

Statement of Work (SOW)
Contract No. 37969, Amendment 3
Attachment 1

EBS Project Phase Name: The scope of work for Amendment 3 concerns SAP Public Services, Inc. ("Contractor") Post Go-Live Stabilization Support ("Stabilization Support") to be provided by the Contractor to the City of Portland, Oregon ("City"). The scope of work is as follows:

1. Stabilization Support Approach

The Contractor agrees to provide consulting Services for the duration of the Post Go-Live Stabilization Support phase of the City EBS Project. The Contractor consultant(s) assigned to this work will provide support to the City SAP system and help the City gain a better understanding of SAP Software applications.

This SOW also includes certain City responsibilities and Assumptions. In addition to the tasks otherwise set forth in this SOW that are the City's responsibilities, City agrees to provide appropriate EBS Project resources, including but not limited to equipment, data, information, workspace and appropriate personnel to facilitate the performance of the Services. City shall designate a Project Manager to work with Contractor to facilitate the provision of its services. It is mutually understood that business requirements, resources and dates may change and, if so, such changes are subject to the requirements of the original Contract between the parties.

The City is responsible for defining the Stabilization Support plans and tasks and for requesting changes to the requirements for Contractor services.

The City needs to establish a live production operation for the City SAP software system that can be managed and maintained by City employees. In order to achieve its objective, the post production effort will proceed as follows:

- Phase I – Financials and Logistics Stabilization. The primary focus of this activity is to ensure stability of the financial and logistics applications. Stabilization will focus on making sure the applications and processes are working as designed. Additionally, stabilization will focus on making sure City employees have the requisite skills to properly manage and maintain the applications.
- Phase II – HR/Payroll Stabilization. Like Phase I, this effort is designed to make sure the HR/Payroll applications and processes are stable for the City. As the City works to establish a full-time, long-term support group, this effort will also work to make sure City employees are in a position to run the City payroll independently and have the requisite skills to properly manage and maintain the applications.

Work pursuant to this Amendment is estimated to start on November 27, 2008 and has a projected completion date of January 31, 2010 (hereafter, the "Estimated Duration"). The Consultants will work on the Stabilization Support during this time, and provide support within the scope of work of this amendment as specified by the City through the use of written Task Orders the form of which is attached hereto as Exhibit 1.

The City shall provide Contractor with at least ten (10) business days prior written notice of a request to withdraw the Services of any assigned Consultant when such withdrawal is less than the Estimated Duration. Contractor agrees to provide the City at least ten (10) business days prior written notice of a request to withdraw the Services of any assigned Consultant when such withdrawal is less than the Estimated Duration.

2. Stabilization Support Scope of Services

The City will begin Stabilization Support activities for the SAP software in two phases:

- Phase I – Financials and Logistics (begin support activities approximately November 27, 2008)
- Phase II – HR/Payroll (begin support activities approximately April 7, 2009).

In general, "Stabilization Support" consists of:

a. Expanded Features and Functionality

Expanded features and functionality consists of the following tasks to be performed within the current functional scope as set forth in Contract No. 37969 and within final City accepted FILO and HCM Blueprints:

- Expanded features and/or functions to enhance or improve the ability of the City to execute its business requirements.
- Expanded processes and roles required to enhance or improve the ability of the City to execute its business requirements.
- Expanded infrastructure support required to enhance or improve the ability of the City to execute its business requirements.
- Data Conversion and Legacy Data Clean Up required to enhance or improve the ability of the City to execute its business requirements

b. Process Improvements (requiring software changes)

Process improvements consist of the following:

- Design and assist with implementation of process changes to streamline the use of the SAP software system
- Make configuration changes to the SAP software system to improve efficiency of business processes.
- Provide consultation on organizational change management and training required for the City to implement improved process to more effectively use the SAP software system.

c. System Updates

System upgrades consists of the following:

- Support and execute installation of new SAP software support packs and/or notes
- Support database (DB) and operating system updates
- Additional Configuration as required to retain existing functionality.
- Security changes.

d. Production Support and Legal Change Packs

Production Support and Legal Change Packs consist of the following:

- Application and testing of SAP software Legal Change Packs (LCP), i.e. support packages updating SAP software for HR/Payroll legal requirements.
- User Support such as new user setup and security profiles.
- Support BTS Help Desk with issue resolution.
- Bug Fixes.
- Data Reversal and Clean Up.
- Periodic Support Packs installation and testing.
- Support adjustments, changes, and additional development (within the current functional scope as set forth in Contract No. 37969 and within final City accepted FILO and HCM Blueprints) and testing of technical objects (WRICEF) as required to enhance or improve the ability of the City to execute its business requirements.
- Infrastructure Support such as networks and security.

e. Delayed Stabilization Support

Some functionality will not be subject to stabilization support within the normally anticipated two months of post go-live processing of the City SAP system. Such “delayed” stabilization support could include:

- Support and assistance with first time FILO functionality such as the first pro forma CAFR in March 2009 and the first City SAP system produced CAFR in September through November 2009.
- Support and assistance with first time HCM functionality such as the first federal tax reporting, i.e. Form 1099.

