



City of Palo Alto City Council Staff Report

(ID # 10684)

Report Type: Consent Calendar

Meeting Date: 12/16/2019

Summary Title: Amendment to Extend Term on Contracts with Forsys, Inc.

Title: Approval of Amendment Number 3 to Contract Number C17166284 With Forsys, Inc. for On-call SAP Project Support Services, and Amendment Number 2 to Contract Number C17166285 With Forsys, Inc. for On-call IT Project Support Services, Each to Extend the Term Through March 31, 2020 With an Optional Extension to June 30, 2020

From: City Manager

Lead Department: IT Department

Recommendation

Staff recommends that Council:

1. Approve and authorize the City Manager or his designee to execute the attached Amendment No. 3 to Contract C17166284 with Forsys, Inc. (Attachment A), to extend the term through March 31, 2020 for on-call, time-limited, SAP project support services; and
2. Approve and authorize the City Manager or his designee to execute the attached Amendment No. 2 to Contract C17166285 with Forsys, Inc. (Attachment B), to extend the term through March 31, 2020 for on-call, time-limited, IT project support services.
3. Approve and authorize the City Manager or his designee to approve an optional extension of the term through June 30, 2020 for contracts C17166284 and C17166285 with Forsys, Inc. In the event that the execution of the new contracts resulting from two Request for Proposals are not yet completed by March of 2020.

Background

The City entered into a contract with Forsys, Inc. for SAP on-call, time-limited project support services in Fiscal Year 2016 through RFP 161012 (CMR [5956](#)) and (CMR [7868](#)) and for IT on-call, time-limited project support services in Fiscal Year 2014 through RFP 152474 (CMR [4677](#)) and (CMR [5454](#)).

Forsys, Inc. makes an array of specialized expertise available to the City for on-call, time-limited project support services to help the City with specialized short-term

projects for the Information Technology Department and SAP-specific projects.

On July 16, 2019, two RFP's were issued for SAP and IT on-call project support services vendors. The proposals that were submitted from both RFP's are currently being evaluated by City Staff. Once vendors have been selected and contracts have been negotiated, staff will come back to Council to seek approval to move forward with new contracts.

Discussion

Under Palo Alto Municipal Code (PAMC) section 2.30.290(b)(1), the City Manager is authorized to extend the term of a contract that was previously approved by Council for a period not to exceed six months from the contract expiration date at no added cost to the City. Amendment to Contract No. C17166284 and an amendment to Contract No. C17166285 were executed by the City Manager to extend the contract term of each by six months, from June 30, 2019 to December 31, 2019, at no added cost (Attachments C and D). An Intent to Award is currently being issued to vendors from both RFP's for on-call, time-limited project support services, and, in order to continue services and projects as staff completes the procurement process, staff requests Council approval to extend the term of both contracts with Forsys, Inc. through March 31, 2020. In the event that the new contracts have not been fully executed in March, staff is recommending that Council approve an amendment to extend these two contracts with Forsys, Inc. through June 30, 2020.

Examples of projects receiving on-call, time-limited support include:

- ERP Data Cleansing and Governance activities to prep SAP for the upcoming upgrade
- Mandatory SAP HR Support Pack Deployment
- Smart Energy Water Smart Customer Mobile [My Utility Account 2.0] Deployment
- SAP bug fixes
- Image and inventory new laptops for City Staff as part of the Citywide hardware refresh cycle

Stakeholder Engagement

Contracts C17166284 and C17166285 with Forsys, Inc. followed the City's standard Request for Proposal process.

Resource Impact

Funding for both contracts is included in the Fiscal Year 2020 Adopted Budget as part of the Technology Fund operating budget.

Environmental Review

This is not a project under the California Environmental Quality Act (CEQA).

