



CITY OF
FORT LAUDERDALE

CITY AUDITOR'S OFFICE



Infor-Lawson ERP Implementation Status Review

Report #22/23-2

January 27, 2023



Memorandum

Memo No. 22/23-3

Date: January 27, 2023

To: Greg Chavarria, City Manager

From: Patrick Reilly, CPA *PR*
City Auditor

Re: Infor-Lawson ERP Implementation Status Review

The City Auditor's Office (CAO) has been observing the implementation of the Infor Lawson Enterprise Resource Management (ERP) software since the inception of the project. The CAO's objective is to review the ongoing project status of the ERP system implementation and identify risk areas. To achieve this objective, the CAO have been attending ERP meetings, interviewing project team members, and reviewing project documentation, including weekly status reports and Steering Committee presentations. The CAO examined areas of the project budget, implementation schedule, and functionality. The CAO noted that Phase I of the project, including finance and supply chain management, had been implemented in 2022. However, Phase II has been delayed. Phase II includes Infor modules of global human resources (HR) such as benefits and employee relations, as well as payroll.

CONCLUSION:

The final implementation date of the project and its total cost remain unknown. As of September 7th, 2016, the City Commission approved approximately \$6.6 million (Exhibit A) for the full implementation of the ERP system. The current project budget has increased to approximately \$9.2 million (Exhibit B). Also, Phase II of the project is late, incomplete, and will likely exceed the current budget by approximately \$1.1 million, per the ERP Steering Committee meeting on January 13, 2023. Additional costs include, but are not limited to, legacy system maintenance (Exhibit C), third-party providers, and unknown professional services fees since the inception of the project. On-going subscription and services fees will range from approximately \$800,000 to \$1 million annually over the next 10 years (Exhibit D).

RECOMMENDATION:

The CAO recommends that the City Manager's team consider updating the Commission on the status of the ERP project including the estimated delay of the go-live date, the estimated financial impact, and current action plans in place to mitigate risk. The CAO would further recommend the increase in resources dedicated solely to the implementation of the global HR and payroll modules.

SUMMARY:

The Infor Lawson ERP software implementation is a large-scale project. The project had been approved by the City Commission on September 7th, 2016, for \$6.6 million (Exhibit A) to replace the City's obsolete Financial Accounting Management Information System (FAMIS) and add interoperability to back-office functions. Previously, the City's patchwork of systems has led to redundant processes, manual workarounds, inadequate reporting capabilities, a lack of intuitive user interfaces, and informational silos. Initially, the City selected the new business system software and retained outside consultants to assist with the implementation. The ERP system's go-live date was established as October 1st, 2019, for all modules, but only Phase I (finance and supply chain management) was successfully implemented in October of 2022. Currently, Phase II (global HR and payroll) is anticipated to be implemented in September of 2023, but Phase II does not have a hard implementation date established yet as stated in the Conclusion section of this memorandum.

Overall factors that delayed the City's ability to achieve its goals by 2019 were inadequate project management by the outside consultant and inconsistent engagement of decision-making staff on the City's side throughout the implementation process. At various times throughout the life of the project, City staff have raised concerns about project governance and project management. Since the last failed implementation of the Infor system in 2019, a new project manager, dedicated city staff, and a new group of Infor consultants had been assigned to the project. The current team is focused to get the project completed.

While Phase I of the project had been implemented in October of 2022, the implementation of Phase II is adversely impacted by turnover and staffing shortages that left the City without a strong system champion on the functional side. The City is currently working on filling key HR roles, but it is uncertain when key staff will be in place and trained to meaningfully contribute to the project.

Based on our assessment, the CAO identified the following risks and/or concerns:

- The CAO is unable to determine conclusively if the Phase II (global HR and payroll) implementation date of mid-September of 2023 is achievable.

- The go-live date depends on several factors: hiring and training of dedicated staff, limited system downtime, minimal failures during testing, such as data conversion, and approval of additional funding.
- Currently, the final cost for completing the full ERP implementation is unknown. To date, the City spent approximately \$8.2 million, encumbered approximately \$269,000 with a remaining budget of approximately \$782,000 (Exhibit B).
- Additional costs include, but are not limited to:
 - Legacy system maintenance is approximately \$860,000 (Exhibit C as of FY2022),
 - Third-party providers (e.g., MHC for printing services of \$193,000 and ongoing cost of \$33,000 per year),
 - Unknown professional services fees (e.g., project management) from the inception of the project.
- On-going subscription and services fees for Infor between 2022-2032 are approximately \$10.2 million dollars (Exhibit D).
- Some components that lead to a successful project include, but are not limited to, the full functionality of the software system, such as real-time data availability and analysis, transparent communication, and ongoing training.

