Enterprise Resource Planning (ERP) System Selection Project

City Council Workshop
April 18, 2017

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Agenda

- Background

- Current Systems

- Project Budget

- Future System

- Questions and Discussions

What is an ERP system?

- Financial System
  - Record revenues
  - Track expenditures
  - Issue purchase orders
  - Pay vendors

- Human Resources/Payroll System
  - Recruit employees
  - Track employees
  - Pay employees

- Reporting Systems
  - Provide information for decision making
  - Compliance with regulatory requirements

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Current Systems
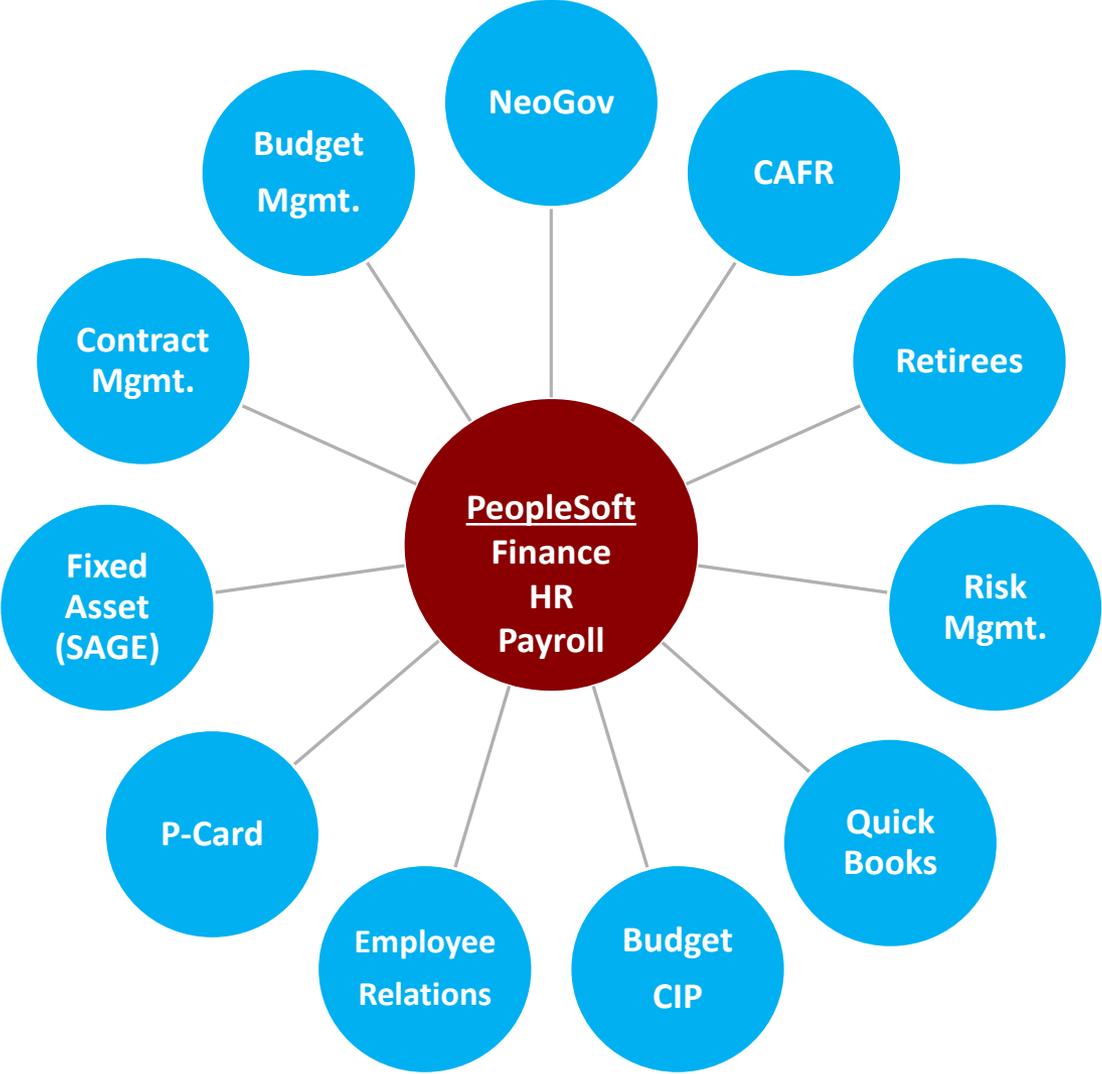
The Cost of Inefficiency

	Est. Staff Hours (Annual)	Est. Cost (Annual)
Budget & Finance	1,040	$ 119,829
Fire	4,160	138,361
Police	2,964	98,582
Court	126	3,072
Public Facilities, Recreation & Special Events	1,827	39,928
Public Works	6,609	199,930
Development Services	372	15,791
Water & Sewer	520	14,966
Human Resources	1,944	73,016
Total	19,562	$ 703,475

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How did we get here?

