PERALTA COMMUNITY COLLEGE DISTRICT

ITEM # 5

Board of Trustees Agenda Report

For the Trustee Meeting Date of October 14, 2008

ITEM TITLE: *(Please define the subject; e.g., change order – Berkeley City College)*

Consider approval for a contract extension with RWD Technologies for the period from November 1, 2008 through March 31, 2009.

SPECIFIC BOARD ACTION REQUESTED:

The approval of a contract extension for continued change management and strategic planning consultants to assist Peralta with IT organizational optimization and project organizational change management with their strategic plan.

ITEM SUMMARY: (PLEASE *DISCUSS THIS ITEM)*

The contract and statement of work includes three components: 1) a sustainment strategy for the student administration system. This strategy and plan outlines the current state of the Passport system implementation and defines a strategy and timeline for ongoing process, staff and technology improvements to continue project success. 2) An IT strategy to assess the current state of Peralta's IT, recommend alternative courses of action and include a high-level timeline for implementing recommendations. The goal of the strategic planning effort is to link with Peralta CCD's educational master plan and help achieve parity given the competitive market and macro economic conditions. 3) Change management for communications and training assistance for Peralta staff using the Business Intelligence solution, a project now underway. The total contract amount shall not exceed $280,000.

BACKGROUND/ANALYSIS:

Based on the success of the Student Administration implementation thus far, Peralta is including additional change management in the continued rollout plan for additional PeopleSoft functionality and other projects.

ALTERNATIVES/OPTIONS:

EVALUATION AND RECOMMENDED ACTION: The Chancellor recommends approval.

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):
Measure A: "Classrooms and facilities to enhance the community outreach capabilities of the District among the numerous ethnic communities living in and served by the District."

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES X NO _____

COMMENTS:
This project is a joint effort between the Finance and Information Technology departments.

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING?

Thomas Smith, Vice Chancellor for Finance and Administration

DID A BOARD STANDING COMMITTEE APPROVE THE ITEM? **YES** _____ **NO** __X__
IF "YES", PLEASE INCLUDE THAT INFORMATION IN YOUR SUMMARY.
PLEASE ACQUIRE SIGNATURES IN THIS ORDER:

DOCUMENT PREPARED BY:

Prepared by: Thomas Smith Date: 10.7.08
Thomas Smith, Vice Chancellor for Finance and Administration

DOCUMENT PRESENTED BY:

Prepared by: Thomas Smith Date: 10.7.08
Thomas Smith, Vice Chancellor for Finance and Administration

FINANCE DEPARTMENT REVIEW

__X__ Finance review required _____ Finance review *not* required

If Finance review is required, determination is: __X__ Approved ____ Not Approved

If not approved, please give reason: _____

Signature: Thomas Smith Date: 10.7.08
Thomas Smith, Vice Chancellor for Finance and Administration

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

__X__ Legal review required ____ Legal review *not* required

If Legal review is required, determination is: __X__ Approved ____ Not Approved
(Note: *as continued rollout plan*)

Signature: Date: 10/7/08
Thuy T. Nguyen, General Counsel

CHANCELLOR'S OFFICE APPROVAL

__X__ Approved, and Place on Agenda ____ Not Approved, but Place on Agenda

Signature: Date: 10/6/08
Elihu Harris, Chancellor

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Contract No.: 163270-011-000

SCHEDULE A

SOW NO. 11

This SOW, No. 11, is issued under and shall be governed by the terms of the Master Consulting Services Agreement (no. 163270-000-000) dated June 14, 2007, (the "Agreement") between RWD Technologies, Inc. and Peralta Community College District ("Client" or "Peralta). This SOW shall be effective as of November 1, 2008 (the "Effective Date").

DESCRIPTION OF SERVICES - STATEMENT OF WORK:

PLACE OF PERFORMANCE, PROJECT DURATION, PHASES, AND PAYMENT

Location where the services are to be performed: Oakland, CA

Project Duration: Term of Project:

- ☐ Number of Weeks:
- ☒ Specific Period: From: November 1, 2008 To: March 31, 2009
- ☐ Other:_____

Project: The Project will be developed in accordance with the work schedule as specified below:

STATEMENT OF WORK:

RWD will provide senior-level Change Management consultants to assist Peralta to develop a Student Administration system sustainment strategy, IT strategy and project organizational change management.

