



Chicago Park District

Legislation Text

File #: 20-1237-1118, Version: 1

CONTRACT MODIFICATION TO PROFESSIONAL SERVICES AGREEMENT FOR ENTERPRISE APPLICATION SUPPORT SERVICES BETWEEN THE CHICAGO PARK DISTRICT AND COMPUTER AID, INC. (BASED ON CITY OF CHICAGO CONTRACT NO. 26835, SPECIFICATION NO. 103871)

To the Honorable Board of Commissioners of the Chicago Park District

I. Recommendation

Pursuant to the Chicago Park District Code, Chapter 11, Section E.4., it is recommended that a contract modification be approved affecting the contract for the subject work. The contract modification authorizes an additional \$4,900,000 for services required to upgrade/implement cloud software solutions for the Chicago Park District's enterprise applications.

II. Contract Modification Information

Company: Computer Aid, Inc.
10 S LaSalle St. Suite 1000
Chicago, IL 60603

		<u>MBE%</u>	<u>WBE%</u>
Original Contract Amount:	\$7,300,000	25%	5%
Contract Modification Amount:	\$4,900,000	25%	5%
New Contract Amount:	\$12,200,000	25%	5%

Contract Type: IT Professional Services

Contract Period: No additional contract extensions are included as part of the recommended contract modification.

Contract Amount: Not-to-exceed \$12,200,000

Affirmative

Action Goals: The Minority and Women-Owned Participation for this contract includes 25% Minority-Owned and 5% Women-Owned.

III. Budget and Financial Information

Budget Classification: IT Operating & Capital
Fiscal Year: 2020-2023
Source of Funds: 001.8230.8230.623020.00001.01.01.0001
[IT Capital Account]

IV. Explanation

The Chicago Park District holds a contract with CAI to provide Enterprise Applications support services for the following systems:

- Oracle E-Business Suite (EBS):
 - General Ledger
 - Accounts Payable
 - Purchasing
 - Human Resources Management System
 - Time & Labor
 - Payroll
- Grants Management System:
 - Oracle Primavera P6 - Capital Project Management System
 - Oracle APEX - Assets, Facilities, and Grants Database
 - Infor EAM/ - Facility Work Order Management System
 - Oracle SOA/Weblogic -Integration system for all above modules
- Oracle Enterprise Performance Management (EPM) - Budgeting & Planning
- Oracle Business Intelligence Enterprise Edition (OBIEE) - Reporting

CPD is currently running Oracle E-Business Suite (EBS) for its Enterprise Resource Planning (ERP) system. Oracle EBS, and its associated Oracle databases, is used to perform mission-critical Finance, Human Resources, Payroll, and Procurement functions that allow the organization to perform its day-to-day operations. CPD is also running a complex & customized set of applications for its Grants Management System. The system is composed of multiple independent applications working in concert to track physical assets, create work orders, manage projects, and oversee financial management. The technology landscape of CPD's enterprise applications, including ERP and Grants, has changed dramatically over the past 10+ years since they were first implemented.

CPD is at a crossroad with its current ERP and Grants Management Systems. The current applications and databases run in an on-premise data center located at CPD headquarters and are approaching end-of-life. These systems must be upgraded or replaced to ensure that critical CPD business processes remain fully functioning and that the applications and databases remain secure and supported.

CPD IT has thoroughly reviewed its options to upgrade or replace Oracle EBS. This review included an analysis on system functionality and support, and the total cost of ownership over a 10-year period for three options: 1) perform an in-place, on-premise upgrade of Oracle EBS; 2) migrate to Oracle Cloud Infrastructure-as-a-Service (IaaS) and perform an upgrade of Oracle EBS or 3) replace Oracle EBS and with Oracle Software-as-a-Service (SaaS) Enterprise Resource Planning (ERP) and Human Capital Management (HCM).

The analysis concluded, that while moving to Oracle SaaS will require changes to CPD's business processes, it is the most cost-effective approach long term, with our model showing approximately \$3.9M in savings over a 10-year period when compared to an on-premise upgrade and the level of ongoing support required. In addition, moving to the cloud solves for CPD's need to reduce its data center footprint as required for our upcoming headquarters move. CPD IT has also conducted a high-level assessment and total cost of ownership analysis for its Grants Modules. Similar to the ERP system, moving to a software-as-a-service solution is the most cost-effective approach while reducing the need for hosting applications on-premise in a CPD-owned data center.

Per the CPD Code, Chapter 11, Section E. 4.: "All change orders as defined and authorized under this chapter shall be submitted in writing by an authorized representative from the initiating user department. The written documentation indicates (1) the circumstances said to necessitate the change in performance were not reasonably foreseeable at the time the contract was signed, or (2) the change is germane to the original contract as signed, or (3) the change order is in the best interest of the unit of the Park District and authorized by law." CPD IT believes it is in the best interest of the Park District, due to business and technical drivers to perform timely upgrades of our major enterprise applications, to modify our existing contract with CAI to complete these necessary cloud software implementations.

V. General Conditions

1) *Conflicts*: The Agreement shall not be legally binding on the Chicago Park District if entered into in violation of the provisions of 50 ILCS 105, the Public Officer Prohibited Activities Act.

2) *Ethics*: The Chicago Park District's Ethics Code, Chapter III of the Code of the Chicago Park District, shall be incorporated into and made part of the agreement.

3) *Contingent Liability*: Any agreement lawfully entered into for a period of more than one year shall be executory only for the amounts for which the Park District may become liable in succeeding fiscal years pursuant to 70 ILCS 1505/17(i). The agreement shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year budget.

4) *Economic Disclosure Statement* ("EDS"): Contractor has submitted a full and complete EDS prior to execution of the contract.