Specific Contractor consultants and hours would be required for these types of delayed stabilization support.

The City anticipates that some or all of the Stabilization Support services described above may be necessary. At this time, however, it is unclear exactly what those services will be. Therefore, following the execution of this Amendment the City will issue Task Orders within the scope of work of this amendment to the Contractor in order maintain maximum flexibility and have the ability to redirect and adjust activities and assignments as necessary to support and promote stability of the City’s SAP system and applications. Contractor will perform the Task Orders issued by the City in this regard.

3. Stabilization Support Assumptions and Responsibilities

Work pursuant to this agreement is based on the following assumptions and apportionment of responsibilities:

The City is responsible for providing appropriate Stabilization Support resources in a timely and sufficient manner, including but not limited to equipment, data, information, workspace and appropriate and cooperative personnel, to facilitate the performance of the Services.

The City EBS Project Manager will be the primary point of contact in dealing with the Contractor and will have the authority and power to make decisions with respect to any action to be taken by the City pursuant to this Amendment.

The City will provide the project methodology and all system accesses to the Stabilization Support team that they will follow, including but not limited to any tools, processes, activities, tasks, documentation, templates, accelerators or any other project management related standards;

The City will provide weekly status reports to the Contractor that provides an overall status of the Stabilization Support, all material issues and any concerns about any Contractor resources.

RESPONSIBILITY MATRIX	CONTRACTOR	CITY
A=Accountable, C=Contributing		
1. Phase I – Financials and Logistics Stabilization	C	A
2. Phase II – HR/Payroll Stabilization	C	A

1. The City will assume leadership roles during post go-live support activities. Contractor consultants will serve in an advisory capacity in order to help facilitate knowledge transfer.
2. The Contractor will provide assessments of each of the individual City team members to evaluate their level of skill necessary to manage and maintain the applications. The Contractor will make recommendations to improve City team skills and will work with the City to implement the agreed upon recommendations.
3. The City will evaluate self-sufficiency progress as appropriate and make adjustments (either for City or additional Contractor support) as needed.

Once the Contractor has assessed the level of City employees to manage and maintain the City SAP software system, the City will confirm the level of competency and self-sufficiency. Most organizations will want to continue some level of Consultant usage for their projects; however, a capable organization will have the capability to do more than simple production support and the application of Legal Change Packs (LCPs). This will allow the organization to expand the use of currently installed modules and to take advantage of new software functionality. In addition, their ability to perform a Technical Upgrade will mean that they will continue be able to take advantage of any new developed best practices within their currently installed modules.

4. Stabilization Support Staffing and Assigned Contractor Consultants

Anticipated staffing levels for the Stabilization Support activities in order to establish a stable and functional post go-live environment for the City is illustrated below:

		Stabalization Period (Financials)												
		Stabalization Period (HCM)										Total		
Finance Team		Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Hours
Project Manager	Kelley Dillenberger	0	0	0	0	160	0	0	0	0	0	0	0	160
Change Management Lead	Steve Oliver	0	0	0	0	40	0	0	0	0	0	0	0	40
Totals Project Management office		0	0	0	0	200	0	0	0	0	0	0	0	200
		Stabalization Period (Financials)												
		Stabalization Period (HCM)										Total		
TECHNICAL/CROSS APPLICATION		Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Hours
Tech/PI	Chakri Botlaguduru	80	80	0	0	160	80	0	0	0	0	0	0	400
Tech/ABAP	Swathi Kasa	160	80	0	0	0	0	0	0	0	0	0	0	240
Tech/ABAP	Trikanth Basatty	80	0	0	0	160	0	0	0	0	0	0	0	240
Tech/Security - TBD	Gerpreet Mann	80	0	0	0	160	0	0	0	0	0	0	0	240
Totals Technical Team		400	160	0	0	480	80	0	0	0	0	0	0	1120
		Stabalization Period (Financials)												
		Stabalization Period (HCM)										Total		
Finance Team		Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Hours
Fin Team Lead	Wlade Hunter	160	80	0	0	0	0	0	0	0	0	0	0	240
GL Consultant	Vijay Jayapal	80	80	0	0	160	0	0	0	0	0	0	0	320
GM Consultant	Tamera Hillary	160	160	80	0	0	0	0	0	0	0	0	0	400
MM/AP Consultant	Jenna Stafford	160	160	80	0	0	0	0	0	0	0	0	0	400
FIFM & CO Consultant	Christo Oliver	160	160	80	0	0	0	0	0	0	0	0	0	400
SD/AR Consultant	Lee Ann Moldovany	96	80	0	0	0	0	0	0	0	0	0	0	176
PS/AA Consultant	Robert Lake	160	80	0	0	0	0	0	0	0	0	0	0	240
Cash & AP Consultant	Tawny Williams	160	160	0	0	0	0	0	0	0	0	0	0	320
Totals Finance Team		1136	960	240	0	160	0	0	0	0	0	0	0	2496
		Stabalization Period (Financials)												
		Stabalization Period (HCM)										Total		
HCM Team		Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Hours
HCM Lead	Leisa Wood	0	0	0	0	160	80	0	0	0	0	0	0	240
HCM - PY	Rick Oliver	0	0	0	0	160	160	160	160	80	0	0	0	720
HCM PY	Cheryl Tiel	0	0	0	0	160	80	0	0	0	0	0	0	240
HCM - PA/PDI/Org Mgmt	Mohan Konda	0	0	0	0	160	160	0	0	0	0	0	0	320
HCM - TM	Ron Keith	0	0	0	0	160	160	80	0	0	0	0	0	400
HCM - TM	Sahil Aggarwal	0	0	0	0	160	160	160	160	160	160	120	0	1080
Totals HCM Team		0	0	0	0	960	800	400	320	240	160	120	0	3000
Totals		1,536	1,120	240	0	1,800	880	400	320	240	160	120	0	6,816

