



LEGISLATIVE MEMORANDUM

TO:	Honorable Mayor and Members of the City Council
FROM:	Suzanne Sherman, City Manager
THRU:	George Barber, Chief Procurement Officer; Brian Robinson, IT Director
DATE:	May 2, 2024
RE:	Contract: Enterprise Resource Planning (ERP) implementation advisory services, amendment - Information Technology Department (Government Finance Officers Association); consideration of a budget amendment (\$28,000 (Utilities portion)).

SUMMARY:

On August 4, 2022, City Council authorized the execution of an agreement with Government Finance Officers Association (GFOA) for ERP consultant services in the amount of \$205,000 with Consent Agenda Item No. 3. This item was awarded as a non-competitive contract, as permitted by the Procurement Code of Ordinance, 38.07 (B) (20), since GFOA is a non-profit member association.

The consultant services included the following:

- A comprehensive analysis of current functions was conducted, pinpointing areas for improvement to enhance process efficiency. The objective of this phase was to prepare for future needs, establishing a City operational vision that transcended software technology and contemplated holistic business process and policy improvements. The aim was to foster long-term growth and efficacy within the City's operations.
- The RFP development and evaluation involved crafting a detailed list of the ERP system's functional requirements, a process undertaken with the City's staff, and the creation of the RFP document. GFOA implemented a unique, four-phased approach to the RFP process, starting with an initial evaluation of all proposers. The process concludes with a "discovery" phase involving the highest-ranked vendors.

- Contract negotiations will encompass areas such as software licensing, maintenance, hosting, software-as-a-service, and implementation agreements. These negotiations will be conducted in partnership with relevant staff, including the City Attorney's Office. This cooperative approach will ensure a comprehensive and legally sound agreement was reached for all aspects of the project.

GFOA has successfully fulfilled all necessary duties and identified services essential for the development and evaluation of the ERP solicitation. On December 7, 2023, City Council approved the authorization to enter into negotiations with the highest ranked Firm (Cognizant Technology Solutions US Corporation) with Consent Agenda Item No. 3. At present, negotiations have been completed and staff will propose to City Council the final agreements for approval to execute. The proposed Amendment and associated fees aim to support the City throughout the implementation phase. The timeline projected to fully implement the new ERP system spans approximately one year. Consequently, the application of GFOA's implementation advisory services is anticipated to expedite this process. GFOA will deliver the following services:

- Deliverable Review – Under the existing agreement, GFOA will collaborate with the City in negotiating terms with the chosen vendor, including key deliverables and setting expectations. In the implementation amendment, they will monitor the vendor's progress, review critical deliverables, and report any issues related to contract compliance or best practices. Throughout this process, GFOA expects active involvement, including site visits and conference calls, to provide guidance and share best practices or past experiences.
- Business Process Design - During the implementation phase, GFOA will engage in the business process design sessions with the ERP vendor on-site. This involvement aims to guarantee the City adopts optimal business practices in line with previous suggestions. The objective is to avoid merely replicating the old system, instead striving for innovation and improvement.
- Participation in Project Meetings - GFOA's team will participate in project management meetings and steering committee meetings to provide updates to key stakeholders and help resolve any outstanding issues.
- Quarterly Project Reviews - GFOA will conduct quarterly project reviews for the City, spearheaded by a senior-level representative. The review process will involve on-site

meetings, interviews with project stakeholders and governance members, as well as a thorough examination of project deliverables, status reports, and other pertinent information. GFOA will provide regular independent evaluation to assess the project's overall health and progress, addressing various aspects such as goals, risks, compliance, best practices, business processes, communication, decision making, change management, training strategies, and testing plans.

- **Contract Monitoring** - In its role of contract monitoring, GFOA will leverage its comprehensive understanding of the contract and statement of work to track the progress of the project against agreed acceptance criteria and payment milestones. Contract monitoring remains vital in ERP implementations to ensure contract compliance, smooth project progression, and delivery of key requirements.
- **Management of Issues Log** - Throughout the project, GFOA will collaborate with the City and vendor to identify, log, track, and resolve risks and issues. The awarded vendor is expected to maintain an "issues log", and GFOA will assist the City's project manager and steering committee in resolving reported issues to achieve a successful go-live. GFOA's proactive monitoring approach aims to address concerns timely to avoid scope creep while keeping the project on-track and within budget.

GFOA's implementation advisory services are billed hourly at \$250. GFOA proposed 500 hours of implementation services to complete the project. Additionally, if travel is necessary, the proposed rate is not to exceed the limit of \$1,500 per trip. The total estimated cost for the proposed implementation advisory services is \$140,000.

Staff is requesting permission to execute an amendment with GFOA, to include implementation advisory services, for the ERP Software in the amount not to exceed \$140,000.

The Utilities Department is requesting fund appropriation from Utilities Undesignated Fund Balance in the amount of \$28,000 for the implementation advisory services, amount \$28,000.

REQUESTING DEPARTMENTS:

IT

Procurement

Utilities

FISCAL IMPACT:

Currently there is \$3,794,793 is available in Project #22IT01 in accounts 128-3414-559-64071 and 001-2310-519-6407 dedicated to fund the City's new ERP software utilizing ARPA and General funds (less encumbrances of \$205,207 for GFOA initial services and Florida Today legal ad for the RFP). Of note, the City will only use funds from 001-2310-519-6407 for the General Fund portion GFOA implementation services (\$112,000) to ensure compliance with ARPA regulations. Pending approval of the budget amendment amount \$28,000, from Utilities Undesignated Fund Balance (421-0000-392-3006), funds will be available in Utilities Operating Fund 421-8011-536, for implementation services.

STAFF RECOMMENDATION:

Motion to 1) approve the execution of an amendment for implementation advisory services with the non-profit member association of the Government Finance Officers Association for ERP Software in amount not to exceed \$140,000; and 2) approve the appropriation of funds on the next scheduled budget amendment for the Utilities portion of the implementation advisory services.

ATTACHMENTS:

1. 8/4/022 Agenda item
2. Consultant Proposal dated 4/19/2023