Attachments:

- Attachment A: C17166284 Forsys Inc_ SAP_Amendment 3_FINAL
- Attachment B: C17166285 Forsys Inc_ IT_Amendment 2_FINAL
- Attachment C: C17166284 Forsys Inc - Amdt. No. 2 - FINAL.doc
- Attachment D: C17166285 Forsys Inc - Amdt. No. 1 - FINAL.doc

**AMENDMENT NO. 3 TO CONTRACT NO. C17166284
BETWEEN THE CITY OF PALO ALTO AND
FORSYS, INC.**

This Amendment No. 3 (this "Amendment") to Contract No. C17166284 (the "Contract" as defined below) is entered into as of December 2, 2019, by and between the CITY OF PALO ALTO, a California chartered municipal corporation ("CITY"), and FORSYS, INC., a California corporation, located at 691 S. Milpitas Boulevard, Suite 203, Milpitas, CA 95035 ("CONSULTANT"). CITY and CONSULTANT are referred to collectively as the "Parties" in this Amendment.

RECITALS

A. The Contract (as defined below) was entered into by and between the Parties hereto for the provision of SAP project support services, as detailed therein.

B. The Contract was amended by Amendment No.1 to extend the term of the Contract for six months through June 30, 2019 and to increase the total not-to-exceed amount of compensation by an amount not to exceed One Hundred Thousand Dollars (\$100,000) per contract year, from Two Hundred Fifty Thousand Dollars (\$250,000) per contract year, to a new total not-to-exceed amount of Three Hundred Fifty Thousand Dollars(\$350,000) per contract year, as detailed therein.

C. The Contract was amended by Amendment No.2 to extend the contract term for six months through December 31, 2019 and replace Exhibit "B" ("Schedule of Performance"), as detailed therein.

D. The PARTIES now wish to amend the Contract to extend the contract term for three months through March 31, 2020 and replace Exhibit "B" ("Schedule of Performance"), as detailed herein.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the Parties agree:

SECTION 1. Definitions. The following definitions shall apply to this Amendment:

- a. **Contract.** The term "Contract" shall mean Contract No. **C17166284** between CONSULTANT and CITY, dated October 1, 2016, as amended by:

Amendment No.1, dated April 18, 2017
Amendment No.2, dated July 10, 2019

- b. **Other Terms.** Capitalized terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Contract.

Vers.: Aug. 5, 2019

SECTION 2. Section 2, "TERM" of the Contract is hereby amended to read as follows:

The term of this Agreement shall be from the date of its full execution through March 31, 2020, unless terminated earlier pursuant to Section 19 of this Agreement. Each "contract year" of the Agreement shall be defined as follows:

Contract year 1: 10/01/2016 – 12/31/2016
Contract year 2: 01/01/2017 – 06/30/2017
Contract year 3: 07/01/2017 – 06/30/2018
Contract year 4: 07/01/2018 – 06/30/2019
Contract year 5 (partial): 07/01/2019 – 3/31/2020

SECTION 3. The following exhibit to the Contract is hereby deleted and replaced in the entirety, as indicated below, to read as set forth in the attachment to this Amendment, which is hereby incorporated in full into this Amendment and into the Contract by this reference:

- a. Exhibit "B" entitled "SCHEDULE OF PERFORMANCE", of the Contract is hereby deleted and replaced in its entirety to read as attached to this Amendment as Exhibit "B", entitled "SCHEDULE OF PERFORMANCE, AMENDMENT No. 3".

SECTION 4. Legal Effect. Except as modified by this Amendment, all other provisions of the Contract, including any exhibits thereto, shall remain in full force and effect.

SECTION 5. Incorporation of Recitals. The recitals set forth above are terms of this Amendment and are fully incorporated herein by this reference.

(SIGNATURE BLOCK FOLLOWS ON THE NEXT PAGE.)

SIGNATURES OF THE PARTIES

IN WITNESS WHEREOF, the Parties have by their duly authorized representatives executed this Amendment **effective** as of the date first above written.

CITY OF PALO ALTO

FORSYS, INC.

City Manager (Contract over \$85k)

Officer 1

By:  DocuSigned by:
2C528712F515482...
Name: Ramesh Konda
Title: VP Strategic Accounts

APPROVED AS TO FORM:

City Attorney or designee
(Contract over \$25k)

Officer 2 (Required for Corp. or LLC)

By:  DocuSigned by:
F324A4A0586A423...
Name: Sindhu Mansanpally
Title: HR Manager

Attachments:

Exhibit "B" entitled "SCHEDULE OF PERFORMANCE, AMENDMENT NO. 3" (AMENDED-REPLACES PREVIOUS)

EXHIBIT "B"
SCHEDULE OF PERFORMANCE, AMENDMENT NO. 3
(AMENDED – REPLACES PREVIOUS)

CONSULTANT shall perform services so as to complete each task order within the time specified below. CONSULTANT shall provide a detailed schedule of work consistent with the schedule upon the issuance of a task order within 1 week of receipt of the notice to proceed (NTP).

