



May 22, 2015

Ms. Pauline Sumption
Finance Officer
City of Rapid City
300 Sixth Street
Rapid City, South Dakota 57701
(Sent via email to Pauline.Sumption@rcgov.org)

Dear Ms. Sumption:

Thank you for the opportunity to provide a revised estimate to continue assisting the City with the Tyler Technology Enterprise Resource Planning (ERP) system implementation. The Financial Modules went live on March 2nd and represent a significant accomplishment. The Human Resource and Payroll phase of the however continues to experience challenges.

At the completion of User Acceptance Testing for the HR/Payroll modules, it was deemed necessary to move back the go-live of the HR/Payroll modules to July 2, 2015 allowing more time for testing and training of end users. After that adjustment to the HR/Payroll go-live schedule was agreed upon, it was learned that the payroll/benefit coordinator would be out on medical leave for an unknown period of time. Unfortunately the ongoing configuration and detailed testing of the new system has essentially come to a stop.

The project to date has required more of a BerryDunn commitment than originally anticipated, leaving fewer hours for and the remaining phases of the project (Fixed Assets, CAFR Reporting, Utility Billing, Parking Ticket integration, and Tyler Cashiering). In addition, extending the duration of the HR/Payroll phase requires that additional hours be added to provide support through the July 2, 2015 go-live. With the Payroll/Benefit Coordinator being out on medical leave, the new go-live is expected to be no sooner than October 2, 2015.

BerryDunn wants the City to be successful in the Tyler Implementation, and to continue working in partnership with City staff. To help overcome the challenges that are impacting the Human Resource and Payroll phase of the project, BerryDunn is prepared to offer continued assistance by Marcey McHatten at a reduced rate. The rate per hour has been reduced from \$175 to \$165 per hour, and the estimated overall hours of support have been reduced from 200 to 144 hours. These adjustments will allow Marcey to continue supporting the HR/Payroll phase of the project through the projected October 2nd go-live, while extending that support for a total of six (6) months. There will clearly be a reduction in the weekly commitment to support of this phase of the project, but this change order will allow for continue support that is expected to ramp up in the months prior to go-live.

Below are the estimated hours required to continue support of the project by functional area:

Table 1: Additional Services

Functional Area	Duration of Effort	Hours Remaining	Additional Hours
HR/Payroll Support (Marcey McHatten through September 25, 2015) (Marcey McHatten one week of onsite assistance in support of the go-live October 2, 2015) (Keith Damon Oversight and PM Assistance)	4/1/15 – 10/2/15	0	144
Fixed Assets, CAFR Reporting, Tyler Cashiering, Parking Ticket Integration and Utility Billing (onsite two weeks per month, average 62 hours a month for ~11 months)	4/1/15 – 6/1/16*	242	448

*Estimated duration does not take into consideration blackout dates when project work will be suspended.

Overview of Our Proposed Approach

BerryDunn has provided full-time project management support for the project to date. The recommended approach going forward is to provide Project Oversight for the remainder of the HR/Payroll phase, and the additional financial phases (Fixed Assets, CAFR reporting, Parking Ticket Integration). Full-time project management support will be provided for Utility Billing and for Tyler Cashiering, as described below:

- **HR/Payroll** – Project Oversight services
- **Fixed Assets, CAFT Reporting, Parking Ticket Integration** - Project Oversight services
- **Utility Billing, Tyler Cashiering** – full-time Project Management services

Project Staffing

Table 3: Staffing

Project Management Option	BerryDunn Staff	
	Lead	Assist
Human Resources and Payroll – Project Oversight	Marcey McHatten	Keith Damon
Utility Billing – Project Management and Oversight of Fixed Assets, CAFR Reporting, Tyler Cashiering, Parking Ticket Integration	Ryan Doil	Keith Damon

Project Cost Estimates

We have provided below estimated fees for the additional assistance described in the sections above. The hour estimates are based upon recently revised project schedules provided by the vendor. BerryDunn will not charge for time spent traveling, so these costs are reflective only of the time BerryDunn team members will be working on the City's project. The cost estimates below do not include travel-related expenses.

Table 4: Fees for Additional Assistance

Services	Cost
HR/Payroll Support <ul style="list-style-type: none"> • 80 hours (5 hours a week for a total of sixteen (16) weeks) • 32 hours (onsite week of 9/28/15) • 32 hours (oversight and PM Assistance) 	\$24,080
Utility Billing, Fixed Assets, CAFR Reporting, Tyler Cashiering, Parking Ticket Integration <ul style="list-style-type: none"> • Estimated effort of ~690 hours required, balance of 242 hours remain • 448 additional hours (onsite two weeks per month, average 62 hours a month for ~11 months) 	\$78,400
(Total 648 hours)	\$102,480

With the experience gained from the first phases of the project it seems responsible to revise the travel estimates to be more in line with recent experience. Below are revised estimates.

Table 2: Revised Expense Estimates

Expense Category	Price	Units per trip	Total
Airfare	\$800	1 ticket	\$800
Hotel	\$50	3 nights	\$150
Rental Car	\$60	4 days	\$240
Per Diem (per Federal GSA rates)	\$71	4 days	\$284
Airport Parking	\$30	4 days	\$120
Estimated per onsite trip cost (assumes average 3 days onsite)			\$1,594

BerryDunn will progress bill the City on a monthly basis against each deliverable. Travel expenses will be billed on a monthly basis as incurred.

We would be happy to discuss the cost estimates above and provide additional details to assist in the City's budget planning process. Should you have any questions, please do not hesitate to me at 207-541-2294.

Ms. Pauline Sumption
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Sincerely,

A handwritten signature in black ink, appearing to read "CS", with a long horizontal flourish extending to the right.

Chad Snow
Principal