

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: September 24, 2008
TO: Board of Commissioners
FROM: Bruce A. Warner, Executive Director
SUBJECT: Report Number 08-118
Purchase of Consulting Services from Ciber Inc.

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

Adopt Resolution No. 6639

ACTION SUMMARY

This action will authorize the Executive Director to enter into a contract with Ciber Inc. for the purchase of consulting services and data conversion tools for an amount not to exceed \$775,000.

This work is necessary to complete implementation of a major upgrade to PDC's core software application system – Lawson – that is used by the organization's financial, procurement, payroll, and human resource operations.

The selection of Ciber Inc. is the result of a public solicitation that received four proposals.

PUBLIC BENEFIT

This project helps PDC meet its responsibilities to ensure the ongoing support and maintenance of its Lawson system and for providing the public with timely and reliable access to information.

This action will support the following PDC goals:

- Develop healthy neighborhoods
- Provide access to quality housing
- Help businesses to create and sustain quality jobs
- Support a vibrant Central City (urban core)
- Contribute to a strong regional economy

PUBLIC PARTICIPATION AND FEEDBACK

Not Applicable

COMPLIANCE WITH ADOPTED PLANS AND POLICIES

This project supports the following Key Action in the *PDC Strategic Plan*:

Develop PDC's system infrastructure to allow staff to timely and accurately deliver on business plans, projects and strategies.

FINANCIAL IMPACT

This is a 9 month project to upgrade the Lawson system and restructure the chart of accounts to better report financial information in a manner consistent with business operations. The Lawson Upgrade budget for 2008-2009 is \$720,000. The chart of accounts restructuring is not in the 2008-2009 budget and will rely on the reallocation of Project Management Office funds from other projects.. We anticipate spending \$1,200,000 of the Project Management Office budget amount of \$3,000,000 for this fiscal year. Of the 2008-2009 amounts, we anticipate the contract with Ciber Inc. to not exceed \$775,000.

RISK ASSESSMENT

The upgrade of the Lawson system presents a risk with regard to it functioning correctly with ongoing business processes and reporting. The chart of accounts restructuring presents a risk to accurate and reliable financial reporting. These risks will be mitigated by extensive testing of functionality and reporting, and data validation before transitioning to the upgraded system. Ciber Inc. has extensive experience in these types of projects in a government environment. Without this project PDC will lose Lawson support and maintenance after May 2009. In addition PDC will not be able to report budget and financial information in a manner that reflects business operations.

WORK LOAD IMPACT

In order to achieve a successful installation and implementation of the software, PDC will utilize the services of a contracted project management specialist to supervise the contract and services of Ciber. The entire project will be supervised and managed by the Project Management Office in the Central Services Department.

ALTERNATIVE ACTIONS

If PDC were to not upgrade its Lawson system it will lose maintenance and support and will be subject the loss of data integrity and an interruption to business operations in the areas of Finance, Procurement, Payroll and Human Resources. If PDC were not to move to a new chart of accounts structure it will continue to budget and track financial information that does not reflect the business operations.

CONCURRENCE

This Lawson Upgrade portion of this project was identified by the PDC Leadership as a priority project in 2007 during the Budget Development. The chart of accounts portion of this project is a direct result of the PDC Leaderships decision to reorganize its Operation departments. PDC's internal Project Management Office Steering Committee has recognized this effort as a priority project.

BACKGROUND

In July 2000, PDC implemented Lawson software components for General Ledger, Accounts Payable, Cash Ledger, Projects & Activities, Procurement, Payroll and Human Resources, enterprise-wide. The implementation at the time was for basic functionality only and did not yield an information systems or application configuration that could accommodate the future growth and evolving needs of PDC.

In December of 2007, PDC's Executive Team adopted an Enterprise Resource Planning (ERP) strategy that is centered on the continued use and roll-out of additional functionality of the Lawson software.

The current 8.0.3.7 Lawson environment will be decommissioned on May 31, 2009. The Lawson 9 Plus project will upgrade the environment to LSF 9.01 in order to ensure continued maintenance and support. The applications version 8.1 will be decommissioned on May 31, 2010 and PDC has decided to save resources and time by upgrading the environment and applications to 9.01 at the same time.

A restructuring of the chart of accounts is necessary to more effectively manage and report its financial information in a manner consistent with business operations. The timing is in part due to a major internal reorganization of departments. PDC has determined that this activity needs to occur in conjunction with the upgrade in order to meet schedule requirements to sustain Lawson maintenance and new reporting needs.

The Portland Development Commission's ("PDC") Request for Proposals #08-03 for "Consulting Services" ("RFP") was issued by PDC Purchasing & Contract Services on July 18, 2008. In response to this solicitation, PDC received four responsive Proposals by the RFP deadline.

Responsive Proposals Received:

1. Ciber Inc.
2. Blue Horseshoe
3. Absolute! Inc.
4. Synthasys, LLC

The first phase of evaluation of Proposals received in response to the RFP was to determine a short-list of finalist Proposers. Over a period of two weeks, all responsive Proposals were evaluated by an internal three-person Evaluation Committee in accordance with evaluation criteria set forth in the RFP.

Based upon the evaluation of all four Proposals submitted in response to the RFP, the Committee identified the following list of Finalist Proposers:

- **Ciber**
- **Blue Horseshoe**

Based upon a thorough review of all proposals, interviews with the two finalist proposers, and an investigation of Ciber's references, it was the consensus of opinion among all PDC staff who participated in the RFP and evaluation that Ciber Inc. offers PDC the best overall value, benefit, convenience and service.

CC: Julie Cody, Chief Financial Officer
David Elliott, Acting General Counsel