Attachments:

Exhibit A - PUR-14 Revised CAM, September 7, 2016

Exhibit B - Current ERP Budget, Actual, Encumbrance and Remaining Budget Balance

Exhibit C - FY2022 Decision Package for Maintenance and Support for Legacy Suite of Financial Applications and Systems

Exhibit D - Infor Payment Terms for Subscription Fees and Services Fees until October 31, 2032


cc: Honorable Mayor and Commissioners
D'Wayne Spence, Interim City Attorney
David Soloman, City Clerk
Susan Grant, Assistant City Manager
Anthony Fajardo, Assistant City Manager
Tamecka McKay, Director of the Information Technology Services Department
Jerome Post, Acting Director of Human Resources

9-7-16
PUR-14
REVISED CAM

CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#16-0900

TO: Honorable Mayor & Members of the Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager 

DATE: September 7, 2016

TITLE: **REVISED PUR-14** - Motion to Approve Contracts for Purchase of Enterprise Resource Planning System Solution and Professional Services – Ciber, Inc. and Infor (US), Inc.- \$6,562,618 (estimated twelve-year cost)

Recommendation

It is recommended that the City Commission approve a twelve-year contract for the purchase of an Enterprise Resource Planning (ERP) software system solution and associated professional services with Ciber, Inc. (CI) (implementer), and contract with Infor (US), Inc. (Infor) (software and support provider) including software license, support and escrow agreements with Infor, in substantially the forms attached; and authorize the City Manager to approve the task orders and two, one-year renewal options, contingent upon appropriation of funds in the total amount of \$6,562,618.

Background

During negotiations, several contract enhancements were added to benefit the City including:

- A retainage of fees per task order
- Service credits for system outages
- Twelve years of support rather than ten years

Additional third-party software components have been proposed as part of the solution to meet City requirements. Those license and support agreements are with Emphasys Software, Finite Matters, Ltd., MHC Software, Inc., and Business Software, Inc. An umbrella Licensing Terms and Conditions Agreement has been prepared to align third party software terms with those agreed to by Infor. CI has certified that all third party software providers will adhere to the licensing terms and conditions as set forth in Exhibit 4.

All task orders will be collaboratively developed and agreed upon between the City and CI for the rollout of successive project phases as approved by the City Manager or accordance with Section 2-127, Code Ordinances of the City of Fort Lauderdale.

The fixed cost pricing of the contract with CI for the Implementation Services of the

solution is as follows:

Services	Costs
Ciber Infor Services	\$999,880.00
Other Services	\$1,011,650.00
Ciber SymPro Services	\$9,600.00
Interface Development	\$247,240.00
Train-the-Trainer Training	\$72,670.00
Data Conversion	\$59,280.00
Estimated Travel and Lodging	\$362,500.00
Total	\$2,762,820.00

The costs associated with the agreements with Infor, who will provide the Core Software for the Enterprise Resources Planning Solution and Escrow Services for the Infor components and the other noted third-party software companies is \$1,048,803. These one-time expenses include the following software and maintenance costs:

Software	Cost	Annual Maintenance
Infor On Premise Software	\$520,501.00	\$109,379.00
Infor SaaS (Subscription Software Service)*	\$76,800	\$76,800.00
Infor (Optional)	\$100,724	\$22,159.00
Infor Escrow		\$244.00
Emphasys SymPro	\$79,000	\$15,000.00
Finite Matters LTD (FML)	\$84,338	\$10,500.00
MHC Software, Inc (MCH)	\$187,440	\$33,750.00
Business Software Inc. (BSI) (costs included in Infor OnPremise above)		\$6,768.00
Total	\$1,048,803.00	\$274,600.00

*Subscription Software Service fees begin in month twelve after contract is awarded.

In addition to the above one-time expenses, additional expenses are anticipated. These costs were included in the project budget estimate and will be brought back to the City Commission for approval at a future date and include items such as:

Additional Expenses	Estimated Cost
Infrastructure required to run ERP on premise. Hardware (Servers, Storage, etc.) Software (Database, backup, monitoring tools, etc.)	\$750,000
Additional Training, System Forms and/or Interface Development and Conversion needs as determined by the City	\$100,000
Disaster Recovery Planning/Program	\$150,000
Temporary Staffing	\$500,000

Following implementation, annual support costs to maintain the system will be \$274,600. The first year of maintenance is included in the project budget and will need to be funded in the IT operating budget in subsequent years.

We anticipate that this vendor will be adding new software modules in the future that may be in the best interest of the City to purchase. In the event that this occurs, we will bring an agenda item back to the Commission to make such purchases.

The City's current financial management system, FAMIS, was implemented in 1969, and other core financial systems, such as purchasing, budget preparation, payroll and others, are all in need of replacement. Each of these separate systems consists of multiple operating systems and databases which operate on hardware that is obsolete and unsupported. Most of the current core financial systems are no longer supported by the vendors so we must rely on City staff expertise to maintain, troubleshoot, and fix issues.

The current software applications do not meet financial reporting or other operational needs of the City. There is also a lack of integration between the various software applications that requires duplication of efforts and data across systems. The implementation of a modern ERP System will allow the City to improve and standardize existing business practices, and implement a uniform Chart of Accounts as required by the State of Florida. The ERP system will lead to decision-making ability with quantitatively measurable parameters, so that the resulting decisions can support the City's operational processes and goals.

The background for the ERP solicitation and vendor selection process included the following:

- June 2013 - Request for Proposals (RFP) 735-11244 was released for Consulting Services for an ERP system.
- October 2013 - Awarded contract to Plante & Moran, PLLC as the City's consultant for the ERP Project. Plante & Moran performed a needs assessment and assisted in the development of the RFP for the City's ERP system.

