




May 18, 2015

MEMORANDUM

TO: District Board of Trustees

FROM: Jim Murdaugh, President 

SUBJECT: Authorization to Modify and Cap the Implementation Costs for Workday Student

Item Description

This item requests that the District Board of Trustees authorize the College to execute a "Statement of Work to Professional Services Agreement" with Workday to cap the costs of implementation of the Workday Student System at an amount not to exceed \$2,000,000 in consulting fees and \$300,000 in travel and expenses.

Overview and Background

On June 17, 2013, a non-binding Letter of Intent (LOI) was sent to the College from Workday that described what Workday believed at that time was the total cost of implementation of the Workday ERP suite, including Student. On May 19, 2014 the Board authorized President Murdaugh to execute a Professional Services Agreement and Statements of Work with Workday for \$1,375,000 for the implementation of the Workday Student System, an amount that was based on the LOI. Note that at that time the Workday Student system was still more of an idea than an actual product, and so the estimates of time and cost from Workday, although presented in good faith to the best of their knowledge, were just that: estimates. As Workday continued to develop the scope of the Workday Student software solution, with the help of TCC and their other design partners, it became clear that the amount of the original estimate to implement the Workday Student software was too low. This is quite common when pricing the implementation of software that is still under development.

Vice President Ingerman then began a series of negotiations with Workday to arrive at a cost that would be fair to both Workday and the College, that would be within the original project budget, and that would avoid any future cost "surprises." As a result, VP Ingerman negotiated an agreement with George Sui, Regional Vice President of Workday for Services such that Workday would cap the implementation costs of the Workday Student system at \$2,000,000 in consulting costs and \$300,000 in travel and expenses.

Past Actions by the Board

On August 19, 2013, the District Board of Trustees approved the purchase of the Workday Enterprise Resource Planning (ERP) software suite to replace "Integrow," the 20+ year old ERP system currently in use at the College, and to become a design partner for the new Workday Student Information System.

On January 21, 2014, the District Board of Trustees approved hiring CedarCrestone on a time and materials basis to provide consulting services on the implementation of all of the components of the Workday ERP software suite, with the exception of the Workday Student System.

On May 19, 2014, the District Board of Trustees approved hiring Workday to implement the Workday Student System at a cost not to exceed \$1,375,000.

Funding/Financial Implications

The original budget for the College's Workday project is sufficient to cover the new, capped price for the Workday Student system. A number of the items that were originally budgeted have either cost below what was budgeted or have not been needed. In addition, the College signed a Change Order with CedarCrestone to reduce the scope of the Workday HCM and Finance suite by \$250,000 as there were components of the HCM and Finance suite for which we did not need implementation support. Together, these items provide space within the original project budget for the new capped price for implementing the Workday Student system.

Staff Resource

Bret Ingerman

Recommended Action

Approve the recommendation to authorize the College to execute a "Statement of Work to Professional Services Agreement" with Workday to cap the costs of implementation of the Workday Student System at an amount not to exceed \$2,000,000 in consulting fees and \$300,000 in travel and expenses.