The Contractor will provide Stabilization Support consultant(s) to be located at designated U.S. City facilities. The City agrees and understands that the assigned Contractor consultant(s) will occasionally perform Stabilization Support Services from a remote location. Services performed remotely shall be approved in advance by the City and will be billable at a rate that is reduced by 15% for such remotely performed Services.

The Contractor consultants currently assigned to the City to work on this Stabilization Support are¹:

Resource	Supported Modules	Org	All Inclusive Rates	Total Days	Plan Start	Plan End	Billable Hours	Estimated Billable Amount
Tamera Hillary	GM	SAP	291	50	Dec-08	Feb-09	400	\$116,480
Jenna Stafford	MM/AP	SAP	291	50	Dec-08	Feb-09	400	\$116,480
Robert Lake	PS/AA	SAP	291	30	Dec-08	Jan-09	240	\$69,888
Tawny Williams	CM/AP	SAP	241	40	Dec-08	Feb-09	320	\$77,056
Leisa Wood	HCM Lead	SAP	375	30	Apr-09	May-09	240	\$90,048
Cheryl Tiel	PY/BN	SAP	241	30	Apr-09	May-09	240	\$57,792
Ron Keith	TM	SAP	342	50	Apr-09	Jun-09	400	\$136,640
Sahil Aggarwal	TM	SAP	213	135	Apr-09	Oct-09	1080	\$229,824
Kelley Dillenberger	Project Mgr	SAP	375	20	Apr-09	Apr-09	160	\$60,032
Steve Oliver	OCM	SAP	260	5	Apr-09	Apr-09	40	\$10,400
Chakri Botlaguduru	PI/Dev	SAP	260	50	Dec-08	Jun-09	400	\$104,000
Swathi Kasa	Dev	SAP	190	30	Dec-08	May-09	240	\$45,600
Trikanth Basatty	Dev	SAP	190	30	Dec-08	May-09	240	\$45,600
Gerpreet Mann	Security	SAP	291	30	Dec-08	May-09	240	\$69,888
Wlade Hunter	FI Lead	SAP	342	30	Dec-08	Jan-09	240	\$81,984
Vijay Jayapal	FI/CO	SAP	305	40	Dec-08	May-08	320	\$97,600
Christo Oliver	FM	SAP	280	50	Dec-08	Feb-09	400	\$112,000
Lee Ann Moldovanyi	SD	SAP	250	22	Dec-08	May-09	176	\$44,000
Rick Oliver	PY	SAP	290	90	Apr-09	Aug-09	720	\$208,800
Mohan Konda	PA/OM	SAP	290	40	Apr-09	Jun-09	320	\$92,800
				852			6816	\$1,866,912

¹ The "all inclusive rates" refer to the total amount per hour that each consultant will charge City. No additional payments, for whatever costs, will be paid by City for the consultant's time. Any work that is performed by Contractor consultants remotely shall be billed at a rate of 15% less than the "all inclusive rates".

The estimated consulting fees for this Amendment 3 SOW are a not to exceed amount of \$1,866,912. The "Not to exceed" (NTE) amount for the purposes of this SOW shall mean that the specified NTE amount is the amount currently budgeted by the City and available to the City to spend for the work required by the Contractor pursuant to this Amendment. The Contractor is not obligated to incur costs, and the City is not obligated to pay for costs in excess of the "not to exceed" amount.

