



TOPIC: University of Maryland, College Park: Consulting Services for the Implementation of the Kuali Financial System

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: September 12, 2013

SUMMARY: The University's Division of Administration and Finance is engaged in the process to convert its Enterprise Resource Planning (ERP) system from the existing and obsolete Financial Records System (FRS) to the new Kuali Financial System (KFS). This system supports UMCP, UMCES, UMES and the USM Office.

In support of this effort, a consulting firm was hired through a competitive Request for Proposal process in June, 2012. The contract provides outside expertise and consulting services related to the implementation of the Kuali Financial System, stabilization of the system and knowledge transfer to UMCP staff for ongoing support and maintenance. The Maryland Board of Public Works (BPW) approved the original contract award to Navigator Management Partners, LLC of Baltimore, MD. The awarded contract did not exceed \$5 million in its base term and therefore, did not require Board of Regents approval pursuant to USM Procurement Policies and Procedures, Section VII.C.2 for procurements exceeding \$5 Million. However, the level and duration of effort required was underestimated by the University and it is now expected to substantially exceed the \$5 million contract threshold, requiring Board of Regents approval and subsequent BPW approval.

The initial contract term included a two-year base period of June 25, 2012 through June 24, 2014 plus three one-year renewal options. The implementation process has been underway for approximately fourteen months and the current implementation or "go-live" date for transitioning to KFS is January 6, 2014. The base contract term will be restructured to include all services from June 25, 2012 through the "go live" date of January 6, 2014 followed by the three one-year renewal options. The projected value of the contract as originally estimated for the initial two-year term and renewal options as compared to the revised projections are as follows:

	<u>ORIGINAL</u>	<u>REVISED</u>
Original Base Term 06/25/12 - 06/24/14	\$ 3,500,000	
Revised Base Term 06/25/12 - 01/06/14		\$ 8,500,000
Option Year 1: 01/06/14 - 01/05/15	\$ 500,000	\$ 3,000,000
Option Year 2: 01/06/15 - 01/05/16	\$ 500,000	\$ 500,000
Option Year 3: 01/06/16 - 01/05/17	\$ 500,000	\$ 500,000
Total Renewal Options	\$ 1,500,000	\$ 4,000,000
Total	\$ 5,000,000	\$12,500,000

The contract is set up as an indefinite delivery, indefinite quantity (IDIQ) contract with fixed hourly labor rates plus reimbursables (e.g., travel expenses). The University would issue specific negotiated task orders with requirements and expected deliverables clearly described prior to initiation of work as it would be needed.

VENDOR(S): Navigator Management Partners, LLC of Baltimore, MD

ALTERNATIVE(S): The implementation process has been underway for approximately fourteen months and the current “go-live” date for cutover to KFS is January 6, 2014. Short of abandoning the project at this late stage of the process, there is no viable alternative to completing the implementation process.

FISCAL IMPACT: The cost of implementation has increased by approximately \$7.5 million when comparing original versus projected costs over the five-year term.

CHANCELLOR’S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for the University of Maryland, College Park, the award of this contract (as revised) to Navigator Management Partners, LLC in an amount not to exceed \$8.5 million for the base period and authorize the University to execute the three renewal options not to exceed \$4.0 million in total as might be necessary to transition from its current financial system to KFS and to continue the implementation of the new financial system. The total value of the contract shall not exceed \$12.5 million.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-1923
