



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: MAY 22, 2017

ITEM NO: 15

SUBJECT: APPROVE EXPENDITURES FOR THE SUPERION, LLC. FINANCIAL AND HUMAN RESOURCES SOFTWARE UPGRADE PROJECT FOR ELECTRIC'S AND WATER'S SHARE ALLOCATION IN THE AMOUNT OF \$103,017.08 AND \$34,339.02, RESPECTIVELY, FOR A TOTAL COST OF \$137,356.10

ISSUE:

Approve expenditures for the Superion, LLC. financial and human resources software upgrade and consulting services of a to be awarded bidder for an enterprise resource planning project, of which Electric's and Water's share allocation is \$103,017.08 and \$34,339.02, respectively, for a total of \$137,356.10.

RECOMMENDATION:

That the Board of Public Utilities approve expenditures for the financial and human resources software upgrade and consulting services for an enterprise resource planning project, of which Electric's and Water's share allocation is \$103,017.08 and \$34,339.02, respectively, for a total of \$137,356.10.

BACKGROUND:

The City is currently using SunGard Public Sector, version 7.9, financial software for human resources, payroll, general ledger, accounts receivable, accounts payable, and fixed assets. This system integrates with other application systems including UWAM Work and Asset Management system, Enquesta Utilities Billing system, iNovah Cashiering system, STR Communications system, Laserfiche Document Management system, TeamBudget Budgeting software, Systema Workers Compensation system, Telestaff Timekeeping system, and custom web services.

The City implemented the SunGard Public Sector Integrated Fund Accounting System (IFAS) in 1999 when SunGard was selected as its preferred vendor to replace its legacy systems. In 2010, the City completed a major upgrade to the IFAS system which introduced a web browser based version of the software and various other system improvements and enhancements. In 2012, SunGard released a new iteration of the software called OneSolution which incorporated IFAS Financial and Human Resource applications and additional Public Sector offerings, as well as IBM Cognos Business Intelligence for reporting. In 2015, the City performed the hardware and underlying software infrastructure upgrades required to support future IFAS upgrades.

DISCUSSION:

The current financial and human resources system needs to be upgraded to the OneSolution release to maintain an active support agreement for all technologies relating system support. The current 7.9 version has problematic dependencies that will impact the City within at least two to three years. Since 2012, several major releases of OneSolution have occurred and staff now believe the OneSolution version has matured, and will, at a minimum, facilitate the functionality used by the City today. There are several weaknesses of the current 7.9 system; the upgraded OneSolution system will address many of these weaknesses. Specifically, the OneSolution software will meet the City's fundamental needs and

provide increased reliability and a lower risk of failure. Once system stabilization efforts are achieved through this upgrade, the City will pursue consulting services to perform a “gap analysis” comparing the needs of the users against the upgraded system. The gap analysis will provide a clear roadmap to either: 1) Continue to use the upgraded OneSolution System; or 2) Move forward with an enterprise resource planning (ERP) system selection and implementation project, resulting in an entirely new system.

The City last evaluated its specific financial and human resource system business needs in 1999, when it implemented the current system. The market for these systems has changed since 1999, with new entrants to the market, new technologies, such as mobile devices, and more pressing needs for automation, cyber security, and advanced analytics.

The OneSolution upgrade project will address several weaknesses within the current system and processes. For example:

1. The majority of staff within the Finance and Human Resources departments have never been formally trained on the system and this project will provide that training.
2. The current system only provides a system specific reporting writing tool. There are no ad-hoc reporting tools, analytical tools, or dashboards. The upgraded version will allow Cognos reports to be created by “power users”.
3. The current system relies on a non-standard Informix database of which current City Staff lack strong subject matter expertise for this database. Because this is an “unsupported” database platform, support for this database platform cannot be provided by the IFAS vendor; instead, a third party must support it, which introduces risks of “finger pointing” and delayed resolution when issues arise.
4. The IFAS vendor stated that major product upgrades for the City’s 7.9 version have been discontinued.
5. The vendor’s knowledge of the City’s current platform is rapidly dwindling through attrition..

The upgraded “OneSolution” project will also provide for many opportunities. For example, it will:

1. Provide integrated enhanced reporting capabilities.
2. Satisfy the long-overdue need for a business process review to implement best practices.
3. Provide training to strengthen the pool of “power users” in Finance and departments.
4. Implement the vendor’s fully-supported technology platform standard, which also aligns with the City’s standard.
5. Align with the vendor’s current product line, which allows us to stay on their roadmap and obtain more productive and higher quality support, and system upgrades for increased cyber security.

Staff have performed vendor and solution reference checks with the following comparable organizations: Anoka County, Minnesota; San Mateo County, California; and City of Irvine, California.

Staff are recommending a professional service agreement to perform the upgrade of the financial system to OneSolution 16.2. Staff negotiated a scope of work and cost for this agreement, which will be implemented starting in FY 2017/18. This professional services agreement includes the following services:

1. Business Process Reviews (BPR) to evaluate current business processes for comparison to best practices and system utilization.
2. Installation and initial configuration of the OneSolution 16.2 financial system, SunGard’s current version.
3. Migration of the financial data from the Informix database management system to the Microsoft SQL Server database management system.
4. Training for Finance, Human Resources, and departmental Finance staff to ensure effective use of the system.
5. Training for the Cognos Business Intelligence (BI) system. This toolset is used for reporting, analysis and monitoring of business metrics.

6. Professional Services for the development of Cognos Reports.
7. Professional Services for the development of additional Webforms and/or Reports.
8. Professional services for the development of additional Work Flow models or, to be used as needed.
9. “Go-live” weekend database migration and support.

After the upgrade is complete and the system is stabilized, staff will select a vendor for consulting services to perform a gap analysis between what the users need and the newly upgraded and stabilized OneSolution system. The expected costs of the gap analysis are included in the fiscal impact. Therefore, funding for the first two phases of this project are included in this report: 1) Upgrade to the OneSolution for system stabilization and improved support; and 2) Perform a Gap Analysis to define any unmet user needs. The goal is to determine if an RFP for an entirely new ERP system is warranted, resulting in a fiscally prudent roadmap to best determine if such an investment in a new system is warranted.

If the determined “gaps” are significant and a future phase (Phase 3) is determined to be in the best interest of the City, staff will return with a proposal for these costs at a future date. Funding under this report does not include these costs. Also not included in this report is the cost of a new ERP system (Phase 4) which includes system software licensing, training, hardware, integration, data conversion, and related implementation costs for such a system. Those costs are estimated to be approximately \$20 million.

The financial and human resources system is used Citywide by all funds of the City. The total cost of the project is \$414,135. \$276,778.90 will be paid by non-Electric and non-Water Funds and \$137,356.10 will be paid by Electric and Water.

FISCAL IMPACT:

The total cost to Electric and Water for the financial and human resources software upgrade project is \$137,356.10. Sufficient funds are available in the Public Utilities Administration Professional Services Account No. 6000000-421000. Water’s share of the cost will be allocated to the Water Fund as part of Public Utilities Administration’s internal cost allocation.

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