



Date: March 10, 2009
To: Board of Directors
From: Trip Doggett, Senior Vice President and Chief Operating Officer
Subject: Request for PR70007_01 - MarkeTrak Enhancements Funding Not-to-Exceed (NTE) Increase

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: March 17, 2009

Agenda Item No.: 15

Issue:

Whether to ratify an increase in the Market project Not-to-Exceed (NTE) funding for Project PR70007_01 for MarkeTrak Enhancements to \$1,697,000 to accommodate additional charges incurred during the final implementation of this Project. This NTE amount represents an increase of \$70,000 where funding is covered under the 2008 Retail Operations (RO) PPL variance. The implementation of this Project and stabilization of this Project are complete; and all requirements and milestones were met.

Background/History:

PR70007_01 Project was initiated by the Market Participants with SCR749. The MarkeTrak tool is a web-based database application used to track, manage, and store data utilized by ERCOT and the Market Participants (MPs). This tool is the supported method to track ERCOT Retail market issue management and data discrepancies. On February 19, 2008 the ERCOT Board of Directors approved the Project to proceed with a total not-to-exceed amount of \$1,627,000. The approved Project plan required a 3-phased release approach to be able to meet non-Nodal implementation windows. In 2008, all release dates were met implementing all the requirements defined by the MarkeTrak Task Force under the Retail Market Subcommittee. Some resource constraints were experienced in development in late 2008. In order to accommodate delivery of Market requirements by the Market requested date, an ERCOT internal only requirement was moved to a fourth release in January 2009. In addition, a change control was submitted and approved in December 2008 that included additional enhancements requested by the Task Force for GUI clean up. The forecast of dollars needed to complete the project was to use the budget contingency, but still showed that the project would complete under the approved not-to-exceed funding level. Once actual hours were recorded, the Project exceeded the forecast and approved budget by approximately \$70,000 (4.2% over budget).

Controls to Help Prevent Re-Occurrence:

The following steps have been or will be taken to avoid this situation in the future:

- Appropriate personnel corrective action taken;
- Enhanced cost reporting tools (MS Project 2007) and Auditing (in place); and
- New controls for escalation when project reaches contingency (under development).

**Key Factors Influencing Issue:**

The drivers for the increased project not-to-exceed amount are additional resources required to ensure Market implementation milestones were met on internal testing, market certification testing, and market training. These resources were added during the task execution in December 2008 and January 2009 and not part of the original estimate. The forecast at that time was still indicating an underspend. No milestones were missed.

**Funding was available in the Retail Operations PPL variance of projects not started or other project underspend. Only an increase in the Project Not To Exceed is requested.

**This aligns with the forecasted cost at completion from the Cost Benefit Analysis and Impact Analysis of \$1.6 million approved for SCR749 at RMS on 07/10/2007.

Alternatives:

There are two alternatives for the Board's consideration:

1. Ratify this authorization and funding request. Funding is available under the 2008 Retail Operations Portfolio to cover the additional cost; no additional funds are being requested for Retail Operations, only a project Not to Exceed increase in to \$1.697 million; or
2. Move the costs to base operations.

Conclusion/Recommendation:

ERCOT Staff seeks Board ratification of this increased total project Not to Exceed funding of \$1,697,000 for the completion of Project PR70007_01 for MarkeTrak Enhancements.



ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
BOARD OF DIRECTORS RESOLUTION

WHEREAS, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) previously authorized a total not-to-exceed amount of up to \$1,627,000 for PR70007_01 for enhancements to MarkeTrak, the web-based database application used to track, manage, and store data utilized by ERCOT and the Market Participants;

WHEREAS, ERCOT staff has recommended the ratification of additional expenditures of up to \$70,000 for a total not-to-exceed amount of \$1,697,000 for PR70007_01 to accommodate additional charges incurred during the final implementation of this Project; and

WHEREAS, after discussion and due consideration of alternatives, the ERCOT Board deems it desirable and in the best interest of ERCOT to ratify the additional expenditure of \$70,000 for a total not-to-exceed amount of \$1,697,000.

THEREFORE be it RESOLVED, that:

- (1) The Board hereby ratifies the additional expenditures related to PR70007_01 in the additional amount of \$70,000 for a total not-to-exceed amount of up to \$1,697,000; and
- (2) An authorized officer of ERCOT is hereby authorized to act on behalf of ERCOT and negotiate and execute in the name of and on behalf of ERCOT any such contracts and documents necessary in relation to the increased not-to-exceed amount and the completion of this Project.

CORPORATE SECRETARY'S CERTIFICATE

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its March 17, 2009 meeting, the ERCOT Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 2009.

Michael G. Grable
Corporate Secretary