



SUBJECT: Enterprise Resource Planning (ERP) program update
TO: Corporate Services, Strategy, Risk & Accountability Cttee.
FROM: Information Technology Services Department

Report Number: IT-01-20

Wards Affected: All

File Numbers: 200-6

Date to Committee: February 13, 2020

Date to Council: February 24, 2020

Recommendation:

Receive and file information technology services report IT-01-20 providing an update on the Enterprise Resource Planning (ERP) program.

PURPOSE:

Vision to Focus Alignment:

The ERP Program aligns with area 5 of Vision to Focus: Delivering customer centric services with a focus on efficiency and technology transformation.

We will achieve...	We will need to execute on these initiatives...	We will know we are successful when...
Greater organizational effectiveness and technology transformation with our commitment to: <ul style="list-style-type: none">• Ensuring that strategic initiatives and corporate projects are resourced and sustained• Enhancing City services and delivery of citizen self-service options	Deliver on time, on budget and achieve realized benefits (outcomes) for major corporate technology projects.	<ul style="list-style-type: none">• Annually 90% of project outcomes completed on schedule and within budget• Increase the number of on-line self-service options by 10% by 2022• Invest in technology transformation

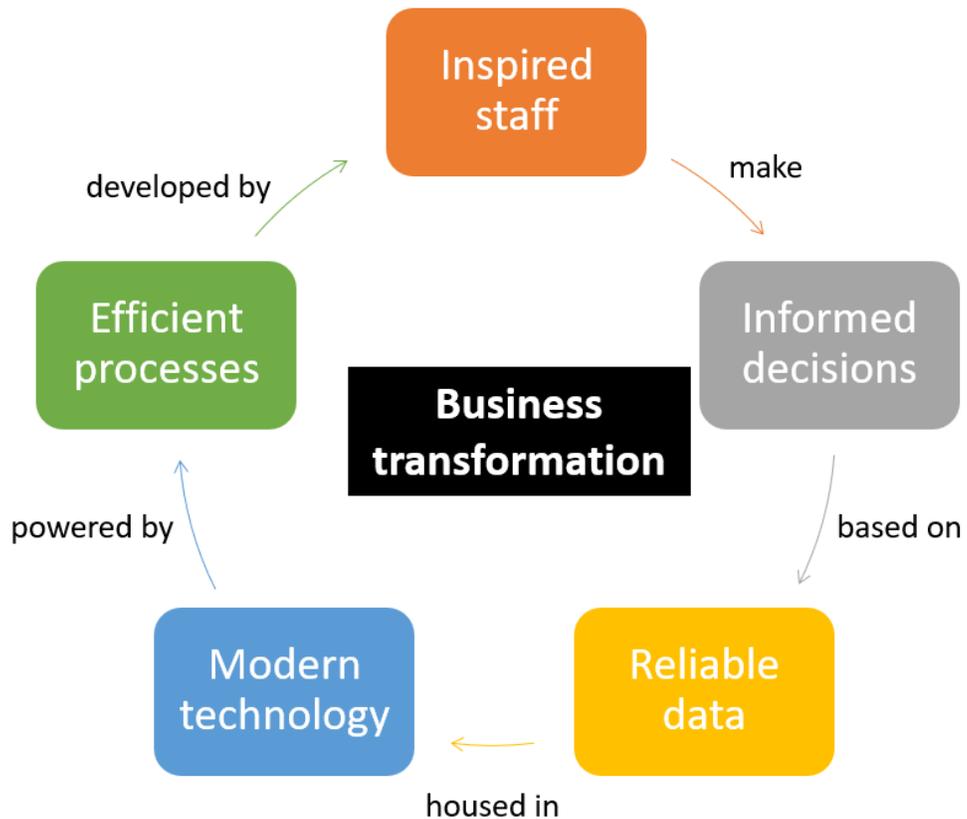
through technology (e.g. recruitment and on-line options for vendors)		<ul style="list-style-type: none">• Ensure less than 20% of legacy systems are older than 5 years by 2022
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Background and Discussion:

The ERP program is a business transformation initiative focused on the people, processes, technology, data, and information required to deliver human resources, payroll, financials, and budgeting functions.

The goal of the ERP program is to achieve measurable improvements in operational efficiency, effectiveness, and satisfaction with new processes and technology.

Business Transformation Vision



Prosci, one of the leading organizations in change management states:

“Organizations don’t change, individuals do. No matter how large of a project you are taking on, the success of that project ultimately lies with each employee doing their work differently, multiplied across all of the employees impacted by the change”.

The ERP business transformation begins and ends with staff. As depicted below, inspired staff will make informed decisions based on reliable data. This data will be housed in modern technology and powered by efficient processes. Led by staff, the transformation includes an effort of continuous process improvement.