- October 2013 through August 2014 - City employees at all levels of the organization were consulted as subject matter experts through "Technical User Groups" to discuss current challenges and determine requirements of the new system.
- August 2014 – RFP 742-11378 was advertised for an ERP system and professional services.
- October 2014 - The RFP closed and five firms submitted proposals: Ciber Inc., SunGard Public Sector, Tyler Technologies Inc., TriBridge Holdings LLC, and Techno Brain.
- October 2014 - The evaluation committee consisting of Shelley Gialluca, Senior Technology Strategist; Kristin Tigner, Deputy Director of Human Resources; Linda Logan-Short, CFO/Deputy Director of Finance; Laura Reece, Assistant Budget Manager; and Richard Goodnight, Senior Procurement Specialist, were selected to evaluate the proposals and rank the firms according to the evaluation criteria.
- January 2015 - The evaluation committee shortlisted three firms for on-site software demonstrations (conducted March 2015 – April 2015). Each firm was allotted one week of demonstration time. City employees from all levels of the organization attended the demonstrations and provided feedback to the evaluation committee.
- June 2015 - Best and final offers (BAFO) were received from the three proposers. The committee conducted additional due diligence, rescored the proposals, and ranked the firms according to the evaluation criteria, as shown in the table below. The firms in order of ranking are Ciber Inc., Tyler Technologies Inc., and SunGard Public Sector.

		CIBER, Inc.	TYLER TECHNOLOGIES, Inc.	SUNGARD Public Sector
Evaluation Criteria	Weight	Rank	Rank	Rank
Functional & Technical Requirements	35%	1	2	3
General Vendor	10%	1	2	3
Implementation Requirements	10%	1	2	3
Service and Support	15%	1	2	3
Investments and Costs	30%	2	3	1
OVERALL RANKING	100%	1	2	3

The proposals from the following respondents are available for review in the

Procurement Division Office:

- SunGard Public Sector,
- Tyler Technologies Inc.,
- TriBridge Holdings LLC
- Techno Brain

Resource Impact

There is no current fiscal year impact to the City. There will be a fiscal impact to the City in the estimated amount \$2,193,803 for FY2017 from Community Investment Plan Project P11937 – Enterprise Resource Planning (ERP). Additional expenditures are contingent upon approval and appropriation of funds.

<u>Funds available as of October 1, 2016</u>					
<u>ACCOUNT NUMBER</u>	<u>INDEX NAME (Program)</u>	<u>CHARACTER CODE/ SUB-OBJECT NAME</u>	<u>AMENDED BUDGET (Character)</u>	<u>AVAILABLE BALANCE (Character)</u>	<u>AMOUNT</u>
<u>331-P11937.331</u>	<u>Enterprise Resource Planning (ERP)</u>	<u>Capital/ Capital Outlay</u>	<u>\$1,455,981</u>	<u>\$1,434,326</u>	<u>\$1,400,000</u>
<u>581-P11937.581</u>	<u>Enterprise Resource Planning (ERP)</u>	<u>Capital/ Capital Outlay</u>	<u>\$5,379,726</u>	<u>\$5,246,063</u>	<u>\$4,186,223</u>
<u>TOTAL AMOUNT ►</u>					<u>\$5,586,223</u>

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 11: Be a well-trained, innovative, and neighbor-centric workforce that builds community.
- Objective 4: Provide a reliable and progressive technology infrastructure

This item advances the *Fast Forward Fort Lauderdale Vision Plan 2035: We are United*.

Attachments

- Exhibit 1 – Solicitation
- Exhibit 2 – Final Rankings
- Exhibit 3 – Ciber Proposal
- Exhibit 4 – Ciber Agreement - Final
- Exhibit 5 – Infor Agreement - Final

Prepared by: Shelley Gialluca, Information Technology Services
Adam Makarevich, Finance
Linda Blanco, Finance

Department Directors: Mike Maier, Information Technology
Kirk Buffington, Finance

Enterprise Resource Planning (ERP) Project						
Project	Fund	Fund Name	Budget	Actual	Encumbrance	Balance
P11937	331	General Capital Projects Fund	\$ 1,455,981	\$ 1,426,050	\$ -	\$ 29,931
P11937	581	Central Services Fund	\$ 7,802,136	\$ 6,779,590	\$ 269,569	\$ 752,977
Total			\$ 9,258,117	\$ 8,205,640	\$ 269,569	\$ 782,908



FY 2022 Decision Package Form

Information Technology Services Department

Priority Number: 1
Title of Request: Maintenance and Support for Legacy Suite of Financial Applications and Systems
Request Type: Program - New

New Position(s) Requested:	Position(s) Eliminated:	Change in Part-Time:	Total Change in FTEs:
0.00	0.00	0.00	0.00

Basis of Justification: Improvement, revenue generating, mandated, cost reduction, workload change. Please state what will be the consequence if this request is not funded?

The City continues to rely on a legacy suite of financial applications and systems until its Enterprise Resource Planning (ERP) software is fully implemented. The legacy suite of applications includes Cyborg, which is used to process payroll and FAMIS, which is the City's Financial Accounting Management System. This request is to provide required maintenance and support of these applications and systems through the end of Fiscal Year 22 (FY 22). This request also includes professional services to address certain operational functions such as Operating System (OS) troubleshooting, patching, upgrades, and custom configurations. As an example, Cyborg operates on an OS for which the City has no in-house expertise for making configuration changes.