- Many systems that create inefficiencies

- Opportunity to gain new functionality

- System enhancements

- Unclear future of PeopleSoft

  - Migration of Human Capital Management (HCM) and Payroll from version 8.9 to version 9.2 was completed in 2015

  - In July 2015, Oracle notified clients that they will no longer be enhancing or developing Financials 9.1 after January 2018 and HCM and Payroll 9.2 after March 2021

  - In March 2017, Oracle notified clients that support for Financials and HCM and Payroll 9.2 is extended to December 2027

What options were considered?

- Maintain Status Quo
  - Unsupported system
  - Audit findings
  - Bond rating downgrades

- Migrate Financials to 9.2
  - Cost of approximately $1.0 million
  - Requires the same amount of staff resources ($661K)
  - Nominal functionality improvement
  - Will still require an ERP implementation in the future

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What options were considered?

- Replace ERP System
  - Implementation cost of approximately $2.4 million
  - Streamline business processes and create efficiency
  - Integrated Financial and HR systems
  - Additional modules and functionalities are included
  - No additional future upgrade cost with Software as a Service (SaaS)
  - Features that are continually enhanced
  - Manageable ongoing and continuous upgrades
  - Data redundancy

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Project Budget

Implementation Services	**$ 1,406,852**
Full-time Project Manager (Tyler)	**498,000**
Business Process Consulting	**402,000**
Change Management Consulting	**100,000**
Subscription, Maintenance & Support	**1,996,676**
Project Manager (BerryDunn)	**535,000**
Backfill	**661,472**
Contingency	**400,000**
Total	**$ 6,000,000**

*RFP Project Manager (BerryDunn) - $150,000 (FY16-17)

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Cost Breakdown by Department

General Fund	**$ 2,942,251**
Water and Sewer	**1,771,910**
Transportation	**442,994**
Landfill	**322,771**
Sanitation	**520,074**
Total	**$ 6,000,000**

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Annual Cost Comparison

|	PeopleSoft	Tyler Munis
1. General Ledger	$ 695,292	$ 998,338
2. Budget	100,000	Included
3. eProcurement & Bid Management	52,500	Included
4. NeoGov (Employee Recruitment)	57,649	Included
5. Grant Management	30,000	Included
6. Capital Assets	5,090	Included
7. Accounts Receivable (QuickBooks)	1,798	Included
8. Purchasing	Included	Included
9. Accounts Payable	Included	Included
10. Payroll & Time Entry	Included	Included
11. Human Resources	Included	Included
12. Employee Management		Included
13. Employee Expense Reimbursement		Included
14. P-Card Reconciliation		Included
15. Contract Management		Included
16. Project Accounting		Included
17. CAFR Builder, Analytics & Reporting		Included
Total	$942,329	$ 998,338

New Functionality

- Real-time access to information across all modules

- Electronic routing and approval

- Multi-year budget projections and "what if" scenarios

- Ability to forecast future salary and benefit costs

- Bids that are awarded can be converted into a purchase order or turned into a contract

- Tracks budget, expenditures and revenues for capital improvements

- Tracks grant applications, funding, expenses and reimbursements

- Billing and collection of miscellaneous invoices

- Analytics and reporting

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New Functionality

- Purchasing Card (P-Card) Reconciliation
  - Ability to import transaction details from the bank
  - Electronic receipt attachment
  - Tracks expenditures against a vendor or a contract

- Employee Expense Reimbursement
  - Travel requests and approval
  - Eliminates paper receipt storage
  - Ability to create expense reports
  - Ability to view status of pending requests

