COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION
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LOS ANGELES, CALIFORNIA 90012-2706
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WENDY L. WATANABE
ACTING AUDITOR-CONTROLLER

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS
JOHN NAIMO
MARIA M. OMS

July 29, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVE REQUEST FOR A CONTRACT AMENDMENT WITH CGI, INC FOR eCAPS SOFTWARE AND PROJECT IMPLEMENTATION AND INCREASE THE CONTINGENCY ALLOCATION FOR AS-NEEDED SERVICES

(ALL SUPERVISORY DISTRICTS)
(3 VOTES)

CIO RECOMMENDATION: APPROVE (X)

SUBJECT

The Acting Auditor-Controller is requesting authorization to amend the Service and License Agreement (SLA) with CGI, Inc. for implementation of the financial and human resource suite of modules and increase the SLA from $151.2 million to $160.2 million. The proposed contract amendment of $9.0 million will be fully offset by funding from the eCAPS Designation with no additional Net County Cost (NCC). This action will increase the project Contingency Allocation available for County to purchase additional services on an as-needed basis.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Acting Auditor-Controller to execute Amendment Number 4 to the Service and License Agreement (SLA) with CGI, Inc. for software and implementation services in an amount not to exceed $9,000,000 to increase the eCAPS Contingency Allocation available to purchase as-needed services, thereby increasing the SLA from $151,223,378 to $160,223,378, fully offset by funding from the eCAPS Designation with no additional NCC to the County.

2. Amend the paragraph of the SLA defining County Obligation for Future Fiscal Years by distributing the $9,000,000 with a spending limitation of $2.0 million in Fiscal Year (FY) 2008-09, $4.0 million in FY 2009-10 and $3.0 million in FY 2010-11.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended action to increase the eCAPS / eHR Project Contingency Allocation will provide the eCAPS / eHR Advisory Committee (members include the Acting Auditor-Controller, Acting Chief Information Officer, Chief Deputy Chief Executive Officer, Internal Services Department Interim Director, and Personnel Director or their designee) additional expenditure authority to execute contract Change Notices for additional software or implementation services necessary to complete the eCAPS / eHR Project.

Since April 2004, the current contract includes a Contingency Allocation of approximately $10.2 million for additional software and project implementation services. Within four years, the eCAPS / eHR Advisory Committee authorized, and County Counsel approved as to form, twenty-five (25) Change Notices in the amount of $7.8 million listed below. To date, the Contingency Allocation only has $2.4 million remaining; it represents less than 2% of the overall project cost.

Category	Amount
Contingency Allocation	$10.2 million
• Software Modifications	($ 5.1 million)
• Implementation Support	($ 2.3 million)
• Other (design, software licenses)	($ 0.4 million)
Available balance as of July 2008	$ 2.4 million)

Your Board approved Phase III of the eCAPS / eHR Project in May 2007 to implement the complete suite of human resource modules including replacement for the County's 28-year old legacy payroll application (CWPAY), replacement of the County's 19-year old time and attendance / personnel administration application (CWTAPPS), and implementing item control, recruitment, and employee self-service applications Countywide.

Given the critical nature of these applications to the County's operations and the employees, the eCAPS / eHR Advisory Committee recommends increasing the Contingency Allocation available to:

- Respond timely to changes in the project deliverables,
- Meet changing business needs due to the length of the project,
- Explore improvements in the County's business processes,
- Provide additional support and training to key areas,

- Manage a smooth transition to the new applications,
- Avoid a crisis or disruption to employee and services, and
- Address sensitive issues / concerns related to salaries and benefits.

Use of the Contingency Allocation, since inception of the project, has proven effective in keeping the eCAPS / eHR Project on target, meeting critical County business requirements identified and avoiding disruptions to County service.

Implementation of Strategic Plan Goals

The proposed Amendment promotes the Board-approved County Strategic Plan Goals of Service Excellence, Workforce Excellence, Organizational Effectiveness, and Fiscal Responsibility. In addition, the Amendment supports completing the development of the County's enterprise financial and human resource applications in a manner that provides a strong foundation for improved management information and efficiencies in the County's business operations.