Task	Completion From NTP
Continuous ON-Call Services	through March 31, 2020

**AMENDMENT NO. 2 TO CONTRACT NO. C17166285
BETWEEN THE CITY OF PALO ALTO AND
FORSYS, INC.**

This Amendment No. 2 (this "Amendment") to Contract No. C17166285 (the "Contract" as defined below) is entered into as of December 2, 2019, by and between the CITY OF PALO ALTO, a California chartered municipal corporation ("CITY"), and FORSYS, INC., a California corporation, located at 691 S. Milpitas Boulevard, Suite 203, Milpitas, CA 95035 ("CONSULTANT"). CITY and CONSULTANT are referred to collectively as the "Parties" in this Amendment.

RECITALS

A. The Contract (as defined below) was entered into by and between the Parties hereto for the provision of Information Technology project support services, as detailed therein.

B. The PARTIES now wish to amend the Contract to extend the contract term for three months through March 31, 2020 and replace Exhibit "B" ("Schedule of Performance"), as detailed herein.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the Parties agree:

SECTION 1. Definitions. The following definitions shall apply to this Amendment:

- a. **Contract.** The term "Contract" shall mean Contract No. **C17166285** between CONSULTANT and CITY, dated October 1, 2016, as amended by:

Amendment No.1, dated July 10, 2019

- b. **Other Terms.** Capitalized terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Contract.

SECTION 2. Section 2, "TERM" of the Contract is hereby amended to read as follows:

The term of this Agreement shall be from the date of its full execution through March 31, 2020 unless terminated earlier pursuant to Section 19 of this Agreement.

Vers.: Aug. 5, 2019

SECTION 3. The following exhibit to the Contract is hereby deleted and replaced in the entirety, as indicated below, to read as set forth in the attachment to this Amendment, which is hereby incorporated in full into this Amendment and into the Contract by this reference:

- a. Exhibit "B" entitled "SCHEDULE OF PERFROMANCE", of the Contract is hereby deleted and replaced in its entirety to read as attached to this Amendment as Exhibit "B", entitled "SCHEDULE OF PERFORMANCE, AMENDMENT No. 2" (AMENDED – REPLACES PREVIOUS).

SECTION 4. Legal Effect. Except as modified by this Amendment, all other provisions of the Contract, including any exhibits thereto, shall remain in full force and effect.

SECTION 5. Incorporation of Recitals. The recitals set forth above are terms of this Amendment and are fully incorporated herein by this reference.

(SIGNATURE BLOCK FOLLOWS ON THE NEXT PAGE.)

SIGNATURES OF THE PARTIES

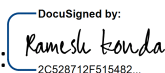
IN WITNESS WHEREOF, the Parties have by their duly authorized representatives executed this Amendment **effective** as of the date first above written.

CITY OF PALO ALTO

FORSYS, INC.

City Manager (Contract over \$85k)

Officer 1

By: 
DocuSigned by:
2C528712F515482...
Name: Ramesh Konda
Title: VP Strategic Accounts

APPROVED AS TO FORM:

City Attorney or designee
(Contract over \$25k)

Officer 2 (Required for Corp. or LLC)

By: 
DocuSigned by:
F324A4A0586A423...
Name: Sindhu Mansanpally
Title: HR Manager

Attachments:

Exhibit "B" entitled "SCHEDULE OF PERFORMANCE, AMENDMENT No. 2" (AMENDED-REPLACES PREVIOUS)

EXHIBIT "B"
SCHEDULE OF PERFORMANCE, AMENDMENT NO. 2
(AMENDED – REPLACES PREVIOUS)

CONSULTANT shall perform services so as to complete each task order within the time specified below. CONSULTANT shall provide a detailed schedule of work consistent with the schedule upon the issuance of a task order within 1 week of receipt of the notice to proceed (NTP).