This statement of work is divided into three components:

1. **Student Administration system sustainment strategy**

   RWD will assist Peralta senior management in developing a sustainment strategy for the newly implemented Student Administration system. This strategy outlines the current state of the system and defines next steps for process, staff, and technology improvements to enhance the success of the implementation. The final deliverable includes a high-level timeline for implementing recommendations. The sustainment strategy addresses the following elements (see Appendix 1 for more detail).

   - Business – benefits, decision-making, project management
   - Process – standardization, management, and continuous improvement

- People – training, support, communication and organization
- Enabling Technology – service levels, help desk, data integrity and organization

RWD will develop the sustainment strategy through the following tasks:

- Document current state situation based on information already known, determine gaps in information and areas where further data is needed
- Gather related information from existing reports, meeting minutes and planning documents
- Interview leaders and others to develop greater understanding of current state and determine improvement opportunities
- Develop and implement questionnaire to gather information from the broader base of system users
- Synthesize all information and interview results
- Complete summary report and review with senior leadership
- Develop high level work plan or time line for ongoing improvement activities
- Develop and execute communication plan for the strategy and plan
- Complete final report and review with leadership

2. Information Technology Strategy and Plan

RWD will assist Peralta senior management and board of trustees in developing a information technology (IT) organizational strategy and plan. This strategy will assess the current state of Peralta's IT, recommend alternative courses of action and include a high-level timeline for implementing recommendations. The goal of the strategic planning effort is to link with Peralta CCD's educational master plan and help Peralta CCD achieve parity given the competitive market and macro economic conditions. RWD recognizes that a new CIO will want to add specifics to this strategy, and therefore recommends less detail in the execution components. This strategy includes the following elements.

- Stakeholder and current state IT assessment that evaluates organization, applications, technology infrastructure, financial resources and cultural readiness
- Best practices assessment of other California community colleges
- Purpose, mission, vision of IT, including guiding principles and values
- Gap analysis and readiness assessment

- Strategic options and recommendations for
  - i. CIO selection and other organizational staffing options
  - ii. PeopleSoft or other application deployment for improved student success
  - iii. Classroom and instructional technology to improve student learning
  - iv. Distance learning to enable greater reach of students
  - v. District administration including enrollment management, counseling, financial aid, finance, payroll, HR, and other areas as identified
  - vi. Collaboration and email
  - vii. Employee training and support for changes, upgrades and new deployments
  - viii. Technology support, such as security, data management, disaster recovery, hardware and networks
  - ix. Funding and budget management
- Alignment with the Board of Trustees, the Chancellor and other Peralta CCD senior leaders
- High level time-line including communications plan for the strategy

3. Change management for Business Intelligence Project

RWD will assist Peralta project leadership to develop and execute change management for the Business Intelligence project currently underway at Peralta. Change management actions and deliverables focus on the following areas (see Appendix 2 for more detail):

- Development of a Change Management Plan
- Leadership and Stakeholder Alignment
- Development of a Communications Plan, Content, and Coaching
- Key Stakeholder Management
- Business Readiness Teams and Process
- Organizational Alignment

PROJECT MANAGEMENT

Project Managers: The project managers for the Project are:

For Client: Tom Smith For RWD: Steve Salisbury

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Contract No.: 163270-011-000

COST AND PAYMENT TERMS

a. Compensation Arrangements:

☒ Compensation for work described in the SOW will be $ 234,000 for labor on a time and materials basis, and $46,000 for travel and expenses, resulting in a total of $280,000. RWD must receive Client's approval prior to proceeding with any labor or travel that would result in exceeding the above.

Costs

The proposed project cost is based on the following labor rates for the required RWD personnel:

RWD Personnel Costs

Role	Daily/Hourly Rate
Senior Change Consultant resources	$1,800 ($225.00/hr)

Project Costs

Project	Effort	Cost
1. Student Administration system sustainment strategy and plan	6 Weeks	$54,000
2. Information Technology strategy and plan	10 Weeks	$90,000
3. Change management for Business Intelligence Project	10 Weeks	$90,000
Sub-Total Labor	26 Weeks	$234,000
Travel estimated at 20% of Labor		$46,000
Grand Total		$280,000

b. Payment Terms.

RWD will submit invoices in accordance with this SOW. Client agrees to pay invoices within thirty (30) days of invoice date. If any invoices submitted under this SOW are past due, RWD has the right to cease work until all past due invoices are paid by Client.

