



REPORT

DATE: For the Agenda of March 1, 2002 **Item 101**

REPORT NO.: HCR02-012

SUBJECT: Amendment to the Contract with Dean Application Consulting for
Financial Software Consulting Services (Citywide)

SUMMARY

Issue: Should the Housing Commission approve an amendment to a sole source contract with Dean Application Consulting (Dean AC) to continue providing financial software consulting services?

Recommendation: Approve an increase in the maximum compensation due under the contract with Dean AC by \$50,000 from the current level of \$46,050 to a not-to-exceed amount of \$96,050.

Fiscal Impact: Expenditure of up to \$50,000 more than the current contract limit. Funds are available in the FY02 budget.

Certificate of Funding Availability:

Certificate No:	02-122
Amount:	\$50,000
Revenue Source:	Various
Line Item:	Professional consultants

Equal Opportunity Statement: Dean Application Consulting is not a Minority or Women Business Enterprise.



BACKGROUND

In 1998 the Housing Commission acquired and implemented the PeopleSoft financial software. The primary driving force at that time was Year 2000 compliance. Other objectives of the system replacement were better reporting, more timely and accurate data, and ability to implement emerging technologies, stronger auditability and system reliability, efficiency, upgradability and vendor support. In 1998 and 1999 staff implemented the PeopleSoft General Ledger, Accounts Payable and Purchasing modules. Subsequently, many custom reports were developed to meet staff needs.

Last December Housing Commission staff, including the new Financial Services Manager, evaluated the progress made with this software and determined that significant functionality had not yet been implemented and that this functionality should be in place by the beginning of Fiscal Year 2003 (July 1, 2002).

DISCUSSION

The proposed work of this contract provides for the following services:

- Budget Development process migration to PeopleSoft
- Several PeopleSoft enhancements identified in the Needs Assessment
- PeopleSoft functionality training
- Specific Financial Reporting development

Robert Dean of Dean Application Consulting (Dean AC) would be the contractor for this project. Dean AC is currently completing a contract with the Commission for the implementation of the PeopleSoft fixed assets module and needs assessment. Mr. Dean has over ten years experience in business applications planning, implementation and project management and has worked as a consultant with the Housing Commission since 1998. He has an in-depth knowledge and understanding of the Housing Commission's programs and procedures. Attachment 1 shows that the rate proposed by Dean AC is lower than the rates charged in two previous contracts in 1998 and 2001. Since Dean AC is located in the San Diego area, there will not be any travel lodging and meal costs.

Housing Commission staff estimate that it would take five to six months to complete a competitive RFP process and orient a new consultant to Commission systems. In order to meet the self-imposed deadline of July 1, 2002, we are recommending this sole source procurement. Staff intends to issue an RFP for additional work to be performed in Fiscal Year 2003.

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ALTERNATIVE

Issue a Request for Proposals. This alternative is not recommended since it is highly unlikely that necessary changes to the financial software will be implemented by July 1, 2002.

Respectfully submitted,

**Signature on File
with Original Document**

Approved by,

Alan Perlman
Information Systems Manager

Elizabeth C. Morris
Chief Executive Officer

Attachment 1: Cost Comparison

Attachment 2: Proposed Amendment to Dean AC contract

Attachment 3: Original contract with Dean AC

Cost Comparisons

<u>Company</u>	<u>Time Period</u>	<u>Hourly rate</u>
BIT/CIBER	3/98 – 8/99	\$165 + \$10/hour travel
XD Consulting	3/01 – 12/01	\$175 + mileage
Dean AC	1/2002 -	\$150