



Council Agenda Report

Item 6d

Department: Information Technology
Cost Center: Network Services
For Agenda of: 9/21/2021
Placement: Consent
Estimated Time: N/A

FROM: Greg Hermann, Deputy City Manager
Prepared By: Miguel Guardado, Information Technology Manager

SUBJECT: APPROVE AN EXTENSION TO THE ORACLE ERP PROJECT MANAGEMENT SERVICES CONTRACT WITH ARCHER STREET, LLC

RECOMMENDATION

Approve a contract extension with Archer Street, LLC for Oracle ERP Project Management Services in the amount of \$80,000.

DISCUSSION

This request is to approve continued Project Management support of the City's Oracle ERP system to continue to deliver essential services. The amount of the contract is \$80,000. The Motion project implemented Oracle's Cloud Enterprise Resource Planning (ERP) system in 2018. Since the implementation City Staff have been working to resolve ongoing issues with configuration and system functionality. Staff have been working with the Human Resources and Finance functional teams to identify outstanding high importance issues from the implementation of the Motion project.

The Motion Core Team has landed on a work plan for the next two years. Technology Project Management services allow the City to continue implementing and optimizing the City's Enterprise Resource Planning (ERP) software application. Staff is currently contracted with Archer Street, LLC, to provide project management services to assist the staff team in the completion of specified projects. During the current engagement, City staff has been able to complete several important projects (such as improvements to Bank Reconciliation processes, implementation of a budgeting module, and implementation of labor cost modeling). Staff have also implemented recommendations from Archer Street, LLC, including establishing a governance structure, and coordination with vendors on project scoping and prioritization of projects for upcoming work plans. The IT Strategic Plan, approved and adopted in 2017, identified the need and recommended the creation of a Project Management Office to generate alignment between people, processes, and systems across the organization. As our organization continues to mature and the City increases reliance on enterprise systems, this request aligns and is supported by a Council approved position. City staff ran a recruitment last year and were unable to fill the vacancy.

City staff is seeking to continue its engagement with Archer Street, LLC, specifically Tony Rice, II, one of Archer Street's Principal Project Managers, which expired August 1, 2021. Mr. Tony Rice, II has over ten years of experience in consulting services in Project/Program Management, Data Analytics, Business Intelligence, Business Process Redesign, Organization Design, and Change Management. He has consulted with various public sector and education clients. This contract extension would run through the end of the 2022 fiscal year and allow the City to continue progress on important projects for the Motion system and complete the recruitment for the Technology Project Manager position.

Staff has extensively discussed the duties and responsibilities for this position and this role for the City of San Luis Obispo would meet all the conditions of AB 5 Employment Status. Moreover, the work Archer Street LLC is performing is outside the usual course of the City's business as it does not have an internal Technology Project Manager, and the work Mr. Rice is performing is more specialized and project specific focused and differs from the work the anticipated full-time employee will perform once hired. Mr. Rice is assisting the City through coordinating major system enhancements and implementations with Oracle Consulting Services whereas the future Technology Project Manager will be primarily focused on quarterly updates and enhancements handled by internal staff, along with other Technology Projects across the City.. Further, Mr. Rice is free from the City's control and direction in the performance of his services, has other clients, and is customarily engaged in project management consulting services.

Previous Council or Advisory Body Action

There is no previous Council action on this item. Per City purchasing policies, the original Archer Street, LLC contract was approved through a City Manager Report.

Policy Context

The original contract was approved through a sole source agreement on 2/26/2021 per the City's establish purchasing policies.

Public Engagement

This is an administrative item, so no outside public engagement was completed. Public comment can be provided to the City Council through written correspondence prior to the meeting and through public testimony at the meeting.

FISCAL IMPACT

Budgeted: No
Funding Identified: Yes

Budget Year: 2021-22

Fiscal Analysis:

Funding for the contract extension would come from the Network Services budget and the vacant Technology Project Manager position (\$112,738). This contract extension would take the City through June 2022, but in the event that a full-time employee is hired prior to the end of the contract, the City has the option to terminate the contract early (thus not spending the full \$80,000).

Funding Source	Current balance of Technology Project Manager	Proposed Contract Extension	Remaining Balance
Salaries and Benefits	\$ 112,738	\$80,000	\$32,738

ALTERNATIVES

Do not approve the Oracle ERP Project Management contract extension. This is not recommended as it would delay the identified projects in the IT two-year work plan that have been identified to move this project forward.

ATTACHMENTS

- A – Amendment to Agreement with Archer Street, LLC
- B – Archer Street Project Management Services Quote dated 08/26/2021
- C – Sole Source Archer Street LLC