Each of the five components (staff, decisions, data, technology, and processes) have an equally important role and need to work together to achieve our business transformation vision. With this approach, staff will be able to address current risks and implement changes to achieve the following benefits:

- Improve business processes and eliminate manual tasks
- Reduce dependence on spreadsheets
- Improve business agility, innovation, and continuous improvements in response to service changes and improvements
- Improve data management capabilities
- Support a data-driven approach to decision-making by facilitating easier and quicker access to reliable information
- Eliminate complex and high-maintenance integration points
- Align with and deliver incremental benefits with other initiatives including Business Intelligence, Customer Relationship Management (CRM), and Enterprise Asset Management (EAMS)
- Support and enable a 21st century workforce
- Increase employee satisfaction in technology tools

ERP Program Health Card

A standardized report card like the one below will be used to report the overall status of the program. As outlined below the ERP Program is on track.

Item	Status	Vs. Last Update	Comments
Budget/Cost	On Track	Positive change	2020 Budget approved resulting in a total budget of \$9,480,000 .
Procurement	On Track	No change	Software RFP closed. Nine Proponents. Evaluation underway. Decision in Q2 2020.
Resource	On Track	Positive change	2020 Budget was approved. Eight contract FTEs added to the dedicated team. Dedicated Business Analyst and HR Lead commenced Jan 2020.
Risk	On Track	No change	
Schedule	Attention Required	Negative change	RFP closing date was extended by 3 weeks. Revised timelines provided below.
Scope	On Track	No change	See below for software included in the ERP Program.

Software solutions that are in scope for the ERP Program include: **Banner**: employee records, payroll, **SAP**: financials, **Questica**: budgeting, **EmpCenter**: Employee time and attendance, **HireDesk**: recruitment, **Our Training Room**: learning & development, **Parklane**: disability management.

Achievements Since Last Quarter:	Next Quarter Projected Achievements:
<ul style="list-style-type: none"> • Software RFP closed • 2020 budget approved, 8 contract FTEs added to team • Privacy impact assessment initiated 	<ul style="list-style-type: none"> • Software Proponent interviews/ presentations complete • Software Proponent detailed demonstrations scheduled • Privacy impact assessment RFP issued • Communication plan initiated • Risk management plan initiated • Data management strategy initiated • Change management plan initiated

Risk

Staff is working on a risk management plan that identifies the likelihood and impact of risks and controls in key financial, payroll, and human capital management processes. These results will be assessed as high-medium-low and action plans will be created to

address concerns. As the organization revisits enterprise risk management, the ERP Program will follow suit by using any methodologies that are established.

Schedule

Report IT-05-19, Enterprise Resource Planning (ERP) program update outlined procurement timelines. Based on the 3-week extension for the software RFP and lessons learned from previous procurements, the table below outlines revised timelines.

Item	IT-05-19	IT-01-20
Issuance of RFP Documents	September 2019	September 2019
Deadline for Proponents to Submit Proposals	October 2019	November 2019
Review Proposals	November 2019	Dec 19/Jan 20
Interviews and Presentations	December 2019	Feb/Mar 2020
Detailed Demonstrations	Jan/Feb 2020	April 2020
Negotiations	Mar/Apr 2020	May to Aug 2020
Final Agreement	May/June 2020	September 2020
Issue RFP for Professional Services (Phase 2 RFP)	June/July 2020	Sept/Oct 2020

From a procurement standpoint, this RFP is considered large and complex. Timelines are conservative in order to allow Proponents a reasonable amount of time to prepare for interviews and detailed demonstrations. Further, every staff member will be impacted by this business transformation initiative. With the vision of inspired staff in mind, advisory teams encompassing at least one staff member from each department have been created. Advisory team members will be invited to attend interviews and detailed demonstrations and provide feedback to the evaluation team. The timelines reflect the ability for staff to balance their day-to-day responsibilities with attending interviews and demonstrations.

Next Update to Council

Staff is recommending that the next update to Council occur in May 2020 and continue to be submitted on a quarterly basis unless there is a specific issue that requires Council’s attention.



Financial Matters:

Total Financial Impact

In December 2019, Council approved the 2020 budget, which included the final funding request for the ERP Program. The total approved budget is \$9,480,000:

- \$6.055 million for the purchase and implementation of a software solution
- \$3.425 million for twelve (12) dedicated contract multi-year program staff

In January 2020, the Business Analyst and Human Resources Lead were seconded to the ERP Program team for a 2-year contract. Other dedicated contract staff will be added towards the end of 2020 when we begin implementing the new software solution.

Source of Funding

Not applicable.

Other Resource Impacts

Legal resources will be required to support the RFP process, assist with potential negotiations with the preferred vendor(s), and contract development.

Climate Implications

Implementing new software has a positive impact on the environment and the City's carbon footprint. The new ERP system will reduce waste by streamlining and automating paper-based processes. By enabling on-line approvals and completing/storing forms electronically, the City will reduce its reliance on paper.

Enterprise Risk:

The ERP Program will help the City address the following enterprise risks:

- Labour Market & Workforce
 - Financial Sustainability
 - Climate Change
 - Technology
 - Capacity & Volume of Work
 - Disruptive Technology
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Engagement Matters:

At this stage of the program, primary consultation has taken place with staff from across the organization. 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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Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Council. Final approval is by the City Manager.