



Enterprise Resource Planning (ERP) Project- IFAS Replacement

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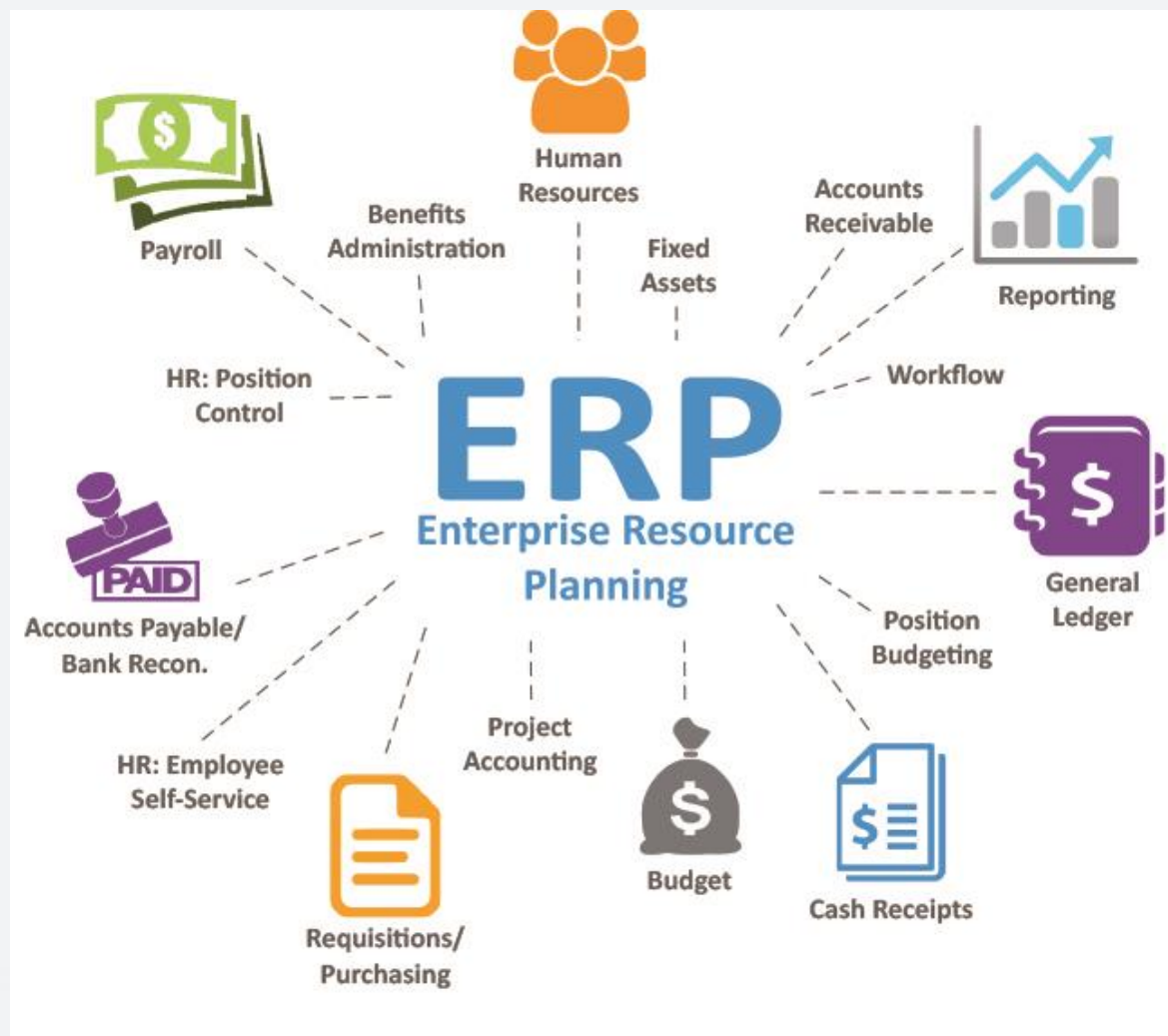
What is Enterprise Resource Planning? **ERP**



- More than a software system
- Automates the processes essential to running a city
- Includes critical financial and human resource functions including accounting, payroll and more
- Integrates functions into one complete system
- Streamlines processes and information across the organization

