. The amended statement of work continues to support 32.5% of contract dollars in SBEDA participation. The disclosures required by the City's Ethics Ordinance are attached.

## COORDINATION

This item has been coordinated with the City Attorneys Office, Information Technology Services Department, Finance Department, Human Resources and Customer Service/311.



Troy Elliott  
Project Director  
ERM



Milo Nitschke  
Director  
Finance Department



Gary Moeller  
Director  
Information Technology Services Department



J. Rolando Bono  
Deputy City Manager

Approved:



Terry M. Brechtel  
City Manager

# City of San Antonio

## Discretionary Contracts Disclosure\*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2

Attach additional sheets if space provided is not sufficient.

State "Not Applicable" for questions that do not apply.

\* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

### Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any **individual** who would be a party to the discretionary contract:

Not applicable

(2) the identity of any **business entity**<sup>1</sup> that would be a party to the discretionary contract:

Deloitte Consulting LLP

and the name of:

(A) any individual or business entity that would be a **subcontractor** on the discretionary contract;

and the name of:

(B) any individual or business entity that is known to be a **partner**, or a **parent** or **subsidiary** business entity, of any individual or business entity who would be a party to the discretionary contract;

Deloitte Touche Tohmatsu LLP

<sup>1</sup> A *business entity* means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

(3) the identity of any *lobbyist* or *public relations firm* employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

Baltazar R. Serna, Jr.


#### Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
Please see attached		

#### Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question<sup>2</sup> as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

<b>Signature:</b> 	<b>Title:</b> PRINCIPAL <b>Company:</b> DELOITTE CONSULTING LLP	<b>Date:</b> SEP 13, 2004

<sup>2</sup> For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.

# City of San Antonio

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Contributions made by Baltazar R. Serna, Jr.

To Whom Made:	Amount:	Date of Contribution:
Mayor Ed Garza	\$2,000.00	2003
Thomas Aguillon	\$250.00	2003
Enrique Barrera	\$500.00	2003
Julian Castro	\$1,033.26(in kind)	2003
Phillip Cortez	\$750.00	2003
Chip Haas	\$500.00	2003
Toni Moorehouse	\$350.00	2003
John Sanders	\$1,050.00	2003
Carroll Schubert	\$1,000.00	2003
Ron Segovia	\$250.00	2003
Ron Segovia	\$714.80(in kind)	2003
Joel Williams	\$500.00	2003
Art Hall	\$500.00	2004

Contributions made by Chip Blagg, Principle Deloitte Consulting LLP

To Whom Made:	Amount:	Date of Contribution:
Julian Castro	\$250	2003
Phillip Cortez	\$500	2003

Contributions made by Deloitte Consulting LLP

To Whom Made:	Amount:	Date of Contribution:
City of San Antonio PTI Congress of Public Technology Charter Reform effort	\$5,000	2004