FISCAL IMPACT/FINANCING

The proposed contract amendment of $9.0 million will result in no additional NCC. The cost will be fully offset by funding from the eCAPS Designation. The total contract amendment of $9.0 million will be spread across three fiscal years, $2.0 million in FY 2008-09, $4.0 million in FY 2009-10, and $3.0 million in FY 2010-11. Appropriation authority will be requested during the FY 2008-09 supplemental budget process in October 2008 and in subsequent fiscal years during the budget process. To ensure this action results in no additional NCC, expenditures from the Contingency Allocation will only be incurred to the extent revenues are available.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Amendment Number 4 to the SLA affects two paragraphs of the current contract:

- The first paragraph defines the amount of the Contingency Allocation and increases it from $10,155,801 to $19,155,801, and;
- The second paragraph defines the County Obligation for Future Fiscal Years and distributes the $9,000,000 increase by increasing the expenditure limitation by $2.0 million in FY 2008-09, $4.0 million in FY 2009-10 and $3.0 million in FY 2010-11.

All other provisions of the SLA remain intact and unaffected by this amendment.

CONTRACTING PROCESS

This Amendment Number 4 amends the existing SLA with CGI, Inc. for design,

development and implementation of the eCAPS and eHR enterprise resource planning applications for the County. It does not modify any additional provisions of the existing contract other than the two paragraphs identified in Attachment I.

Attachment I has been reviewed and approved as to form by County Counsel and contains the required contract provisions.

IMPACT ON CURRENT SERVICES

The eCAPS / eHR Project replaces the enterprise financial and human resource applications. Due to the critical nature of these applications to County services in all departments, it is important that the eCAPS / eHR Advisory Committee has the flexibility to respond to issues, address specific concerns timely and avoid any major disruption to County services.

CONCLUSION

Approval of this contract amendment will provide the County additional flexibility to respond to any unforeseen issues or problems identified with plans for the Countywide implementation of the eCAPS financial and the eHR human resource modules.

Respectfully submitted,

WENDY L. WATANABE
Acting Auditor-Controller

Reviewed by:

RICHARD SANCHEZ
Interim Chief Information Officer

WLW:RAD:mv

Attachments

c: Chief Executive Office
Chief Information Office
County Counsel
Department of Human Resources
Internal Services Department

AMENDMENT NUMBER FOUR

TO

SERVICES AND LICENSE AGREEMENT

BETWEEN

COUNTY OF LOS ANGELES

AND

CGI TECHNOLOGIES AND SOLUTIONS INC.

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AMENDMENT NUMBER FOUR TO SERVICES AND LICENSE AGREEMENT

This Amendment Number Four to Services and License Agreement ("Amendment Number Four") is executed as of July ___, 2008 (the "Amendment Number Four Effective Date"), by and between the County of Los Angeles in the State of California (hereafter, "COUNTY") and CGI Technologies and Solutions Inc. (formerly, CGI-AMS Inc.), a Delaware corporation ("CGI" or "CGI-AMS"), with reference to the following facts.

Recitals

A. COUNTY and American Management Systems, Incorporated, a Delaware corporation ("AMS"), entered into that certain Services and License Agreement as of April 6, 2004 ("SLA"), for the delivery of a System, as defined therein.

B. Effective as of October 1, 2004, AMS changed its name to CGI-AMS Inc. ("CGI-AMS"). Accordingly, COUNTY and CGI-AMS are the current parties to the SLA.

C. Effective as of March 23, 2005, COUNTY and CGI-AMS entered into Change Notice No. 1 ("Change Notice No. 1") to the SLA, which, among other things, amended the SLA to (i) supplement the existing business requirements thereunder, (ii) make certain other changes to the terms of the SLA based on those new business requirements, and (iii) modify the existing business requirements to reflect the change from AMS infoAdvantage to Cognos.

D. Effective as of April 19, 2005, COUNTY and CGI-AMS entered into Amendment Number One ("Amendment Number One") to the SLA which, among other things, supplemented and amended the SLA to provide for (i) the performance of additional services, (ii) the licensing of additional software, and (iii) the extension of maintenance services to cover the additional licensed software.

