SUMMARY STATEMENT

ITEM NO.: DRPA-15-010

SUBJECT: Enterprise Resource Planning (ERP) Consulting Services

COMMITTEE: Finance

COMMITTEE MEETING DATE: January 7, 2015

BOARD ACTION DATE: January 21, 2015

PROPOSAL: That the Board authorizes staff to negotiate an extension to the contract with Grant Thornton for an amount not to exceed $1,270,200.00 for Project Management services. Pricing is provided under GSA IT Schedule 70. Grant Thornton’s IT schedule 70 contract number is GS-35F-5461H.

Amount: $1,270,200.00

Contractor: Grant Thornton
            2001 Market Street, Suite 31
            Philadelphia, PA 19103

PURPOSE: To provide the Authority with project management, change management, and other consulting services to be used exclusively for the Enterprise Resource Planning (ERP) project. Grant Thornton will provide a project manager as well other support staff to assist the DRPA in managing their internal resources and responsibilities related to the ERP project at the direction of the project sponsor.

BACKGROUND: The DRPA is currently working on a project under Board Resolutions DRPA-12-050, DRPA-13-097 and contract #GN-0010-12 to implement a new ERP system to replace its two aging and obsolete systems. In order to effectively manage the project it is necessary for the DRPA to utilize consulting staff that have extensive experience in implementing ERP systems. The activities for these services include, but are not limited to:

- Supporting the definition of ‘to-be’ business processes outlined within the SAP blueprint documentation and identifying the resulting process and organizational changes necessary to support these business processes
- Working with DRPA management to prepare the organization, through training and the development of policies and procedures,
to adopt the agreed upon ‘to-be’ business processes

- Supporting the Authority team through the configuration and testing of SAP in conjunction with the ERP integrator, ensuring continuity of design from the original defined requirements to the tested system
- Supporting the development and execution of staff training in the ‘to-be’ processes in conjunction with the implementation of the SAP system, and product training provided by the SAP integrator
- Receive and manage project status updates from project contractors
- Prepare project status updates to executive management and Board level leadership when necessary and support delivery of these updates
- Manage integrator deliverables, including and the deliverable review, feedback and acceptance process
- Monitor and ensure that project activities align to organizational goals
- Manage project activities against plan, particularly activities where DRPA is primarily responsible (like data cleansing, data governance, etc.)
- Coordinate and lead DRPA staff through the decision making process to achieve resolution of key design issues
- Provide insight and facilitate communications between the integrator and DRPA staff
- Coordinate and manage project logistics including facilities, meeting space, work space, and special events and meetings
- Manage creation and distribution of internal project communication
- Coordinate Consultant and Authority efforts to identify and manage project change and training

Under resolution DRPA-13-097 it was stated that these services may need to be extended beyond the original December 31, 2014 date and we would come back to the Board if it was necessary. Additional funding is necessary for the following reasons:

1) The original proposal (through December 2014) was based on completing negotiations with the software vendor by January 2014, starting implementation in March, and being materially complete by the end of the calendar year.
2) The project has been delayed/extended for the following reasons:
a. RFP release was delayed more than 2 months to allow for additional review
b. Selection process was extended approximately 3 months to provide additional time for the DRPA reviewers at each step, to add the additional vendor workshop process into the evaluation, and to provide the participating DRPA team with additional comfort and confidence in their choice. This delay was partly due to the large number of initial responses (14) and the closeness of the initial down-select (requiring 4 vendor demonstrations instead of 2 or 3)
c. The implementation timeline proposed by the vendors (and winning bidder) is longer than originally expected (12-13 months instead of 7) to provide additional time for application testing, data conversion, and for DRPA staff to become comfortable with the new policies, business processes, and system

3) Providing additional coverage for business process coordination, procedure development, and project oversight. While this was always the general scope, the original proposal expected more dedicated DRPA resources from the departments, which is just impractical, particularly in Finance and HR/Payroll, given current staffing.

Staff, therefore, recommends that the contract be awarded to Grant Thornton for $1,270,200.00.

**SUMMARY:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Details</th>
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</thead>
<tbody>
<tr>
<td>Amount</td>
<td>$1,270,200.00</td>
</tr>
<tr>
<td>Source of Funds</td>
<td>2013 Revenue Bonds/General Fund</td>
</tr>
<tr>
<td>Capital Project #</td>
<td>TE0702</td>
</tr>
<tr>
<td>Operating Budget</td>
<td>N/A</td>
</tr>
<tr>
<td>Master Plan Status</td>
<td>N/A</td>
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<tr>
<td>Other Fund Sources</td>
<td>N/A</td>
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<tr>
<td>Duration of Contract</td>
<td>March 31, 2016</td>
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<tr>
<td>Other Parties Involved</td>
<td>N/A</td>
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RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate a contract with Grant Thornton for an amount not to exceed $1,270,200.00 for ERP consulting services.

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:

- **Amount:** $1,270,200.00
- **Source of Funds:** 2013 Revenue Bonds/General Fund
- **Capital Project #:** TE0702
- **Operating Budget:** N/A
- **Master Plan Status:** N/A
- **Other Fund Sources:** N/A
- **Duration of Contract:** March 31, 2016
- **Other Parties Involved:** N/A