Without this maintenance and support the City will not have access to software changes associated with quarterly updates to Federal and State payroll taxes or access to end of year payroll patches to calculate payroll deductions. The City would also not be able to accurately pay employees, issue tax documents such as W-2 or have the vendor support required for its payroll software and its financial accounting software. This request is \$828,946 for maintenance and support and \$30,000 for professional services.

Can this function be better if performed by a third party? Why or why not?

This is a third party request.

Performance Measures:

Measure Description	Next Year Target	Next Year Target with Modification
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Strategic Connections:

Focus Area: Internal Support
 Goal: Internal Support - Leading Government Organization
 Objective: IS-4 Continuously improve service delivery to achieve excellence through innovation
 Source of Justification: Press Play Fort Lauderdale 2024, A 5-Year Strategic Plan

Funding Requests:

Index	Sub Object	SubObject Title	Cost Description	Budget Request	Year 2 (Ongoing)
Expenditures					
ITS040101	3199	Other Prof Serv	Professional services for Legacy Systems	30,000	30,000
ITS040101	3401	Computer Maint	Legacy Systems support	828,946	828,946
Total Expenditures				858,946	858,946
Net				\$858,946	\$858,946

Funding Impacts (Net):

Fund	Budget Request	Year 2 (Ongoing)
Central Services (Information Technology Services)	858,946	858,946

Infor Payment Terms Per CAM 21-0749

Exhibit D

III. Payment Terms:

Payment is due within 45 days of the date of the invoice.

Customer shall pay the Annual Subscription Fee, in advance, as invoiced by Infor. For further clarity, payments shall be due as follows:

Subscription Period	Subscription Fee	Services Fee	Combined Total Fee	Payment Due Date
Order Form Date through October 31, 2022	\$380,000.00	\$820,000.00	\$1,200,000.00	October 31, 2021
November 1, 2022 – October 31, 2023	\$450,000.00	\$350,000.00	\$800,000.00	October 31, 2022
November 1, 2023 – October 31, 2024	\$500,000.00	\$300,000.00	\$800,000.00	October 31, 2023
November 1, 2024 – October 31, 2025	\$500,000.00	\$300,000.00	\$800,000.00	October 31, 2024
November 1, 2025 – October 31, 2026	\$575,000.00	\$273,000.00	\$848,000.00	October 31, 2025
November 1, 2026 – October 31, 2027	\$650,000.00	\$240,400.00	\$890,400.00	October 31, 2026
November 1, 2027 – October 31, 2028	\$700,000.00	\$275,000.00	\$975,000.00	October 31, 2027
November 1, 2028 – October 31, 2029	\$750,000.00	\$225,000.00	\$975,000.00	October 31, 2028
November 1, 2029 – October 31, 2030	\$850,000.00	\$145,000.00	\$995,000.00	October 31, 2029
November 1, 2030 – October 31, 2031	\$923,400.00	\$71,600.00	\$995,000.00	October 31, 2030
November 1, 2031 – October 31, 2032	\$995,000.00	\$0.00	\$995,000.00	October 31, 2031

Customer Account ID:	372281	Total: \$10,273,400
Infor GL ID:	US06A	
Account Executive Name:	Claudia Santacoloma	

Primary-Use Address:	Invoice Address:
City of Fort Lauderdale 100 N. Andrews Avenue Fort Lauderdale, FL 33301 USA	City of Fort Lauderdale 100 N. Andrews Avenue Fort Lauderdale, FL 33301 USA
Contact Name: Susan Grant	Contact Name: Accounts Payable
Contact Phone: 954-828-5145	Contact Phone: 954-828-5175
Contact email: sugrant@fortlauderdale.gov	Contact email: acctspayable@fortlauderdale.gov

IV. Additional Terms

The consulting services set forth in the Infor Consulting Fixed Fee Services Work Order signed concurrently with this Order Form will be delivered as part of a bundled subscription offer, and are not separately valued, priced, or subject to a credit or refund from Infor.

Please visit <https://www.infor.com/customer-center/MTcloud> for benefits related to the Infor Multi-tenant Cloud Customer Bill of Rights (only applicable to Subscription Software hosted in a multi-tenant environment).

Exhibit 1 – Service Level Description is attached to and made a part of this Order Form.

Education Services: NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE AGREEMENT, INFOR MAKES NO WARRANTIES WHATSOEVER, EXPRESSED OR IMPLIED, WITH REGARD TO INFOR CAMPUS MEMBERSHIPS OR ANY EDUCATION SERVICES AND INFOR EXPLICITLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.


NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE AGREEMENT, THE TOTAL LIABILITY OF INFOR, ITS AFFILIATES AND THIRD PARTY LICENSORS IN CONNECTION WITH AN INFOR CAMPUS MEMBERSHIP OR ANY EDUCATION SERVICES SHALL NOT EXCEED THE ANNUAL FEE PAID BY CUSTOMER FOR SUCH INFOR CAMPUS MEMBERSHIP OR EDUCATION SERVICES (AS APPLICABLE) FOR THE ANNUAL PERIOD IN WHICH THE LIABILITY FIRST AROSE.