E. Effective as of July 1, 2005, COUNTY and CGI-AMS entered into Change Notice No. 2 ("Change Notice No. 2") to the SLA, which, among other things, amended the SLA to supplement the training and post-implementation support services provided for under the SLA.

F. Effective as of October 12, 2005, COUNTY and CGI-AMS entered into Change Notice No. 3 ("Change Notice No. 3") to the SLA, which, among other things, amended the SLA to modify the Due Dates associated with the Performance Test Plan & Results Key Milestone and the End User Training Key Milestone for Subproject 4.

G. Effective as of October 12, 2005, COUNTY and CGI-AMS entered into Change Notice No. 4 ("Change Notice No. 4") to the SLA, which, among other things, amended the SLA to supplement the existing business requirements for Subproject 2.

H. Effective as of January 1, 2006, COUNTY and CGI-AMS entered into Change Notice No. 5 ("Change Notice No. 5") to the SLA, which, among other things, amended the SLA in order to further supplement the post-implementation support services provided for under the SLA.

I. Effective as of March 8, 2006, COUNTY and CGI-AMS entered into Change Notice No. 6 ("Change Notice No. 6") to the SLA, which, among other things, amended the SLA in order to (i) modify the Due Dates of Key Milestones; (ii) supplement the end user training support services; and (iii) further supplement the post-implementation support services provided for under the SLA.

J. Effective as of April 20, 2006, COUNTY and CGI-AMS entered into Change Notice No. 7 ("Change Notice No. 7") to the SLA, which, among other things amended the SLA in order to modify the Due Date associated with the HRM Design Document for Subproject 3.

K. Effective as of June 14, 2006, COUNTY and CGI-AMS entered into Change Notice No. 8 ("Change Notice No. 8") to the SLA, which, among other things, amended the SLA to further supplement the post-implementation support services provided for under the SLA.

L. Effective as of June 14, 2006, COUNTY and CGI-AMS entered into Change Notice No. 9 ("Change Notice No. 9") to the SLA, which, among other things, amended the SLA to further supplement the existing business requirements provided for under the SLA.

M. Effective as of June 14, 2006, COUNTY and CGI-AMS entered into Change Notice No. 10 ("Change Notice No. 10") to the SLA, which, among other things, amended the SLA to add an Envision Phase for the analysis of a Grant Management System and to make certain other changes to the terms of the SLA based on those new business requirements.

N. Effective as of July 12, 2006, COUNTY and CGI-AMS entered into Change Notice No. 11 ("Change Notice No. 11") to the SLA, which, among other things, amended the SLA to further supplement the post-implementation support services provided for under the SLA.

O. Effective as of August 9, 2006, COUNTY and CGI-AMS entered into Change Notice No. 12 ("Change Notice No. 12") to the SLA, which, among other things, amended the SLA to further supplement the post-implementation support services provided for under the SLA.

P. Effective as of August 9, 2006, COUNTY and CGI-AMS entered into Change Notice No. 13 ("Change Notice No. 13") to the SLA, which, among other things, amended the SLA to further supplement the existing business requirements provided for under the SLA.

Q. Effective as of August 9, 2006, COUNTY and CGI-AMS entered into Change Notice No. 14 ("Change Notice No. 14") to the SLA, which, among other things, amended the SLA to further supplement the existing business requirements provided for under the SLA.

R. Effective as of September 20, 2006, COUNTY and CGI-AMS entered into Change Notice No. 15 ("Change Notice No. 15") to the SLA, which, among other things, amended the SLA to further supplement the existing business requirements provided for under the SLA.

S. Effective as of September 20, 2006, COUNTY and CGI-AMS entered into Change Notice No. 16 ("Change Notice No. 16") to the SLA, which, among other things, amended the SLA to (i) supplement the project management services provided for under the SLA; (ii) amend the allocation of post implementation support services provided for under the SLA; (iii) delete or modify the services associated with selected deliverables; (iv) modify the Due Dates of Key Milestones based on a phased implementation of the AMS Advantage modules (Asset Management, Inventory Management, and Procurement) and to make certain other changes to the terms of the SLA based on these changes in services and requirements.