Task	Completion From NTP
Continuous ON-Call Services	through March 31, 2020

**AMENDMENT NO. 2 TO CONTRACT NO. C17166284
BETWEEN THE CITY OF PALO ALTO AND FORSYS, INC.**

This Amendment No. 2 (this "Amendment") to Contract No. C17166284 is entered into as of July 10, 2019 by and between the CITY OF PALO ALTO, a California chartered municipal corporation ("CITY"), and FORSYS, INC., a California corporation, located at 6036 Stevenson Boulevard, Fremont, CA 94538 ("CONSULTANT"). CITY and CONSULTANT are also referred to herein collectively as the "PARTIES."

RECITALS

A. The Contract (as defined below) was entered into between the PARTIES for the provision of SAP project support services, as detailed therein.

B. The Contract was amended by Amendment No.1 to extend the term of the Contract for six months through June 30, 2019 and to increase the total not- to- exceed amount of compensation by an amount not to exceed One Hundred Thousand Dollars (\$100,00) per contract year, from Two Hundred Fifty Thousand Dollars (\$250,000) per contract year, to a new total not-to-exceed amount of Three Hundred Fifty Thousand Dollars(\$350,000) per contract year, as detailed therein.

C. The PARTIES now wish to amend the Contract to extend the contract term for six months through December 31, 2019 and replace Exhibit "B" ("Schedule of Performance"), as detailed herein.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the PARTIES agree as follows:

SECTION 1. Definitions. The following definitions shall apply to this Amendment:

- a. **Contract.** The term "Contract" shall mean Contract No. C17166284, entered into on October 1, 2016, between the PARTIES, as amended by:

Amendment No. 1, entered into on April 18, 2017 between the PARTIES.

- b. **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Contract.

SECTION 2. Section 2, "TERM", of the Contract is hereby amended to read as follows:

The term of this Agreement shall be from the date of its full execution through December 31, 2019, unless terminated earlier pursuant to Section 19 of this Agreement. Each "contract year" of the Agreement shall be defined as follows:

Contract year 1: 10/01/2016 – 12/31/2016

Contract year 2: 01/01/2017 – 06/30/2017
Contract year 3: 07/01/2017 – 06/30/2018
Contract year 4: 07/01/2018 – 06/30/2019
Contract year 5 (partial): 07/01/2019 – 12/31/2019

SECTION 3. The following exhibit to the Contract is hereby deleted and replaced in the entirety, as indicated below, to read as set forth in the attachment to this Amendment, which is hereby incorporated into this Amendment as though fully set forth herein, and into the Contract as though fully set forth therein, respectively, by this reference.

- a. Exhibit “B” entitled “SCHEDULE OF PERFORMANCE” of the Contract is hereby deleted and replaced in its entirety to read as attached to this Amendment as Exhibit “B”, entitled “SCHEDULE OF PERFORMANCE, AMENDMENT No. 2”.

SECTION 4. Legal Effect. Except as herein modified, all other provisions of the Contract, including any exhibits, shall remain in full force and effect.

SECTION 5. Incorporation of Recitals. The recitals set forth above are terms of this Amendment and are hereby fully incorporated herein by this reference.

(Continued on the next page.)

SIGNATURES OF THE PARTIES

IN WITNESS WHEREOF, the PARTIES have by their duly authorized representatives executed this Amendment effective as of the date first above written above.

CITY OF PALO ALTO

DocuSigned by:
Ed Swikada
E2DCA19CCC8D4F9

City Manager (Contract over \$85k)

APPROVED AS TO FORM:

DocuSigned by:
Cassie Coleman
4C65B94E51EA4F8...

City Attorney or designee
(Contract over \$25k)

FORSYS, INC.

DocuSigned by:
Ramesh Konda
By: 2C526712F515462...

Ramesh Konda
Name: _____

Title: VP Strategic Accounts

DocuSigned by:
Sindhu Mansanpally
By: F324A4A0586A423...

