



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 and advisory services – RFP 37-0-2023 – Information Technology Department (Cognizant Technology Solutions US Corporation (implementer); Sherpa Government Solutions LLC (software provider)).

SUMMARY:

Project Background:

In efforts to modernize operations and enhance efficiency, the City initiated a project to explore the Enterprise Resource Planning (ERP) software market, prompted by an assessment of the existing CentralSquare Naviline legacy software. The City acquired the CentralSquare software in 1996 through a competitive Request for Proposal (RFP) process. In support of this project, Council approved \$2 million of ARPA funding on September 22, 2021, and \$2 million in General Funds on November 17, 2022.

Following a lengthy and thorough proposal review process of the eleven (11) proposals and following a short-listing of five (5) proposals, for five (5) weeks of demonstrations, the Evaluation Team made their recommendation. During the December 7, 2023, City Council meeting, Council approved the award and authorized staff to enter into negotiations with the highest ranked proposer (Cognizant Technology Solutions US Corporation) in accordance with RFP 37-0-2023 with Consent Agenda Item No. 3.

Negotiations:

Negotiations with the awarded Firm began December 14, 2023. Following the initial negotiation meeting, eleven (11) meetings have been held between Staff and Cognizant Technology Solutions US Corporation, to discuss/negotiate a litany of contractual and scope related items.

Independently, meetings have had a duration of no shorter than one (1) hour and often times lasting three (3) hours. The primary negotiation team consisted of the Chief Procurement Officer, IT Director, IT Project Manager, IT Systems Administrator and Deputy City Manager, as well as the City Manager and City Attorney during key decision points. Additional support was provided by

subject matter experts from IT, Finance, and Human Resources. Finally, agreements were reviewed by the City's ERP consultant from the Government Finance Officers Association (GFOA) and an outside legal firm who specializes in software procurement. Discussion items have included but not limited to Statement of Work (SOW), Contract Term, Contract Price, Implementation Time, and Software Module Revisions.

Staff is seeking the approval and execution of the professional services agreement (Cognizant Technology Solutions US Corporation) and the budget software/implementation (Sherpa Government Solutions LLC) agreement. Below, the benefits obtained through negotiations are summarized:

- Cognizant's proposal originally included a "Big Bang" approach which would have been a significant staff commitment in the condensed fifty-two (52) week time frame. A two phased approach was negotiated to reduce the burden of transitioning from the City's current legacy system and afford an appropriate amount of time to successfully change business processes to the new system.
- Staff increased the support and training provided by the implementer to better assist the team during the implementation period. This consisted of adding one hundred (100) hours of webinar-based training, training templates, end-user experience sessions, content training for multiple stakeholder groups, and the development and delivery of a needs assessment curriculum.
- During negotiations, staff modified verbiage within the statement of work (SOW) specifically with regards to roles and responsibilities. This task assisted in identifying the expectations of each respective party during implementation. This included changes to items that were deemed "out of scope" and contractual assumptions.

Budget Software:

During negotiations, staff determined that the proposed budget software didn't align with the City's future budgetary business process improvements and requested the implementer (Cognizant), provide alternative solutions. Sherpa Government Solutions LLC was recommended as the primary Workday partner and staff conducted a demonstration to assess the feasibility of the software. A consensus on selecting Sherpa was reached by staff and the negotiation team proceeded to negotiate favorable pricing, terms, and annual escalators for the software.

- Duration – January 2025 through December 2025
- Deployment – October 1, 2025

Implementation:

The proposed implementation is set to last eighty-six (86) weeks, starting May 13, 2024 and concluding April 24, 2026. The Implementation will be a two-phased approach with the following timeline:

Phase 1 - Human Capital Management and Payroll

- Duration – May 13, 2024 through July 18, 2025
- Deployment - June 20, 2025

Phase 2 - Financials

- Duration – August 18, 2025 through April 24, 2026
- Deployment – March 27, 2026

Future Requests:

Staff is still working through negotiations for both a Work Order solution to support Parks & Facilities, Public Works, and Utilities, and a Utility Billing Solution for the Utility Department, both of which will be future amendments for additions to the contract.

REQUESTING DEPARTMENTS:

IT, Procurement

FISCAL IMPACT:

On April 18, 2024, Council approved the authorization and contract execution with Workday Incorporation. The year-one cost for Workday includes Subscription \$207,568, Delivery Assurance \$49,000, and Training \$84,035 for a total of \$340,603. The Cognizant cost for implementation services is \$2,495,054, which covers costs associated with the 86-week anticipated implementation timeframe and a 5% contingency budget of \$124,753 for a total of \$2,619,807. The year-one cost for Sherpa includes a Subscription of \$75,106, Implementation of \$150,960, and Budget Publishing Software Integration of \$14,800 for a total of \$240,866.

Funding is currently available in the Financial System Replacement project 22IT01 that has a current balance of \$3,794,793.

STAFF RECOMMENDATION:

Motion to approve the contract execution with the awarded implementer (Cognizant Technology Solutions US Corporation) and budget software provider (Sherpa Government Solutions LLC).