T. Effective as of November 1, 2006 CGI-AMS changed its name to CGI Technologies and Solutions Inc. ("CGI"). Accordingly, COUNTY and CGI are the current parties to the SLA, and all references to "AMS" or "CGI-AMS" in the SLA now refer to CGI.

U. Effective as of December 19, 2006, COUNTY and CGI entered into Amendment Number Two ("Amendment Number Two") to the SLA, which, among other things, amended the SLA to supplement and amend the Agreement in order to provide for the performance of additional services through two new subprojects (Subprojects 7 and 8) and supplement the level of maintenance support.

V. Effective as of December 20, 2006, COUNTY and CGI entered into Change Notice No. 17 ("Change Notice No. 17") to the SLA, which, among other things, amended the SLA to (i) supplement the post implementation support services; (ii) supplement the existing business requirements; (iii) amend the allocation of post implementation support services; (iv) modify the services associated with selected deliverables and to make certain other changes to the terms of the Agreement based on these changes in services and requirements to further supplement the existing business requirements provided for under the SLA.

W. Effective as of May 8, 2007, COUNTY and CGI entered into Amendment Number Three ("Amendment Number Three") to the SLA, which, among other things, supplemented and amended the SLA to provide for (i) the performance of additional services through two new subprojects (Subprojects 6 and 9), (ii) the licensing of additional Third Party Software, and (iii) the addition of enhanced maintenance services.

X. Effective as of May 9, 2007, COUNTY and CGI entered into Change Notice No. 18 ("Change Notice No. 18") to the SLA, which, among other things, amended the SLA to (i) delete or modify the services associated with selected deliverables; (ii) supplement the existing business requirements and to make certain other changes to the terms of the Agreement based on these changes in services and requirements.

Y. Effective as of August 8, 2007, COUNTY and CGI entered into Change Notice No. 19 to the SLA, which, among other things, amended to the SLA to (i) delete or modify the services associated with selected deliverables; (ii) supplement the existing business requirements and to make certain other changes to the terms of the Agreement based on these changes in services and requirements.

Z. Effective as of September 12, 2007, COUNTY and CGI entered into Change Notice No. 20 to the SLA, which among other things, amended the SLA to (i) add performance of additional services through the addition of new deliverables; (ii) supplement, change, and delete existing business requirements and to make certain other changes to the terms of the Agreement based on these changes in services and requirements; (iii) license additional Third Party Software; and (iv) increase the annual maintenance fees to support the additional Third Party Software.

AA. Effective as of November 19, 2007, COUNTY and CGI entered into Change Notice No. 21 to the SLA, which among other things, amended the SLA to (i) add performance of additional services through the addition of new deliverables (ii) supplement the existing business requirements and to make certain other changes to the terms of the Agreement based on these changes in services and requirements.

BB. Effective as of December 12, 2007, COUNTY and CGI entered into Change Notice No. 22 to the SLA, which among other things, amended the SLA to (i) add performance of additional services through the addition of new deliverables; (ii) supplement, change, and delete existing business requirements and to make certain other changes to the terms of the Agreement based on these changes in services and requirements.

CC. Effective as of January 9, 2008, COUNTY and CGI entered into Change Notice No. 23 to the SLA, which among other things, amended the SLA to (i) supplement the post-implementation support services and (ii) make certain other changes to the terms of the Agreement based on these changes in services and requirements.

DD. Effective as of March 12, 2008, COUNTY and CGI entered into Change Notice No. 24 to the SLA, which among other things, amended the SLA to delete or modify the services associated with selected deliverables and to make certain other changes to the terms of the agreement based on these changes in services and requirements.

