



SUBJECT: Enterprise Resource Planning (ERP) program update

TO: Committee of the Whole

FROM: Information Technology Services

Report Number: IT-05-19

Wards Affected: Not Applicable

File Numbers: 200-6

Date to Committee: October 7, 2019

Date to Council: October 28, 2019

Recommendation:

Receive and file information technology services report IT-05-19 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 September 2019 (Report IT-04-19).

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The goal of the ERP Program is to reduce the number of peripheral, disconnected, outdated, siloed data systems and in doing so deliver a fully integrated, flexible, intuitive solution that facilitates service delivery improvements.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 and project planning 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

In September, the City issued the request for proposal (RFP) for the supply of an Enterprise Resource Planning (ERP) software solution for human capital management (HCM), payroll, financial, and corporate performance management (CPM). The City intends to procure an integrated software solution that includes the following modules:

HCM/Payroll	Financials	CPM
<ul style="list-style-type: none">•Administration•Compensation & Benefits•Health Safety & Disability Mgt•Labour Relations•Learning & Development•Onboarding•Performance Management•Recruitment•Rewards & Recognition•Sourcing•Succession planning•Approvals and Workflow•Payroll•Shift Scheduling•Time Entry	<ul style="list-style-type: none">•Chart of Accounts•Consolidation•Expenses•Accounts Receivable•Customer Master•Invoicing•Accounts Payable•Inventory•Payments•Procurement•Vendor Master•Workflow•Fixed Assets•Projects	<ul style="list-style-type: none">• Budgeting• Financial Planning• Forecasting• Scenario Planning• Variance Analysis• Version Control• Workflow• Workforce Planning
Reporting: standard and custom reporting across all modules.		

Additionally, the procurement will take into consideration technical requirements such as infrastructure, performance, security, support, and integration with other systems.

The City may also use this procurement to explore treasury management capabilities if they are offered as part of the selected Financials solution.

Procurement timelines have been revised to accommodate a thorough evaluation process. While the timelines are conservative, experience indicates that the negotiations phase may take longer than expected given the complexity of this procurement. The revised timelines are outlined below:

Issuance of RFP Documents	September 2019
Deadline for Proponents to Submit Proposals	October 2019
Review Proposals	November 2019
Interviews and Presentations	December 2019
Detailed Demonstrations	Jan/Feb 2020
Negotiations	Mar/Apr 2020
Final Agreement	May/June 2020
Issue RFP for Professional Services (Phase 2 RFP)	June/July 2020

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. Staff is anticipating that implementation will begin in the fourth quarter of 2020 and go live with the new software in 2022. It may be possible to go-live with smaller pieces of the software in the fourth quarter of 2021 but that is dependent on the software and implementation partner selected by the City, access to dedicated staff resources, and readiness of the organization.

Project Planning

Project planning is on track. There is no change in the status of the key preparation activities since the last update. Staff have been focused on finalizing the RFP and preparing the 2020 capital budget. The table below provides a status update on key preparation activities and is sorted based on the anticipated completion date:

Description	Status	Comments	Anticipated Completion Date
Privacy Impact Assessment (PIA)	Executing	Staff is gathering information to identify the actual and potential privacy risks that may occur in the course of operations.	Q1 2020
Confirmation of project phasing and timelines	Executing	Staff is currently developing the project charter and high-level timelines, which are subject to	Q2 2020

		change pending software selection.	
Business process identification and review	Executing	Staff is collecting and documenting information on key business processes (e.g., pain points, exceptions, complex processes).	Q2 2020
Change management strategy development	Planning	Staff is currently meeting with key stakeholder groups and preparing a framework to support an ERP change management strategy.	Q3 2020
Recruitment of dedicated project team staff	Executing	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. An update on the additional staff required to complete the project will be provided as part of the 2020 Budget.	Q3 2020
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.	Q4 2020
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.	Q2 2021

Updates to Council

Staff is recommending that the next update to Council occur in February 2020 for the following reasons:

- Staff will be focused on the RFP evaluation process, which includes reviewing proposals, and shortlisting vendors for interviews and demonstrations. This will consume a large portion of time between now and the end of 2019 based on the size and complexity of the procurement.
 - As outlined in the project planning table above, the earliest anticipated completion date is the first quarter of 2020.
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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.