Memorandum

Memorandum No: 23-03

TO: Patrick Reilly, City Auditor

FROM: Greg Chavarria, City Manager 
Greg Chavarria (Feb 7, 2023 14:26 EST)

DATE: February 7, 2023

RE: Management Response to Auditor's Infor-Lawson ERP Implementation Status Review

We have received your memorandum of review of the Enterprise Resource Planning (ERP) System Implementation (Exhibit 1). Your memorandum points out that Phase II of the implementation has been delayed and omits certain key details that demand additional context. I'd like to respond to your memorandum and share further information for clarification.

BACKGROUND ON PHASE II

Phase II is currently in progress. On October 18, 2022, staff presented to the City Commission, in the Commission Conference meeting under Item Business-5, an update on anticipated dates for going live with Phase II. (Please see page 11 of Exhibit 2). We were very clear to the Commission that the go-live date for Phase II was an "anticipated" date. Staff is certain to provide an "anticipated" date as there are variable factors that are beyond our control. Since that presentation, staff has lost at least four key stakeholders that were critical to the ERP implementation: Assistant Director for HR, HRIS Program Manager, HR Analyst for Classification and Compensation, and the Employee Relations Manager. One member passed away and three others left to a different municipality for different career opportunities. Given that many of the current processes rely on outdated mainframe systems, the absence of the listed key members caused an impact on transferring and documenting institutional knowledge.

CURRENT STATUS

Due to the transition of staff, we have had to re-baseline the project and engage with the vendor to propose new dates for go-live. Additionally, staff has had to recruit and hire new resources to fulfill the vacant roles. Due to resource constraints, the City's project team proposed an additional 30 days. Upon consulting with our Finance staff and Payroll subject matter experts, it would be advantageous to start within a new quarter, thus adding an additional 60 days. The anticipated date for going live for Phase

It is September 18, 2023, with the first payroll run happening in the new fiscal year of October 6, 2023. The new date offers a clean start of the fiscal year as well as payroll tax quarterly reporting, with respect to data and financial balances. This extension mitigates additional reconciliation effort if the system transitions in the middle of a quarter.

We have yet to communicate the new dates to the City Commission, as we need to finalize the proposed dates with our vendor. The new date impacts resource availability and will most likely require a change order with the vendor.

ON PREMISE VS CLOUD BASE IMPLEMENTATION

Your memo provides background for a previous level of effort made by staff for the ERP, which was the On-Premise implementation approved by the City Commission on September 7, 2016. Your observation and qualification of the City's "patchwork" is noted as the On-Premise implementation was limited, did not have system redundancy, did not have integrated business workflows, and did not support an optimized secured data environment.

As a result of the limitations of the On-Premise ERP implementation, the City Commission approved on September 9, 2021, an upgrade to a Cloud-based system, under CAM 21-0749 (Exhibit 3). Upon approval of this item, an additional \$9.2 million was added to the budget to complete Phase I of the cloud-based implementation. For the record, Phase I of the implantation was completed on time (one year). This is remarkable considering to the constraints and transitions in Management and Directors that took place within the time frame.

STRONG CHAMPION

In your memo, you state that the City was left "without a strong system champion on the functional side." I sturdily disagree with your qualification of not having a "strong system champion" and welcome further information on how you evaluated staff and arrived to your conclusion.

Just as Phase I had Champions like Linda Short, Finance Director, and Glen Marcos, Assistant Director of Finance, Phase II has an active and competent functional leader. Our Champion for the functional side for Phase II is Jerome Post, Acting HR Director. He has actively supported the ERP Phase I implementation with organizational change management activities, in addition to providing direction on the functional business logic for Human Resources. He has also hired a seasoned subject matter expert professional, who started on January 23, 2023, that will support translating business logic into technical ERP systems configuration. Every step of the way, staff has been proactive in anticipating risks and has had risk response plans to mitigate project performance.

SPECIFIC RESPONSES TO RISKS CONCERNS

Below, we will provide a response for each bullet that you described as risks and/or concerns:

- September 23, 2023, is the anticipated date for going live. This timeline affords an additional 60 days of training and organizational change management. This was mentioned at the January 19, 2023, Steering Committee meeting.
- We have experienced and seasoned personnel that are working on the ERP system and have developed training programs to ensure that we have ample knowledge to mitigate system downtime, minimize failures during testing, data conversion, and implementation.
- The budget for the Cloud base implementation has not been changed since Commission approval. Any changes to the budget, we will advise the Commission.
- The On-Going Subscription for Infor fees were approved by the City Commission on September 9, 2021. (See Exhibit 2). We do not anticipate any change in this 10-year subscription fee.
- We agree that project success requires real-time data availability and analysis (which the system supports), transparent communication (which is supported at each Steering Committee meeting), and ongoing training (which we have a program developed to assist staff in using the new system).

STEERING COMMITTEE MEETINGS

These details have all been discussed at our Steering Committee meetings that take place every other week. Your office is always invited to attend. Since October 2022, we have held 8 meetings and your office staff has attended only 4 of those. Since this is a very complex project that requires ample coordination and integration, I encourage you or designee to attend each meeting. Any type of inquiry or concern may be addressed at these meetings, and you will be able to see first-hand, the level of planning and coordination that is required to achieve the ERP implementation. We look forward to your participation and engagement in our implementation.