EE. Effective as of March 12, 2008, COUNTY and CGI entered into Change Notice No. 25 to the SLA, which among other things, amended the SLA to (i) supplement the post-implementation and departmental rollout services provided for under the Agreement; (ii) add performance of additional services through the addition of new Deliverables; (iii) delete or modify the services associated with selected Deliverables; (iv) modify the Due Dates of Key Milestones for Subproject 6; (v) correct an immaterial scrivener's error in the Key Milestones; (vi) delete the implementation services associated with Procurement Vendor module within Subproject 1, and (vii) to make certain other changes to the terms of the Agreement based on the foregoing in services and requirements; (The SLA, as amended by Change Notice No. 1, Amendment Number One, Change Notice No. 2, Change Notice No. 3, Change Notice No. 4, Change Notice No. 5, Change Notice No. 6, Change Notice No. 7, Change Notice No. 8, Change Notice No. 9, Change Notice No. 10, Change Notice No. 11, Change Notice No. 12, Change Notice No. 13, Change Notice No. 14, Change Notice No. 15, Change Notice No. 16, Amendment Number Two, Change Notice No.17, Amendment Number Three, Change Notice No. 18, Change Notice No. 19, Change Notice No. 20, Change Notice No. 21, Change Notice No. 22, Change Notice No. 23, Change Notice No. 24, and Change Notice No. 25 is referred to herein as the "Agreement").

FF. The parties now wish to amend the Agreement in order to provide for an increase in the Contract Sum.

NOW, THEREFORE, in consideration of the foregoing facts and the mutual covenants set forth herein, and pursuant to Paragraph 6 (Change Notices and Amendments) of the Agreement, COUNTY and CGI hereby agree to amend the Agreement as follows.

1. Definitions

Capitalized terms used but not defined in this Amendment Number Four will have the meanings indicated for them in the Agreement.

2. Increase in Project Price and Contract Sum

The first paragraph of Subparagraph 7.1 (General) of Paragraph 7 (Project Price; Contract Sum) of the Agreement is hereby deleted in its entirety and is replaced with the following paragraph to read as follows:

"The Project Price shall be the total fixed monetary amount payable by COUNTY to CGI for supplying all of the software licenses, tasks, subtasks, Deliverables, services and other work required under this Agreement, provided that nothing herein shall be deemed to preclude COUNTY from unilaterally increasing the Project Price in connection with any executed Change Notices under Subparagraph 6.2 or any Other Professional Services under Subparagraph 7.5 (Other Professional Services). All Deliverables completed by CGI must be Accepted in writing by COUNTY. If COUNTY does not Accept a Deliverable in writing or Provisionally Accept such Deliverable, no payment shall be due to CGI for that Deliverable or any associated Milestone. The Project Price, which includes all applicable taxes, transportation and other charges hereunder, authorized by COUNTY is One Hundred Forty-Eight Million, Eight Hundred Sixty-Five Thousand, Eight Hundred Twenty-Four Dollars ($148,865,824). Except in accordance with a properly executed Change Notice, the Project Price shall not be adjusted for any costs or expenses whatsoever of CGI. Except in accordance with a properly executed Change Notice, COUNTY shall have no other financial obligation to CGI hereunder or arising herefrom. Notwithstanding anything to the contrary, the Project Price may not be increased (e.g., pursuant to one or more Change Notices) beyond the Contract Sum without authorization from COUNTY's Board of Supervisors, and any purported increase beyond the Contract Sum shall be deemed void and of no force or effect. As used herein, the term "Contract Sum" shall mean One Hundred Sixty Million, Two Hundred Twenty-Three Thousand, Three Hundred Seventy-Eight Dollars ($160,223,378).

3. County's Obligation for Future Fiscal Years

The last paragraph of Subparagraph 7.4 (County's Obligation for Future Fiscal Years) is hereby deleted in its entirety and is replaced with the following paragraph to read as follows:

"Notwithstanding any other provision of this Agreement to the contrary, the proposed expenditure authorization under Amendment Number Three and Amendment Number Four of the Agreement shall be limited to $7.8 million for Fiscal Year 2006-07; $17.9 million for Fiscal Year 2007-08; $22.9 million for Fiscal Year 2008-09; $21.3 million for Fiscal Year 2009-10;

$16.0 million for Fiscal Year 2010-11; and $7.211 million for Fiscal Year 2011-12. Any portion of the proposed expenditure authorization amount not paid to CGI in any fiscal year shall be carried forward to the next fiscal year and added to the proposed expenditure authorization for said next fiscal year."