Sindhu Mansanpally
Name: _____

Title: HR Manager

Attachment:

Exhibit "B" entitled "SCHEDULE OF PERFORMANCE, AMENDMENT No. 2" (AMENDED-REPLACES PREVIOUS)

EXHIBIT "B"
SCHEDULE OF PERFORMANCE, AMENDMENT NO. 2
(AMENDED – REPLACES PREVIOUS)

CONSULTANT shall perform services so as to complete each task order within the time specified below. CONSULTANT shall provide a detailed schedule of work consistent with the schedule upon the issuance of a task order within 1 week of receipt of the notice to proceed (NTP).

Task	Completion From NTP
Continuous ON-Call Services	through December 31, 2019

**AMENDMENT NO. 1 TO CONTRACT NO. C17166285
BETWEEN THE CITY OF PALO ALTO AND FORSYS, INC.**

This Amendment No. 1 (this "Amendment") to Contract No. C17166285 is entered into as of July 10, 2019 by and between the CITY OF PALO ALTO, a California chartered municipal corporation ("CITY"), and FORSYS, INC., a California corporation, located at 691 S. Milpitas Boulevard, Suite 203, Milpitas, CA 95035 ("CONSULTANT"). CITY and CONSULTANT are also referred to herein collectively as the "PARTIES."

RECITALS

A. The Contract (as defined below) was entered into between the PARTIES for the provision of Information Technology project support services, as detailed therein.

C. The PARTIES now wish to amend the Contract to extend the contract term for six months through December 31, 2019 and replace Exhibit "B" ("Schedule of Performance"), as detailed herein.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the PARTIES agree as follows:

SECTION 1. **Definitions.** The following definitions shall apply to this Amendment:

- a. **Contract.** The term "Contract" shall mean Contract No. C17166285, entered into on October 1, 2016, between the PARTIES.
- b. **Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Contract.

SECTION 2. Section 2, "TERM", of the Contract is hereby amended to read as follows:

The term of this Agreement shall be from the date of its full execution through December 31, 2019 unless terminated earlier pursuant to Section 19 of this Agreement.

SECTION 3. The following exhibit to the Contract is hereby deleted and replaced in the entirety, as indicated below, to read as set forth in the attachment to this Amendment, which is hereby incorporated into this Amendment as though fully set forth herein, and into the Contract as though fully set forth therein, respectively, by this reference.

- a. Exhibit "B" entitled "SCHEDULE OF PERFORMANCE" of the Contract is hereby deleted and replaced in its entirety to read as attached to this Amendment as Exhibit "B", entitled "SCHEDULE OF PERFORMANCE, AMENDMENT No. 1".

SECTION 4. **Legal Effect.** Except as herein modified, all other provisions of the Contract, including any exhibits, shall remain in full force and effect.

SECTION 5. **Incorporation of Recitals.** The recitals set forth above are terms of this Amendment and are hereby fully incorporated herein by this reference.

(Continued on the next page.)

SIGNATURES OF THE PARTIES

IN WITNESS WHEREOF, the PARTIES have by their duly authorized representatives executed this Amendment effective as of the date first above written above.

CITY OF PALO ALTO

DocuSigned by:
Ed Swikada
F2DCA10CGG8D4F0...

City Manager (Contract over \$85k)

APPROVED AS TO FORM:

DocuSigned by:
Cassie Coleman
4C65B94E51EA4F8...

City Attorney or designee
(Contract over \$25k)

FORSYS, INC.

DocuSigned by:
Ramesh Konda
By: 2C628712F516482...

Ramesh Konda
Name: _____

Title: VP Strategic Accounts

DocuSigned by:
Sindhu Mansanpally
By: F324A4A0586A423...

Sindhu Mansanpally
Name: _____

Title: HR Manager

Attachment:

Exhibit "B" entitled "SCHEDULE OF PERFORMANCE, AMENDMENT No. 1" (AMENDED-REPLACES PREVIOUS)

EXHIBIT "B"
SCHEDULE OF PERFORMANCE, AMENDMENT NO. 1
(AMENDED – REPLACES PREVIOUS)

CONSULTANT shall perform services so as to complete each task order within the time specified below. CONSULTANT shall provide a detailed schedule of work consistent with the schedule upon the issuance of a task order within 1 week of receipt of the notice to proceed (NTP).

Task	Completion From NTP
Continuous ON-Call Services	through December 31, 2019