What is Enterprise Resource Planning? **ERP**

Transforming the City's Business



Current State

- Legacy IFAS software system in place for 20 years
- Minimal vendor support for aging software
- Antiquated user interfaces
- Inefficient processes
- Decentralized systems
- Multiple “sets of books” in finance and utilities

Desired Outcome

- Improved workforce productivity with streamlined processes and automation
- Leverage Industry best practices
- Cost savings from leaner government
- Modernize technology (Cloud, Mobility, Self Service)
- Deliver services and reduce operational costs using modern technology

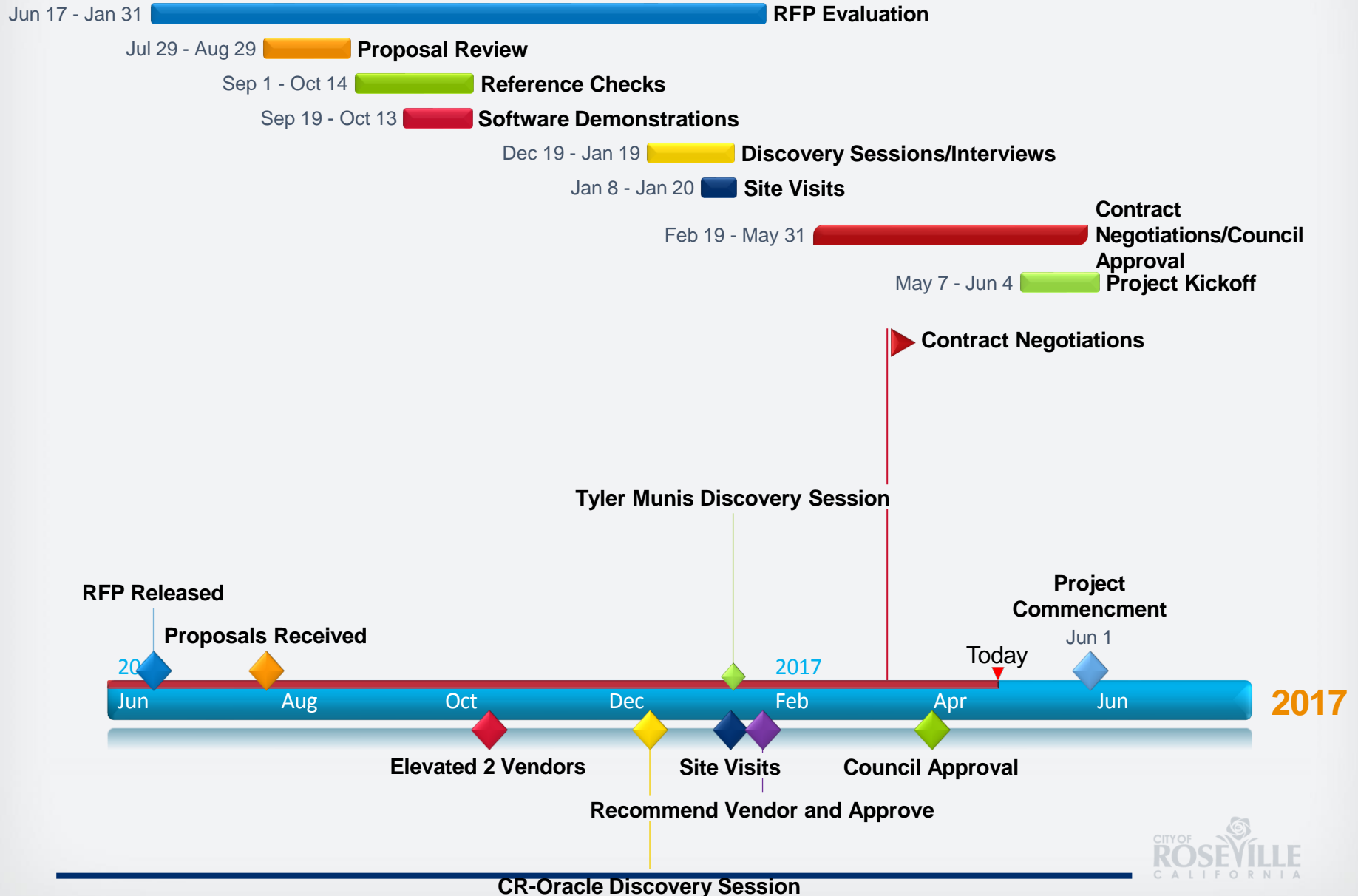
Future State



Preselection Phase

- June 2016 - Published a Request For Proposal (RFP)
- Screened 8 vendors and elevated 2
- Dec 2016 – Project manager brought onboard
- Dec 2016 - Conducted Site visits for elevated vendors
- Jan 2017 - Elevated one vendor for Oracle Cloud solution to contracts
- April 2017 - Finalize vendor contract and statement of work with CherryRoad (selected vendor)