4. Amendments

No amendment, modification, or supplement to this Amendment Number Four shall be binding on either party unless it is in writing and duly executed by the parties in interest at the time of the modification.

5. Entire Agreement

From and after the Effective Date, this Amendment Number Four shall form a part of the Agreement. Except as expressly and specifically amended hereby, the Agreement shall remain in full force and effect. There are no other agreements, representations, or warranties between or among the parties, written or oral, concerning the subject matter hereof.

6. Headings and Labels

Article, paragraph, subparagraph, section, and subsection titles and captions contained in this Amendment are inserted as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Amendment Number Four or the intent of any of its provisions.

7. Conflicts

The requirements set forth in this Amendment Number Four (including its exhibits and appendices) are intended to be read cumulatively for the benefit of COUNTY. However, in the event of any direct conflict or inconsistency in the definition or interpretation of any word, responsibility or schedule, or in the contents of, requirements for or description of any deliverable, services or other work, or in any other matter, between the body of this Amendment Number Four and the exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the body of this Amendment Number Four. Otherwise, with respect to the Project as a whole or any individual Subproject, the provisions of Subparagraph 1.1 (Interpretation) of the Agreement shall apply.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Number Four to be subscribed by its Auditor-Controller, and CGI has caused this Amendment Number Four to be subscribed on its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By_____
Wendy L. Watanabe
Acting Auditor-Controller

APPROVED AS TO FORM:

Raymond G. Fortner, Jr.
County Counsel

By_____
Jose Silva
Principal Deputy County Counsel

CGI Technologies and Solutions Inc.

By_____
Michael Keating
Senior Vice President

CIO ANALYSIS

AMENDMENT NUMBER FOUR TO SERVICE AND LICENSE AGREEMENT WITH CGI,INC FOR eCAPS SOFTWARE AND PROJECT IMPLEMENTATION SERVICES

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION ☐ DISAPPROVE

Contract Type:
☐ New Contract ☒ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract ☐ Hardware Acquisition ☐ Other

New/Revised Contract Term: Base Term: 5 Years # of Option Yrs N/A

Contract Components:
☒ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Wendy L. Watanabe, Acting Auditor-Controller

Budget Information :

Current Contract Amount	$ 151,223,378
Requested Contract Amount	$ 9,000,000
Aggregate Contract Amount	$ 160,223,378

Project Background:

Yes	No	Question
☐	☒	Is this project legislatively mandated?
☒	☐	Is this project subvented? If yes, what percentage is offset? Amendment Number Four is being funded through eCAPS designation.
☒	☐	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved. As an enterprise financial, materials management, personnel and payroll system, it is used by all departments and has interfaces with many departmental systems.

Strategic Alignment:

Yes	No	Question
☒	☐	Is this project in alignment with the County of Los Angeles Strategic Plan?
☒	☐	Is this project consistent with the currently approved Department Business Automation Plan?
☒	☐	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
☒	☐	Does the project technology solution comply with preferred County of Los Angeles IT Standards?
☒	☐	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

The Acting Auditor-Controller is seeking authorization to execute Amendment Number Four to the Services and License Agreement (SLA) with CGI, Inc for implementation of the financial and human resource suite of modules and to increase the SLA from $151.2 million to $160.2 million. The additional $9.0 million will increase the Contingency Allocation for additional software and project implementation services. The proposed Amendment will be fully offset by funding from the eCAPS Designation with no additional net County cost (NCC).

Background:

In April 2004, the County entered into an Agreement with CGI to upgrade the County's existing legacy financial system. The implementation plan identified a phased implementation for the full suite of Advantage 3 financials, which the County referred to as "eCAPS Phase I". eCAPS Phase I was implemented in July 2005 and was comprised of the following modules:

- General Ledger, Accounts Payable;
- Accounts Receivable; and
- Cost/Project/Grant Accounting.

