

MEMORANDUM

TO: Governing Board Members

FROM: Paul E. Dumars, Sr., Chief Financial Officer, Executive Office

DATE: December 2, 2008

SUBJECT: Waiver of Competition with Meridian Partners, LLC
Project Systems Support and Public Budget Formulation Integration

Background:

eQuest is the District's rollout of the enterprise resource planning software SAP. The SAP Project Systems (PS) and Public Budget Formulation (PBF) modules are part of this project and goal is to provide a project management solution that is integrated with the other business, budgeting and planning processes in the SAP system. Integration points with finance, procurement, maintenance management, asset management and budget development will enhance project management information and reports and will reduce cycle times. SAP PS integrates with all the current SAP R/3 modules and will allow the District to validate the funding and budget availability at all times on projects. The scope of the PS module project was increased as a result of the cancellation of 2 other projects, as a result the successful rollout of PS now requires that the consultants that have been here for the design and build phases remain for the test and deployment phases and to participate in the PBF project. These consultants have detailed knowledge of the current SAP system configuration, deep understanding of the District specific requirements, and thorough grasp of the existing environment.

How this helps meet the District's 10-year Strategic Plan:

Maintaining support in the SAP Solution Center is a critical component towards the improvement of our current system, business processes and therefore the Mission Support program, as it becomes necessary to generate, present and analyze financial information to adjust the annual work plan and the strategic plan given the expected revenue reductions in upcoming years.

Funding Source: This agreement should not exceed \$3,650,000 of which ad valorem funds are in the FY09 budget.

This Board item impacts what areas of the District, both resource areas and geography:

The District's SAP System affects all business process across the District, including processes in Budget, Procurement, Finance, Operations and Maintenance, Project Management, Information Technology, and Human Resources.

What concerns could this Board item raise: The District does not have the sufficient "in house" staff with the required detailed SAP technical skill set necessary to perform the tasks needed to implement and support this project, and therefore we require support from outside consultants.

Why should the Governing Board approve this item?

The time and resources required to re-compete these services now will likely result in increased costs, and schedule delays without assurances of obtaining a comparable, technically qualified, team of consultants at a similar price. Delays with this project will impact other projects' schedules and costs.

If you have any questions, please do not hesitate to call me at ext. 6212.

PED/bc
Resolution