

EB5C, LLC.

Ex-Big 5 Consultants

October 19, 2010

Ronald P. Gerhard, Vice Chancellor
Peralta Community College District
333 East 8th Street
Oakland, CA 94606

PROPOSAL: PEOPLESOFT SUPPORT SERVICES

Dear Ron:

Our Understanding

Based on our recent conversations we understand that Peralta Community College District (the district) wishes to engage our services to resolve a variety of challenges it currently faces with its PeopleSoft system, particularly as it applies to your financial processes.

EB5C, LLC. is well qualified to provide both the functional and technical expertise you require to resolve these problems. We bring a deep understanding of community college financial, human resource, and payroll processes, the ability to provide well qualified and targeted PeopleSoft technical expertise, and project management skills with which we have historically delivered successful solutions to our client's challenges with maximum efficiency and cost effectiveness.

From our conversation yesterday we understand and agree that our initial assignment will be focused on resolving the problem you are currently facing in which PeopleSoft does not currently correctly post the results of your Prorata payroll (hourly adjunct assignments) to your financial records (Prorata posting project).

Based on your evaluation of our success in this area, EB5C would be pleased to offer similar assistance in the other challenge areas you discussed such as fixed asset management and other areas. We have a community college experience base that is much broader than just finance and human resources and can readily put those skills and knowledge to work on any other problems you may wish us to address.

Our Approach

You asked that we give you a description of our approach and our initial estimate of the level of effort required for the Prorata Posting Project. We offer the following information subject to the understanding that this work is diagnostic and corrective in nature. Having had the benefit of only one hour's discussion and exposure to your system and this particular problem the following estimates should be understood in that context and cannot be binding.

The work will proceed in two broad phases that are sequential.

1. **Functional Process and Rules Definition:** In this phase we will work with you and the other individuals you direct to define and document the functional process and rules required for accurate posting of this payroll to the financial records. A deliverable of this phase is a document detailing these findings which will be used to evaluate the current technical solution and make necessary changes. As you indicated that the current technical solution is not documented and not working, we will not devote time to evaluating its current status but rather use this phase to clearly understand your needs and to build a base on which the appropriate technical solution will be constructed. In this way you will have clear documentation of the solution for any future modifications that may later be necessary.

We estimate this phase at one to two calendar weeks. From EB5C, participants are expected to include Bill Vorhies, project lead and functional expertise, Prasad Mavuduri (part time) functional and technical expertise, and an additional techno/functional PeopleSoft resource with payroll expertise focus. The problem you are experiencing lies at the junction of the HR/Payroll module and the Financial Management module. Our initial sense is that a PeopleSoft payroll technical expert makes the most sense but we may change this for a PeopleSoft financials technician, or may discover that both are necessary for all or part of the project.

From the district, we will need adequate and focused attention from all the members of your staff that have the knowledge necessary to codify the process and rules. In addition, while we understand your desire to minimize the impact on your very limited IT resources, you should expect that we will need their in-depth assistance for at least the first two or three days of the project to provide necessary access and otherwise provide systems details. After this project start-up effort we will make every attempt to impose as little as possible on these resources and will consult with you as appropriate to determine when those efforts are best and most cost effectively made by your IT staff or by additional staff we can provide.

	Low estimate	High estimate (not a guaranteed maximum)
Cycle Time (calendar)	1 week	2 weeks
Level of effort		
Bill Vorhies, Project Lead, functional expertise	40 hrs	80 hrs
Prasad Mavuduri, functional and technical expertise	12 hrs	24 hrs
PeopleSoft Payroll technician	40 hrs	80 hrs
PeopleSoft Financials technician		80 hrs

2. **Implementation, Testing, and Deployment Support:** Once the requirements are confirmed and agreed, implementation can occur. The process of posting from payroll to financials in PeopleSoft is normally a straightforward configuration problem. In our optimistic estimate we make the assumption that the problem can be resolved by reconfiguring the necessary modules. However, it may be the case that

the rules the district wishes to implement cannot be addressed by standard configuration and may require custom development. We will consult with you should this be the case to determine if business rules should be modified to allow for the simpler solution or whether custom development is required either within PeopleSoft, or via a solution that may be external to PeopleSoft (and therefore somewhat easier to maintain).

The implemented solution is subjected to normal testing procedures. We will rely on your staff to provide the necessary test cases and evaluate the success of the result. In this phase we also allow one week for deployment and post deployment support to handle any unforeseen issues. You may of course extend any of these steps as you see fit.

	Low estimate	High estimate (not a guaranteed maximum)
Cycle Time (calendar)	3 weeks (1 week config, 1 week test, 1 week deploy)	7 weeks (3-4 weeks config and dev, 2 week test, 1 week deploy)
Level of effort		
Bill Vorhies, Project Lead, functional expertise	120 hrs	280 hrs
Prasad Mavuduri, functional and technical expertise	36 hrs	84 hrs
PeopleSoft Payroll technician	120 hrs	280 hrs
PeopleSoft Financials technician		160 hrs
Developer		80 hrs

The total project cost estimate for professional services (not including travel and lodging) for the low estimate would be \$63,600 and for the high estimate \$201,900. Because we lack essentially all of the necessary facts to better estimate this, the range is extremely large and especially in the high estimate allows for contingencies that are unlikely to arise. Even in the low estimate, there are opportunities for cost savings depending on how events develop. The likely cost of this project no doubt lies between these two estimates and we will work with you to ensure the district achieves the most cost effective solution that delivers the level of success you require.

District Responsibilities:

We understand that you, Ron, will be the executive sponsor for this project and will provide the consistent and high-level of support and sponsorship that will be critical to achieving success. This includes communicating to staff the highest level of priority for this project that will provide us the cooperation and timely access to staff which in turn will allow us to meet your time requirements.

Scope, Bounds, and Assumptions

This is a time and materials project at the rates quoted below.

The rates quoted are for professional fees only. Travel and lodging expense is billed separately at cost.

Either of us may cancel this agreement with two week's written notice at any time after week four (4) and we are open to extending support for a longer period should we mutually agree.

Work will be conducted predominately at the district offices but may be conducted remotely at our offices as we deem appropriate for the efficient conduct of the project.

Professional Fees and Rates

Rates effective for the work described in this proposal:

	Rate per hour
Bill Vorhies	\$195
Prasad Mavuduri	\$175
PeopleSoft Techno/Functional configuration specialists in HR/Payroll or Financials	\$150
Developer	\$140

This is a time and materials agreement. Professional fees will be billed and are due semi-monthly on the 1st and 15th of each calendar month based on the rates above and the number of hours actually incurred in the preceding semi-monthly period.

Out-of-pocket expenses are not part of professional fees and are billed separately each month to cover travel, lodging, meals, and other direct costs if any.

Work can commence upon receipt of contract or your written authorization to proceed. We look forward to exceeding your expectations and to a continuing relationship with the district. Please feel free to call Mr. Vorhies with any questions you may have at 818.257.2035.

Sincerely yours,



William E. Vorhies
President