Business Optimization Program (BOP) Update
Board of Directors Presentation
January 6, 2016

Agenda:
- BOP Program Goals
- BOP Program Scope
- Contract Structure
- Program Status
- Hosting and Application Support Services
- Commercial Status
- Program Schedule and Budget
- Next Steps
BOP Program Goals Support District Priorities

- Increase Organizational Capacity and Improve Financial Controls
  - by...
- Improving Business Process Efficiencies
  - leveraging...
- Advancements in PeopleSoft Applications & Technology

BOP Program Scope:

- Implement an integrated suite of PeopleSoft Human Resources, Finance and Budgeting Systems
- Implement Optimized Business Processes
- Convert All SamTrans, JPB and TA Historical Data
- Train all District staff
- Organizational Change Management Program
- Hardware Support Services for BOP Program
- Hosting and Application Support Services (Five Year Contract Term)
BOP Amended Contract Structure:

Background
- Contract Amendment: #2 Executed March 19, 2012
- “All in One” Approach
- Contract structure:

<table>
<thead>
<tr>
<th>Contract</th>
<th>Phase</th>
<th>Scope</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Contract</td>
<td>Phase 1</td>
<td>Plan, Design and Prototype Demonstration</td>
<td>Feb ‘11 – Dec ‘11</td>
</tr>
<tr>
<td></td>
<td>Phase 2a</td>
<td>Design and Build</td>
<td>Dec ‘11 – Jun ‘12</td>
</tr>
<tr>
<td>Amendment #1</td>
<td>Legacy Support and Data Conversion</td>
<td>Jan ‘12 – Jan ‘13</td>
<td></td>
</tr>
<tr>
<td>Option 1</td>
<td>Phase 2b</td>
<td>Test, Train and Deliver</td>
<td>Jun ‘12 – Mar ‘13</td>
</tr>
</tbody>
</table>

Program Status:
- **Phase 1 – Complete**
  - Plan, design and prototype demonstration
- **Phase 2a- Complete**
  - Design and Build
- **Phase 2b- Complete**
  - Test, train and deliver all modules
Post Go-live Status:
- Budget System put into production on September 30, 2015.
- Accomplishments include:
  - Payrolls successfully produced since go-live
  - AP checks are being produced on a scheduled basis
  - Grant billing for large projects complete. Grant billing for balance of projects planned to be complete at January month end.

Hosting and Application Support Services:
- Contract services provided starting on go-live date of July 15, 2015
- Wipro managed primary and backup data centers in North Carolina and Arizona are hosting District PeopleSoft Applications
- Help Desk services are fully operational
- Resources to provide application support services are on-site and working
- Infrastructure enhancements being implemented
Commercial Status:

- Prior Claim Settlement – May 2014
  - Release of Claims
  - Claim Settlement of $1.35 Million
  - Amendment #7 includes:
    - Revised Project timeline (10/5/2014 Go-Live Date)
    - Revised Payment schedule
    - Liquidated damages provisions

Project Schedule and Budget:

- System Go-Live Date Delayed Nine Months
- Reasons for Delay:
  - Contractor Staff Availability
  - Data Conversion and Testing
  - Infrastructure Readiness
- Implications for Delay:
  - Additional Project Expenses
  - Delay Claims
Next Steps:

• Conclude Commercial Negotiations with Wipro to settle all claims
  • February Board Action

• Complete Project Close-Out Activities- March 2016