

Dr. Marta Pérez, Board Member

SUBJECT: CONTRACTUAL AGREEMENT WITH DELOITTE CONSULTING

COMMITTEE: INSTRUCTIONAL EXCELLENCE AND COMMUNITY ENGAGEMENT

**LINK TO
DISTRICT
STRATEGIC**

PLAN: IMPROVE FINANCIAL HEALTH OF THE DISTRICT

On September 13, 2006, The School Board approved Board Agenda Item E-151, the selection of SAP Public Services, Inc., as the provider of ERP (Enterprise Resource Planning) software. On March 14, 2007, the School Board approved Board Agenda Item E-146, authorization for contract negotiations with SAP Public Services, Inc., and Deloitte Consulting LLP. On July 5, 2007, the School Board approved Board Agenda Item E-147, authorization to enter into contracts with the above firms. The District later adopted the term BOSS (Business Operating Solutions for Schools) for the ERP initiative.

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At the Special School Board Meeting held on June 25, 2008, board agenda item SP-1 was approved to perform a reduction in force of 24 employees associated with BOSS/ERP. The primary reason given for this reduction in force was the lack of district personnel associated with budget and finance who can work with the BOSS team during this period of financial crisis. A delay in the implementation module was not voted on.

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The BOSS initiative is a costly undertaking for which \$85.4 million has been budgeted, and of which approximately \$32 million have been spent.

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Many concerns were brought to light when the initiative was discussed, primarily the cost overruns experienced at the Los Angeles Unified School District (LAUSD) when they contracted with Deloitte Consulting for their ERP implementation. It is concerning that the same Deloitte individuals that were primarily responsible for the project at LAUSD carry similar responsibilities at the project in Miami-Dade County Public Schools.

Other concerns:

- Although the delay in implementation of the financial module will save some district dollars, has Deloitte reduced its staff and thus lowered its fee commensurate with the postponement? There is no evidence to suggest it.
- The presence of junior Deloitte directors that bring no expertise to the project indicates that Deloitte is using the M-DCPS implementation for training their staff. As such, Deloitte should be paying M-DCPS for such training.
- It is my understanding that Deloitte keeps documentation on the ERP project in the eRoom, accessible only to Deloitte. Senior staff and School Board Members should have access to the eRoom. It is also my understanding that there is a shared drive called SharePoint, where information is also stored. This should also be accessible by

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M-DCPS staff and School Board Members. Board members at the committee meeting of July 10, 2008 asked staff to make sure that they had access to e-Room and SharePoint.

- It is also my understanding that a new Statement of Work will be issued to Deloitte. School Board Members should be provided with the support documentation from Deloitte that justifies the change order and new Statement of Work.
- The current project leadership was hired from the outside and may not be committed to the project's long-term success; as such, in-house leadership for the project should be quickly identified and trained to assume the responsibilities of the current Program Management Officer.

In light of the problems that have been associated with the ERP project, as well as the fact that a major component module has been delayed, thereby making the entire project more costly in the end, it would be prudent for the District to consider the termination of the contract with Deloitte Consulting giving the requisite 30-day termination notice. Staff should seek the necessary outside SAP expertise to resume the project at a slower pace, but ensuring its ultimate final success.

**ACTION PROPOSED BY
DR. MARTA PÉREZ:**

That The School Board of Miami-Dade County, Florida direct the Superintendent to:

1. give 30-day notice and terminate the contractual agreement with Deloitte Consulting; and
2. identify a current M-DCPS employee to immediately take over the position of Program Management Officer.