Evaluation And Selection Process Timeline



Selected Vendor Profile

- Selected Cherry Road for Oracle Cloud solution to contracts
- Preferred partner of ERP by Oracle with extensive experience
- Public Sector experience
- Seasoned consultants
- Excellent reputation

Go Live Schedule

Phase I

- Kickoff Financial Suite June 1, 2017 with a Go Live July 2, 2018
- (13 month implementation)

Phase II

- Kickoff HR/Payroll and Budgeting October 1, 2017 with a Go Live October 1, 2018
- (12 month implementation)

Functional Areas Impacted

Financial Suite – Phase I

- General Ledger
- Purchasing / Contracts
- Accounts Payable
- Accounts Receivable/Misc. Billing
- Project / Grant Accounting
- Capital Assets
- Budget

Human Resources/Payroll And Budgets - Phase II

- Human Resources
- Benefit Administration
- Leave Management
- Payroll
- Budget and Reporting

ERP Project Success Criteria



- Improved business processes
- Integration with other primary city systems
- Improved reporting
- Ad-hoc reporting that can be performed by users using system reporting tools
- Redesigned chart of accounts
- Management self-service
- Employee self-service
- Workflow and electronic signatures

ERP Project Success Criteria



- Effective dating capabilities
- Integration with CalPERS
- Improved open enrollment process
- More efficient use of personnel resources
- Reduction of shadow systems
- One set of Books

Pricing Breakdown

- Cherry Road Expenses

ERP Project	Year 1	Year 2	Year 3	Year 4	Year 5	Totals	Comments
Software Fees	\$517,351	\$517,351	\$517,351	\$517,351	\$517,351	\$2,586,755	Enterprise License costs for Financial Suite, Human Resources, Payroll and Budgets
Professional Services		\$2,519,094	\$775,106			\$3,294,200	Consulting Services for implementation including travel
Total Cost	\$517,351	\$3,036,445	\$1,292,457	\$517,351	\$517,351	\$5,880,955	Total costs including 11 months post go live support by Cherry Road

Pricing Breakdown

- Projected City expenses

ERP Project	Year 1	Year 2	Year 3	Year 4	Year 5	Totals	Comments
Internal Labor	\$131,250	\$1,650,000	\$662,500			\$2,443,750	Estimated internal labor costs
Intergration/Interfaces	\$626,397	\$526,398				\$1,152,795	Integration/Interfaces (Workforce, Cayenta, Maximo)
Other contingencies	\$836,250	\$836,250				\$1,672,500	Contingencies
Total Cost	\$1,593,897	\$3,012,648	\$662,500	\$0	\$0	\$5,269,045	

Grand Total

\$11,150,000

Funding Strategy

- Currently approved General Fund funding
- \$1.5M from FY 2015-16 year end funds
- \$0.5M from **FY 2017-18 budget**
- **Future annual GF internal labor will be included in annual budgets and treated as a capital expense**

Funding Strategy

- Most funds will contribute their fair share of costs
- Current allocation of funding sources is based on historical data
- A new allocation methodology process underway
- Numbers below are placeholders until finalized
- True Up/Down in Fiscal 2019/2020

Fund Distribution	%
Water	13.43%
Electric	20.63%
Other Enterprise Funds	3.51%
Special Revenue Funds	3.50%
Capital Project Funds	3.34%
Trust Funds	1.00%
CFD/LLD	3.06%
Internal Service/Self Insurance	4.40%
General Fund	47.13%
TOTAL	100.00%

Recommended Action

- Adopt resolution approving Project Implementation partnering with Cherry Road for \$5.8 Million over 5 years
- Adopt resolution approving internal expenditures of \$5.2 million over 3 years
- Adopt resolution approving overall Project Cost to not exceed \$11 Million over 5 years
- Funding is included in the FY16-17 budget, ERP Replacement Capital Improvement Project (CIP)

Final Goal

Meet administrative management requirements of the City over the next decade through a state-of-the-art technology and software infrastructure

Questions?