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Current Systems
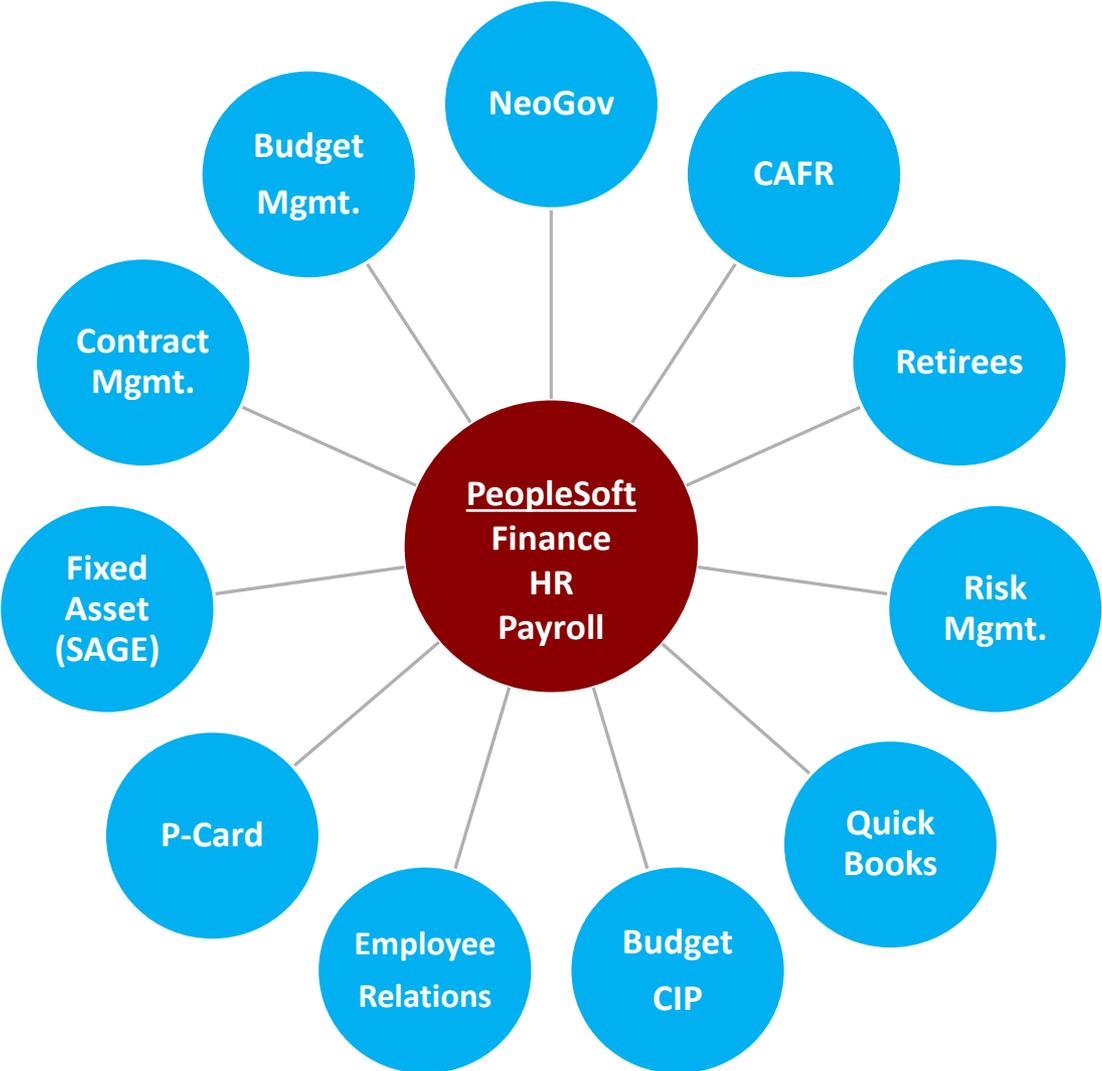
Future System
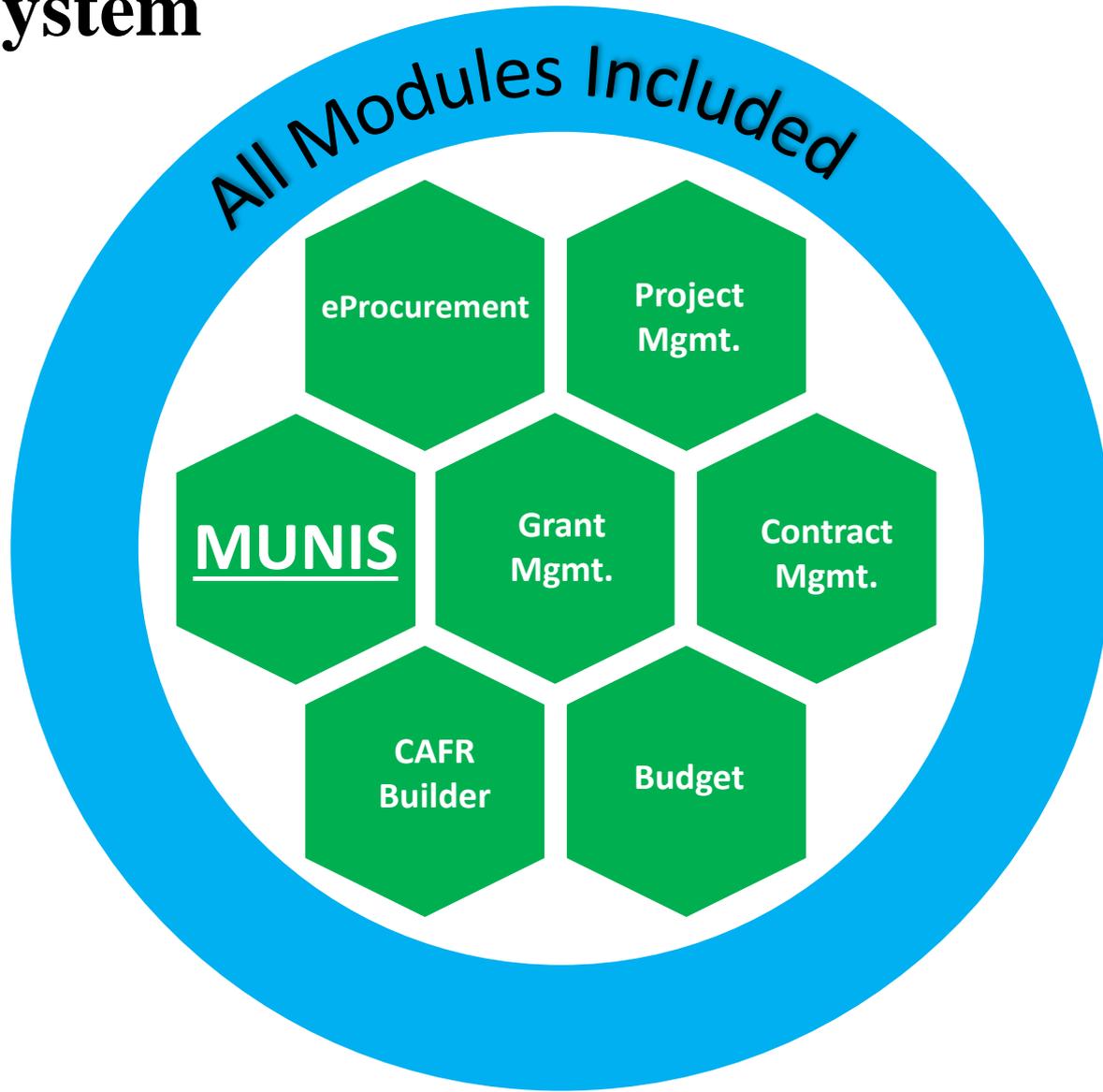
Other Cities Using Tyler Munis

- Town of Gilbert
  - Population – 247,542
  - Implementing Financials and HR/Payroll. Migrated from Tyler Eden.

- Scottsdale
  - Population – 231,200
  - Implementing HR/Payroll. Migrated from Infor.

- City of Chula Vista, CA
  - Population – 252,422
  - Implementing Financials and HR/Payroll. Migrated from SunGard.

- Marin County, CA
  - Population - 247,289
  - Implemented Financials and HR/Payroll. Migrated from SAP.

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ERP Positives and Negatives

Positives

1. Integrated systems including budget and eProcurement

2. Paperless electronic routing and approval of items

3. Track multi-year capital projects, contracts and grants

4. Integrated P-Card module captures expenses by vendors

5. Paperless employee expense reimbursement

6. Electronic receipt and invoice storage

7. Collection and billing of miscellaneous invoices

8. Track job applications and employee's employment history

9. Manage employee professional development and performance evaluations

10. CAFR Builder, dashboards, analytics and reporting

Negatives

1. Initial up-front investment

2. Change in business processes

3. Users must learn a new system

3. Unknown integration

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Questions and Feedback