ACCEPTANCE CRITERIA:

After RWD has delivered any Work Product, deliverables, or the other materials to Client, Client shall review the deliverable for acceptance in accordance with the criteria mutually agreed upon and set forth in the applicable project plan ("Acceptance Test Plan"). If the deliverable does not pass the Acceptance Test Plan, Client will advise RWD promptly and provide RWD with a written description of any defects and nonconformities. RWD will correct any defect or nonconformities within ten (10) days

and resubmit deliverable to Client. If the deliverable still does not meet the Acceptance Test Plan, RWD will attempt to correct any remaining defects or nonconformities until the work complies with the agreed upon specifications.

ASSUMPTIONS:

To support this project schedule, RWD will need to work closely with key Client personnel. The effort estimates and pricing are based on the following assumptions:

A. The estimated pricing is based on the assumption that the project duration (requiring coverage) in 5 months (November 2008 – March 2009).

B. Peralta will provide the following to RWD at the project start:

- Change history within PCCD
- Information about other stakeholders to the Student Administration organization (e.g. student and faculty population, geographies, current interfaces with Peralta systems, etc.)
- Existing business case and documentation that supports this change effort
- Access to representatives from the colleges and district office and other stakeholder for information gathering (survey and/or short interviews, as required)
- A resource assigned the collateral role of internal change lead from Peralta available for knowledge transfer, introductions and contracts for change and training team, organizational insight and participation planning, facilitation and activity development
- Access to the approved business case for the project initiative
- Any communications to-date that justify changes to key stakeholders or constituents
- Available impact analysis documents including process, role, or responsibility changes
- Copies of any past change and/or training intervention materials
- Organization and location maps
- Project organization chart
- Copies of, or relevant examples of, existing deployment plans

- Documentation for all relevant policies/procedures

C. RWD will have access to those individuals designated as project sponsors and subject matter experts for the purpose of data gathering, validation, assessment, and project leadership vision. This is particularly important in areas related to technology.

D. The RWD change management consultant will participate as a key member of the PeopleSoft implementation project team.

E. All project work will be completed in a timely manner. Once initiated, the work will proceed in an orderly fashion until all required work is completed. All parties will comply with the schedule outlined in the Change Management Plan.

F. RWD will provide electronic files of all support materials. Client is responsible for the production and duplication of materials identified for training or reference. RWD can assist Client with developing a strategy for making the support materials easily available for end users.

G. Client will provide the RWD training team with access to all buildings, personnel, information, and systems needed to validate the documentation and support needs, and to develop and deliver the materials.

Peralta recognizes that adherence to these Assumptions is critical to maintaining the budget outlined in this SOW. If any of the Assumptions in this SOW involving Peralta's obligations are not met materially during the course of this project, RWD will immediately bring the matter to the attention of Peralta and develop a budget and schedule impact document. The budget and schedule for this project may be impacted by a material lack of adherence to any of the Assumptions listed in this SOW by Peralta and a scope increase beyond what is set forth in this SOW may be required in order to complete the agreed upon deliverables for this project as a result. All budget or schedule related issues will be documented by RWD for Peralta and a corresponding agreement of resolution will be developed. In the event that RWD and Peralta agree on a scope increase as a result of a resolution agreement, a Change Order to this SOW will be issued and executed. Any delay or non-adherence to the Assumptions in this SOW will be measured to determine the potential impact to RWD's ability to complete a given deliverable, meet the project schedule, or maintain the budget. This determination will be made in conjunction with Peralta and scope impact agreement and resolution will be determined at that time.

This SOW shall become effective as of the date first written, subject to signature by authorized representatives of each party and may not be changed except as mutually agreed upon in writing by the Parties.

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Contract No.: 163270-011-000

IN WITNESS WHEREOF, the Parties hereto have executed this SOW intending to be legally bound.

PERALTA COMMUNITY COLLEGE DISTRICT	**RWD TECHNOLOGIES, INC.**
By: _____	By: _____
Name:	Name: Brian Lapthorn
Title:	Title: Division Director
Date:	Date:

APPENDIX 1

Evaluating System Success in the Post Go-Live Environment

1) **Business – benefits, decision-making, project management**
   a) We are receiving the business benefits expected
      - We have specific ROI expectations
      - We have metrics that tell us whether or not we are making progress
   b) We are able to use information from the system to make good business decisions
      - We are able to interpret and use the reports we have
      - We can generate the reports we need from the system
      - Our managers know how to use the system to manage their business functions
   c) We are adding capability and making changes based on strategic business needs
      - Our business leaders are engaged in decisions about the vision, goals and direction for the system
      - We have a management structure and processes in place for providing direction and making decisions
      - The management structure is represented by key leaders from across the business
      - System changes are not driven by local or department-level self-interest
   d) Our system-related projects are well-planned, delivered in time and stay within budget
      - We have an effective program management structure in place
      - Resources applied to system-related projects are adequate to meet business expectations