CONCLUSION

Staff is arduously working on completing Phase II with an anticipated earliest date possible of September 18, 2023. Once we have firm dates confirmed with the ERP vendor, we will provide an update to the City Commission. We welcome the CAO's office to stay engaged in the project and implementation, as the overview and oversight helps us achieve better.

Our response reflects our commitment to continuous improvement and a willingness to work collaboratively with your audit team to address any areas of concern. Based on the information provided, one may conclude that the City has a plan to complete the ERP and that it is well-positioned to handle any challenges raised and make proactive adjustments in the future.

Exhibits:

Exhibit 1: Memo 22/23-3 from City Auditor

Exhibit 2: Presentation to the City Commission for October 18, 2022

Exhibit 3: CAM 21-0749



Memorandum

Memo No. 22/23-3

Date: January 27, 2023

To: Greg Chavarria, City Manager

From: Patrick Reilly, CPA *PR*
City Auditor

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SUMMARY:

The Infor Lawson ERP software implementation is a large-scale project. The project had been approved by the City Commission on September 7th, 2016, for \$6.6 million (Exhibit A) to replace the City's obsolete Financial Accounting Management Information System (FAMIS) and add interoperability to back-office functions. Previously, the City's patchwork of systems has led to redundant processes, manual workarounds, inadequate reporting capabilities, a lack of intuitive user interfaces, and informational silos. Initially, the City selected the new business system software and retained outside consultants to assist with the implementation. The ERP system's go-live date was established as October 1st, 2019, for all modules, but only Phase I (finance and supply chain management) was successfully implemented in October of 2022. Currently, Phase II (global HR and payroll) is anticipated to be implemented in September of 2023, but Phase II does not have a hard implementation date established yet as stated in the Conclusion section of this memorandum.

Overall factors that delayed the City's ability to achieve its goals by 2019 were inadequate project management by the outside consultant and inconsistent engagement of decision-making staff on the City's side throughout the implementation process. At various times throughout the life of the project, City staff have raised concerns about project governance and project management. Since the last failed implementation of the Infor system in 2019, a new project manager, dedicated city staff, and a new group of Infor consultants had been assigned to the project. The current team is focused to get the project completed.

While Phase I of the project had been implemented in October of 2022, the implementation of Phase II is adversely impacted by turnover and staffing shortages that left the City without a strong system champion on the functional side. The City is currently working on filling key HR roles, but it is uncertain when key staff will be in place and trained to meaningfully contribute to the project.

Based on our assessment, the CAO identified the following risks and/or concerns:

- The CAO is unable to determine conclusively if the Phase II (global HR and payroll) implementation date of mid-September of 2023 is achievable.

- The go-live date depends on several factors: hiring and training of dedicated staff, limited system downtime, minimal failures during testing, such as data conversion, and approval of additional funding.
- Currently, the final cost for completing the full ERP implementation is unknown. To date, the City spent approximately \$8.2 million, encumbered approximately \$269,000 with a remaining budget of approximately \$782,000 (Exhibit B).
- Additional costs include, but are not limited to:
 - Legacy system maintenance is approximately \$860,000 (Exhibit C as of FY2022),
 - Third-party providers (e.g., MHC for printing services of \$193,000 and ongoing cost of \$33,000 per year),
 - Unknown professional services fees (e.g., project management) from the inception of the project.
- On-going subscription and services fees for Infor between 2022-2032 are approximately \$10.2 million dollars (Exhibit D).
- Some components that lead to a successful project include, but are not limited to, the full functionality of the software system, such as real-time data availability and analysis, transparent communication, and ongoing training.

Attachments:

Exhibit A - PUR-14 Revised CAM, September 7, 2016

Exhibit B - Current ERP Budget, Actual, Encumbrance and Remaining Budget Balance

Exhibit C - FY2022 Decision Package for Maintenance and Support for Legacy Suite of Financial Applications and Systems

Exhibit D - Infor Payment Terms for Subscription Fees and Services Fees until October 31, 2032

cc: Honorable Mayor and Commissioners
D'Wayne Spence, Interim City Attorney
David Soloman, City Clerk
Susan Grant, Assistant City Manager
Anthony Fajardo, Assistant City Manager
Tamecka McKay, Director of the Information Technology Services Department
Jerome Post, Acting Director of Human Resources

9-7-16
PUR-14
REVISED CAM



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#16-0900

TO: Honorable Mayor & Members of the Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager *L.R. Feldman*

DATE: September 7, 2016

TITLE: **REVISED PUR-14** - Motion to Approve Contracts for Purchase of Enterprise Resource Planning System Solution and Professional Services – Ciber, Inc. and Infor (US), Inc.- \$6,562,618 (estimated twelve-year cost)

Recommendation

It is recommended that the City Commission approve a twelve-year contract for the purchase of an Enterprise Resource Planning (ERP) software system solution and associated professional services with Ciber, Inc. (CI) (implementer), and contract with Infor (US), Inc. (Infor) (software and support provider) including software license, support and escrow agreements with Infor, in substantially the forms attached; and authorize the City Manager to approve the task orders and two, one-year renewal options, contingent upon appropriation of funds in the total amount of \$6,562,618.