The Contractor agrees it will not perform services for the City that exceed the specified NTE amount without prior written notification. If it appears that the Contractor is unable to perform the work required by this Amendment for the NTE amount, it will notify the City at least thirty (30) days in advance of exceeding the NTE amount so that the parties can decide whether the NTE amount should be increased. The Contractor understands that if it exceeds the NTE amount without giving written notice as required above it will not be compensated for that additional effort unless the City agrees to do so.

The rates stated herein are based upon a 40-hour work week for core Stabilization Support team members. However, Stabilization Support of this nature may have "peak" periods where the Stabilization Support team will be expected to work outside normal business hours. The Contractor will bill for all hours incurred. However, the rates for work over a 40 hour week will not change from those listed above unless hours worked are performed remotely in which case the hourly rate billed will be reduced by 15%.

Full-time City core Stabilization Support team members will not have responsibility for work outside the scope of the Stabilization Support. Other City projects that are currently underway or may start during this Stabilization Support will not utilize the resources, facilities, or technical infrastructure required for this Stabilization Support. The City will continue to be responsible for the existing system without having a negative impact on the Stabilization Support.

5. Compensation of Contractor

Contractor will provide monthly invoices to the City based on the rates stated above. The invoices shall reference the Task Order for which the work was performed, include a summary of the hours charged by each Consultant and distinguish between on site work and work that is performed remotely. All payments are due 30 days from date of the Contractor's invoice.

Any invoice discrepancies will be documented by the City and forwarded to the Contractor within 14 calendar days of the receipt of the invoice. Until such discrepancies are resolved City is under no obligation to pay the invoice. Once the discrepancies have been resolved the City shall have an additional 14 calendar days to pay the remaining portion of the invoice.

Contractor will email or mail invoices monthly to the following City billing email ID or street address:

Jim Wadsworth, EBS Project Contracts Manager
1120 SW 5th Ave, Suite 1435
Portland, OR 97204
Email: jwadsworth@ci.portland.or.us

The City will provide to the **Contractor** contact its authorized Purchase Order number, if applicable, to the Contractor within seven (7) days of City execution of this SOW. Any terms and conditions listed on the Purchase Order are not applicable to this contract as the Purchase Order is issued for administrative convenience only.

Contractor (SAP) invoice questions shall be directed to:

Ken Chambers, ken.chambers@sap.com , 206-228-8792

City payment questions and notices required by this SOW shall be directed to:

Jim Wadsworth, jwadsworth@ci.portland.or.us , 503-823-5325

6. Non-Solicitation/No-Hire

Neither party shall solicit or hire, in any capacity whatsoever, any of the other party's employees involved in the work required by this Amendment during the term of this Amendment and for a period of six (6) months from the completion or termination of work thereafter, without the express written consent of the other party.

**Exhibit 1
Task Order (Sample)**

**CITY OF PORTLAND
BUREAU OF OFFICE OF MANAGEMENT & FINANCE (OMF)**

TASK ORDER NUMBER _____

Contract No. 37969 provides for the assistance of SAP Public Services, Inc. in the following category: **Check one**

Application Development	Information Security
<u>Corporate Applications (Financial)</u>	Legacy Systems
Data Architecture	Network Operations
Desktop/Server Support	Server Support
GIS Applications	Project Management

1. CITY PROJECT MANAGER (For this Task Order)

Bureau: **Enterprise Business Solution Project**
Name: **Bruce Theurer**
Phone Number: **503-823-7385**

2. PROJECT BACKGROUND: (Information may be provided in an attachment)

Phase I – Financials and Logistics Stabilization. The primary focus of this activity is to ensure stability of the financial and logistics applications. Stabilization will focus on making sure the applications and processes are working as designed. Additionally, stabilization will focus on making sure City employees have the requisite skills to properly manage and maintain the applications.

3. CRITICAL SYSTEM: This Project involves a mission critical system (billing, revenue, public safety, SAP ERP) **Check one:** **YES**____ **NO**____

4. SPECIFIC SERVICES: (This Task Order identifies the following specific services to be provided by Contractor)

5. DELIVERABLES: The Contractor shall provide the following:

6. SCHEDULE:
All tasks to be completed by (date) _____

7. COMPENSATION: See Contract No. 37969, Amendment 3

8. LIST CONSULTANTS:

9. TIME AND MATERIALS: See Contract No. 37969, Amendment 3

CONTRACTOR
(Contractor Project Manager)

CITY OF PORTLAND
(EBS Project Manager)

Bureau: OMF/EBS Project

BY: _____

BY: _____

DATE _____

DATE _____