In April 2005, your Board approved Amendment One to add the following: Capital Assets module; Inventory and Procurement modules; Time Collection module; Human Resource Management design; Legacy systems analysis, and a Budget Preparation system. This phase of the project was labeled "eCAPS Phase II" and status is described below:

- Time Collection was implemented in May 2007;
- Budget Preparation system was implemented countywide in January 2006;
- Capital Assets module was implemented countywide in December 2006;
- Procurement was implemented at ISD in July 2007;
- Procurement and inventory was implemented at DPW in July 2008;
- The Human Resource Management design subproject was completed in June 2006; and
- The analysis of legacy systems (i.e., Interest Allocation, CAFR support and Grants Management applications) was completed by October 2006.

In December 2006, your Board approved Amendment Two, which incorporated the DPW's Financial Accounting System (FAS) functionality into eCAPS Phase financial modules; supported the rollout of Time Collection; upgraded CGI's Standard Support to CGI Platinum Support; and acquired a Cognos enterprise software license to support eCAPS and other departments' reporting needs. The status of each is described below:

- Time Collection is currently in use in 14 departments;
- DPW's cut over to eCAPS was implemented in July 2008; and
- CGI Platinum Support and Cognos Enterprise License were acquired in January 2007.

In May 2007, your Board approved Amendment Three, which will replace the County's legacy human resources software applications with the following CGI HRM modules: Payroll, Payroll Accounting, Position Control, Compensation, Personnel Administration, and Employee Self-Service. This also includes a Talent Management solution for employee recruitment and a Grants Management solution. The scheduled implementation dates for each of these modules are:

- All HRM modules are scheduled to be implemented by January 2012;
- Talent Management solution is currently expected to be implemented by end of 2009; and
- Grants Management module is scheduled for implementation at DPW in August 2008.

The eCAPS project has completed each phase of the financial and human resource modules implementation successfully within the budget and identified timelines. The eCAPS system has increased the effectiveness and efficiencies of the County's financial processes and has added integrated materials management functionality. This proposed Amendment Four increases the project's Contingency Allocation by $9.0 million for a remaining total of $11.4 million.

Project Justification/Benefits:

The project needs an adequate Contingency Allocation to respond to changing needs and respond to problems or issues that may arise during the project. Currently, implementation of HRM and Talent Management are underway and increasing project contingency is prudent given the magnitude of this phase of project.

Project Metrics:

Project Contingency Allocation will be used to purchase as-needed services via contract change orders, which are fixed price and deliverable based. These change orders are only executed upon approval of the eCAPS Advisory Committee.

Impact On Service Delivery Or Department Operations, If Proposal Is Not Approved:

Implementations of enterprise human resource management system modules in similar sized organizations typically allocate 15% of the project budget for a contingency. Given this industry standard, the remaining $2.4 million represents a risk to the successful completion of the project.

Alternatives Considered:

None.

Project Risks:

Project risks are minimal. As discussed above, these funds are used to purchase as-needed services via contract change orders, which are fixed price and deliverable based. These change orders are only executed upon approval of the eCAPS Advisory Committee.

Risk Mitigation Measures:

Not applicable.

Financial Analysis:

The Agreement with CGI for implementation of the financial and human resource suite of modules is being increased by the Agreement from $151.2 million to $160.2 million. The additional $9.0 million will increase the Contingency Allocation for additional software and project implementation services. The proposed increase will be fully offset by funding from the eCAPS Designation with no additional net County cost (NCC).

CIO Concerns:

None.

CIO Recommendations:

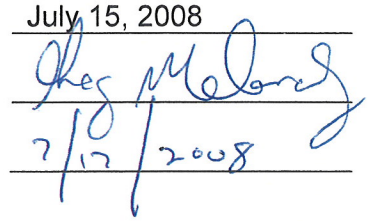
The Chief Information Office supports this action and recommends Board approval.

CIO APPROVAL

Date Received: July 7, 2008

Prepared by: James Hall

Date: July 15, 2008

Approved: 

Date: 7/17/2008

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