Background

During negotiations, several contract enhancements were added to benefit the City including:

- A retainage of fees per task order
- Service credits for system outages
- Twelve years of support rather than ten years

Additional third-party software components have been proposed as part of the solution to meet City requirements. Those license and support agreements are with Emphasys Software, Finite Matters, Ltd., MHC Software, Inc., and Business Software, Inc. An umbrella Licensing Terms and Conditions Agreement has been prepared to align third party software terms with those agreed to by Infor. CI has certified that all third party software providers will adhere to the licensing terms and conditions as set forth in Exhibit 4.

All task orders will be collaboratively developed and agreed upon between the City and CI for the rollout of successive project phases as approved by the City Manager or accordance with Section 2-127, Code Ordinances of the City of Fort Lauderdale.

The fixed cost pricing of the contract with CI for the Implementation Services of the

solution is as follows:

Services	Costs
Ciber Infor Services	\$999,880.00
Other Services	\$1,011,650.00
Ciber SymPro Services	\$9,600.00
Interface Development	\$247,240.00
Train-the-Trainer Training	\$72,670.00
Data Conversion	\$59,280.00
Estimated Travel and Lodging	\$362,500.00
Total	\$2,762,820.00

The costs associated with the agreements with Infor, who will provide the Core Software for the Enterprise Resources Planning Solution and Escrow Services for the Infor components and the other noted third-party software companies is \$1,048,803. These one-time expenses include the following software and maintenance costs:

Software	Cost	Annual Maintenance
Infor On Premise Software	\$520,501.00	\$109,379.00
Infor SaaS (Subscription Software Service)*	\$76,800	\$76,800.00
Infor (Optional)	\$100,724	\$22,159.00
Infor Escrow		\$244.00
Emphasys SymPro	\$79,000	\$15,000.00
Finite Matters LTD (FML)	\$84,338	\$10,500.00
MHC Software, Inc (MCH)	\$187,440	\$33,750.00
Business Software Inc. (BSI) (costs included in Infor OnPremise above)		\$6,768.00
Total	\$1,048,803.00	\$274,600.00

*Subscription Software Service fees begin in month twelve after contract is awarded.

In addition to the above one-time expenses, additional expenses are anticipated. These costs were included in the project budget estimate and will be brought back to the City Commission for approval at a future date and include items such as:

Additional Expenses	Estimated Cost
Infrastructure required to run ERP on premise. Hardware (Servers, Storage, etc.) Software (Database, backup, monitoring tools, etc.)	\$750,000
Additional Training, System Forms and/or Interface Development and Conversion needs as determined by the City	\$100,000
Disaster Recovery Planning/Program	\$150,000
Temporary Staffing	\$500,000

Following implementation, annual support costs to maintain the system will be \$274,600. The first year of maintenance is included in the project budget and will need to be funded in the IT operating budget in subsequent years.

We anticipate that this vendor will be adding new software modules in the future that may be in the best interest of the City to purchase. In the event that this occurs, we will bring an agenda item back to the Commission to make such purchases.

The City's current financial management system, FAMIS, was implemented in 1969, and other core financial systems, such as purchasing, budget preparation, payroll and others, are all in need of replacement. Each of these separate systems consists of multiple operating systems and databases which operate on hardware that is obsolete and unsupported. Most of the current core financial systems are no longer supported by the vendors so we must rely on City staff expertise to maintain, troubleshoot, and fix issues.

The current software applications do not meet financial reporting or other operational needs of the City. There is also a lack of integration between the various software applications that requires duplication of efforts and data across systems. The implementation of a modern ERP System will allow the City to improve and standardize existing business practices, and implement a uniform Chart of Accounts as required by the State of Florida. The ERP system will lead to decision-making ability with quantitatively measurable parameters, so that the resulting decisions can support the City's operational processes and goals.

The background for the ERP solicitation and vendor selection process included the following:

- June 2013 - Request for Proposals (RFP) 735-11244 was released for Consulting Services for an ERP system.
- October 2013 - Awarded contract to Plante & Moran, PLLC as the City's consultant for the ERP Project. Plante & Moran performed a needs assessment and assisted in the development of the RFP for the City's ERP system.

- October 2013 through August 2014 - City employees at all levels of the organization were consulted as subject matter experts through "Technical User Groups" to discuss current challenges and determine requirements of the new system.
- August 2014 – RFP 742-11378 was advertised for an ERP system and professional services.
- October 2014 - The RFP closed and five firms submitted proposals: Ciber Inc., SunGard Public Sector, Tyler Technologies Inc., TriBridg e Holdings LLC, and Techno Brain.
- October 2014 - The evaluation committee consisting of Shelley Gialluca, Senior Technology Strategist; Kristin Tigner, Deputy Director of Human Resources; Linda Logan-Short, CFO/Deputy Director of Finance; Laura Reece, Assistant Budget Manager; and Richard Goodnight, Senior Procurement Specialist, were selected to evaluate the proposals and rank the firms according to the evaluation criteria.
- January 2015 - The evaluation committee shortlisted three firms for on-site software demonstrations (conducted March 2015 – April 2015). Each firm was allotted one week of demonstration time. City employees from all levels of the organization attended the demonstrations and provided feedback to the evaluation committee.
- June 2015 - Best and final offers (BAFO) were received from the three proposers. The committee conducted additional due diligence, rescored the proposals, and ranked the firms according to the evaluation criteria, as shown in the table below. The firms in order of ranking are Ciber Inc., Tyler Technologies Inc., and SunGard Public Sector.

