



SUBJECT: Enterprise Resource Planning (ERP) program update

TO: Committee of the Whole

FROM: Information Technology Services

Report Number: IT-04-19

Wards Affected: Not Applicable

File Numbers: 200-6

Date to Committee: September 9, 2019

Date to Council: September 23, 2019

Recommendation:

Receive and file information technology services report IT-04-19 providing an update on the Enterprise Resource Planning (ERP) program.

Purpose:

To provide an update on the ERP program as requested at the April 1, 2019 Committee of the Whole meeting.

Background and Discussion:

At the April 1, 2019 Committee of the Whole meeting, a request was made to provide a monthly update on the status of the ERP Program. The last update was provided in July 2019 (Report IT-03-19).

The ERP Program is focused on procuring and implementing an integrated software solution that supports business functions and processes in the following areas: Financials, Human Capital Management, Payroll, Budgets, Forecasts, and Reporting.

The goal of the ERP Program is to reduce the number of peripheral, disconnected, outdated, siloed data systems and in doing so deliver a fully integrated, flexible, intuitive solution that facilitates service delivery improvements. The new ERP Program solution will support new and/or improved ways of working, and, when properly implemented, the system will enable digital business and deliver a measurable business impact.

Overall Status of the Project

Updates in the areas of procurement, project planning, and governance are provided below.

Procurement

The City is planning a phased procurement process:

- Phase 1: Procure a software solution
- Phase 2: Procure professional services to assist the City in implementing the software solution

Procurement is behind schedule. Given the complexity of the procurement, the development of the RFP is taking longer than planned. Staff are taking the time necessary to ensure scope, functional needs, privacy/security requirements, evaluation process, and contractual expectations are all clearly written and understood.

Tentative timelines for the Phase 1 RFP process include:

Issuance of RFP Documents	September 2019
Deadline for Proponents to Submit Proposals	October 2019
Interviews and Presentations	November 2019
Detailed Demonstrations	December 2019
Negotiations	January 2020
Final Agreement	February 2020
Issue RFP for Professional Services (Phase 2 RFP)	February 2020

These timelines provide us with the flexibility to change course pending the province's regional government review and Council's direction. As noted in the table above, once the final agreement for software has been executed, the City will commence with Phase 2. Once Phase 2 of the RFP process is complete, implementation will begin in 2020.

Project Planning

Project planning is on track. The table below provides a status update on key preparation activities identified in Report IT-03-19.

Description	Status	Comments
Business process identification and review	Executing	Staff is collecting and documenting information on key business processes (e.g., pain points, exceptions, complex processes).

Description	Status	Comments
Data identification and cleansing	Planning	Data modeling and management are critically valuable to the ERP Program. Staff is currently gathering information on future data needs to inform key configurations in the new software.
Review and preparation of key configurations (e.g., chart of accounts, employee types, data nomenclature, workflows and approvals)	Planning	Staff is currently identifying key configurations in order to gather information on future needs. This activity ties closely to business process identification and review.
Confirmation of project phasing and timelines	Executing	Staff is currently developing the project charter and high-level timelines, which are subject to change pending software selection.
Change management strategy development	Planning	Staff is currently meeting with key stakeholder groups and preparing a framework to support an ERP change management strategy.
Recruitment of dedicated project team staff	Executing	<p>Four dedicated staff were approved in 2019. The Program Manager and Change Management Lead positions are in place. The two additional positions have been recruited and will commence in Q4 2019.</p> <p>An update on the additional staff required to complete the project will be provided as part of the 2020 Budget.</p>

Commencing in September, staff will conduct a Privacy Impact Assessment (PIA) to identify the actual and potential privacy risks that may occur in the course of operations related to the new ERP software solution. A PIA ensures that the City has done its due diligence and considered all privacy impacts when collecting, using, disclosing, retaining and protecting personal information.

Program Governance

The Enterprise Software Steering Committee is responsible for ensuring that the ERP Program achieves the intended business outcomes and that those outcomes align with the corporate vision, policies and directions. The Steering Committee will provide

strategic leadership, direction, and oversight throughout all phases of the projects, including the transition to operations. As indicated in the Terms of Reference, the Steering Committee will assure:

- the strategic objectives and desired business outcomes for the program are well defined;
- the program achieves their objectives and intended business outcomes;
- the program remains aligned with corporate vision, policies, and directions;
- the projects within the program are delivered on time, within budget and within their defined scope;
- that strategic issues will be managed in a timely manner;
- change is viewed in a positive light.

Updates to Council

The next update to Council will be provided at the October Committee of the Whole meeting.

Financial Matters:

As part of the 2019 Budget, Council approved \$7.5 million for the ERP Program:

- \$6.0m for the purchase and implementation of a software solution
- \$1.5m for four (4) dedicated multi-year project staff

Total Financial Impact

The 2020 Budget will include a funding request for the remaining dedicated staff required to deliver the ERP program.

Source of Funding

Not applicable

Other Resource Impacts

Legal Resources are required to review the RFP process, assist with potential negotiations with the preferred vendor, and contract development.

Connections:

A Corporate I.T. Strategy was developed with a vision to deliver “Innovative City Services powered by tech savvy people, modernized technology and meaningful information.”

Of the five strategic themes developed, two have direct relevance to the ERP program:

- Treat information as an asset. This theme envisions a future where the City becomes more of a data and evidence driven organization, using analytics to improve the lives of residents and enhance the efficiency of the City’s operations.
- Implement or renew core Enterprise Systems. This theme recognizes the continued importance of the major business platforms that manage the City’s core business processes. The actions directed the City to develop an approach and strategy for the consolidation and implementation of an ERP solution.

The benefits delivered through the ERP program also have a direct connection to 2018-2022 Burlington’s Plan: From Vision to Focus (“The Plan”) in Focus Area 5 – Delivering Customer Centric Services with a Focus on Efficiency and Technology Transformation.

- **We will achieve** greater organizational effectiveness and technology transformation with our commitment to enhancing City services and delivery of citizen self-service options through technology.

A modernized and integrated ERP solution will streamline administrative processes, which translates to improved City services for the citizen. Some of the newly anticipated self-service options include:

- Enhancements to on-line employment application and recruitment process,
- On-line vendor invoice submission and review, and
- Ability for staff to view their payroll and personal information at their convenience.

Public Engagement Matters:

Any changes that impact the public will be communicated through the appropriate channels. Opportunities for direct engagement and feedback with the community will be considered throughout the project.

Conclusion:

This report provides a status update on the ERP Program.

Respectfully submitted,

Tracie Legg

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Appendices:**Report Approval:**

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.