2) **Process – standardization, management, and continuous improvement**
   a) Our processes have become more standardized
      - People understand their fit within the business processes
      - Our business processes are documented and visible
      - People have adopted to the new business processes without developing work-arounds
   b) We have designated people who manage our processes across functions and locations
      - Process Owners are responsible for measuring process efficiency
      - Process Owners initiate and support process improvements
   c) We have succeeded in centralizing some key functions within the business
      - The system has enabled us to make organizational changes that have benefited the business, improved processes, and the helped the user community
      - We have managed the organizational changes effectively and to the benefit of all business stakeholders
   d) We have formal continuous improvement initiatives in place
      - We have groups who focus part of their time on continuous process improvement
      - We form ad hoc teams to address process performance issues as needed
      - We monitor and measure outcomes of our continuous improvement initiatives

3) **People – training, support, communication and organization**
   a) People are able to efficiently use the system to do their work
      - People's ability to use the systems efficiently continues to improve over time
      - Ongoing learning opportunities and performance support are available for our employees to improve their capabilities
      - Our new employees are trained thoroughly before they are expected to use the system and are supported as needed
      - When our people change jobs, learning/training materials and opportunities are available to help them understand their new processes and to execute the system functionality required for their new position
   b) Our system users get the performance support they need
      - Our Super Users have an established, on-going role, which includes work group-level performance support
      - Training materials, learning assets, reference documents, and on-line support materials are kept up to date
   c) People receive the system-related communications they need
      - Communication plans and resources ensure that people are aware of and understand any system changes made after go-live
      - People have a way to interact with, collaborate with and learn from others who execute the same transactions
   d) People are organized along business process lines to enable them to work together effectively
      - We have removed organizational barriers that prevent people from working well together
      - We are organized in a way that parallels the system and allows system users to work together most effectively

4) **Enabling Technology – service levels, help desk, data integrity and organization**
   a) We have an effective Center of Excellence or Sustainment Strategy established
      - We have service level agreements that meet internal customer needs
      - Our methods for applying upgrades or enhancements are not disruptive
      - We effectively communicate any changes or improvements to the user community
   b) Our Help Desk effectively serves internal customer needs
      - We consistently receive high customer ratings
      - Our internal customers understand and agree with our service level agreements
   c) We are able to maintain the integrity of our data
      - Master records are managed to avoid redundancy
      - Our master data management processes are easy to use
   d) PeopleSoft application support is integrated effectively with the rest of the IT community
   e) PeopleSoft application support is integrated effectively with the business

APPENDIX 2

Explanation of OCM Actions and Deliverables

Change Management Plan

RWD will create a change management plan and schedule to be reviewed and approved by Peralta. The plan will reflect the following:

- Review of current analysis, plans, and activities
- High-level organization and stakeholder assessment
- Recommended approach
- High-level change strategy incorporated into the implementation project plan to guide change activities

Leadership and Stakeholder Alignment

RWD will conduct activities, such as workshops, at the district and colleges to help identify, prepare, and coach leaders and stakeholder to be effective in their leadership and sponsorship role. Activities will focus on:

- The business case and governance of change
- Leading change and business readiness at PCCD

Communications Plan, Content, and Coaching

RWD will lead the effort to develop a communications plan and work directly with the Peralta management team to develop communication content and delivery approach.

Key Stakeholder Management

RWD will identify and engage stakeholders critical to the implementation. Through the use of stakeholder engagement plans, RWD will assist in delivering stakeholder interventions that advocates for the change, addresses resistance effectively, and sustains momentum toward improvement.

Business Readiness Process

It is critical to engage and prepare users from each of the colleges and district office in a more global implementation that crosses over each of the college's unique cultures. RWD will guide Peralta in developing business readiness teams that will modify, customize, and deploy the

project change plan in a way that makes sense to their constituencies, and in a way that they are prepared to deploy.

Organization Alignment

As needed, RWD will engage members of the colleges and district office to review the business process maps for the new structure and help in aligning the different stakeholder groups affected. The impact on the local organizations must be understood and the issues resulting from the changes must be resolved before the system goes into operation.