		CIBER, Inc.	TYLER TECHNOLOGIES, Inc.	SUNGARD Public Sector
Evaluation Criteria	Weight	Rank	Rank	Rank
Functional & Technical Requirements	35%	1	2	3
General Vendor	10%	1	2	3
Implementation Requirements	10%	1	2	3
Service and Support	15%	1	2	3
Investments and Costs	30%	2	3	1
OVERALL RANKING	100%	1	2	3

The proposals from the following respondents are available for review in the

Procurement Division Office:

- SunGard Public Sector,
- Tyler Technologies Inc.,
- TriBridge Holdings LLC
- Techno Brain

Resource Impact

There is no current fiscal year impact to the City. There will be a fiscal impact to the City in the estimated amount \$2,193,803 for FY2017 from Community Investment Plan Project P11937 – Enterprise Resource Planning (ERP). Additional expenditures are contingent upon approval and appropriation of funds.

<u>Funds available as of October 1, 2016</u>					
<u>ACCOUNT NUMBER</u>	<u>INDEX NAME (Program)</u>	<u>CHARACTER CODE/ SUB-OBJECT NAME</u>	<u>AMENDED BUDGET (Character)</u>	<u>AVAILABLE BALANCE (Character)</u>	<u>AMOUNT</u>
<u>331-P11937.331</u>	<u>Enterprise Resource Planning (ERP)</u>	<u>Capital/ Capital Outlay</u>	<u>\$1,455,981</u>	<u>\$1,434,326</u>	<u>\$1,400,000</u>
<u>581-P11937.581</u>	<u>Enterprise Resource Planning (ERP)</u>	<u>Capital/ Capital Outlay</u>	<u>\$5,379,726</u>	<u>\$5,246,063</u>	<u>\$4,186,223</u>
<u>TOTAL AMOUNT ►</u>					<u>\$5,586,223</u>

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 11: Be a well-trained, innovative, and neighbor-centric workforce that builds community.
- Objective 4: Provide a reliable and progressive technology infrastructure

This item advances the *Fast Forward Fort Lauderdale Vision Plan 2035: We are United*.

Attachments

- Exhibit 1 – Solicitation
- Exhibit 2 – Final Rankings
- Exhibit 3 – Ciber Proposal
- Exhibit 4 – Ciber Agreement - Final
- Exhibit 5 – Infor Agreement - Final

Prepared by: Shelley Gialluca, Information Technology Services
 Adam Makarevich, Finance
 Linda Blanco, Finance

Department Directors: Mike Maier, Information Technology
 Kirk Buffington, Finance

Enterprise Resource Planning (ERP) Project						
Project	Fund	Fund Name	Budget	Actual	Encumbrance	Balance
P11937	331	General Capital Projects Fund	\$ 1,455,981	\$ 1,426,050	\$ -	\$ 29,931
P11937	581	Central Services Fund	\$ 7,802,136	\$ 6,779,590	\$ 269,569	\$ 752,977
Total			\$ 9,258,117	\$ 8,205,640	\$ 269,569	\$ 782,908



FY 2022 Decision Package Form

Information Technology Services Department

Priority Number: 1
Title of Request: Maintenance and Support for Legacy Suite of Financial Applications and Systems
Request Type: Program - New

New Position(s) Requested:	Position(s) Eliminated:	Change in Part-Time:	Total Change in FTEs:
0.00	0.00	0.00	0.00

Basis of Justification: Improvement, revenue generating, mandated, cost reduction, workload change. Please state what will be the consequence if this request is not funded?

The City continues to rely on a legacy suite of financial applications and systems until its Enterprise Resource Planning (ERP) software is fully implemented. The legacy suite of applications includes Cyborg, which is used to process payroll and FAMIS, which is the City's Financial Accounting Management System. This request is to provide required maintenance and support of these applications and systems through the end of Fiscal Year 22 (FY 22). This request also includes professional services to address certain operational functions such as Operating System (OS) troubleshooting, patching, upgrades, and custom configurations. As an example, Cyborg operates on an OS for which the City has no in-house expertise for making configuration changes.

Without this maintenance and support the City will not have access to software changes associated with quarterly updates to Federal and State payroll taxes or access to end of year payroll patches to calculate payroll deductions. The City would also not be able to accurately pay employees, issue tax documents such as W-2 or have the vendor support required for its payroll software and its financial accounting software. This request is \$828,946 for maintenance and support and \$30,000 for professional services.

Can this function be better if performed by a third party? Why or why not?

This is a third party request.

Performance Measures:

Measure Description	Next Year Target	Next Year Target with Modification
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Strategic Connections:

Focus Area: Internal Support
 Goal: Internal Support - Leading Government Organization
 Objective: IS-4 Continuously improve service delivery to achieve excellence through innovation
 Source of Justification: Press Play Fort Lauderdale 2024, A 5-Year Strategic Plan

Funding Requests:

Index	Sub Object	SubObject Title	Cost Description	Budget Request	Year 2 (Ongoing)
Expenditures					
ITS040101	3199	Other Prof Serv	Professional services for Legacy Systems	30,000	30,000
ITS040101	3401	Computer Maint	Legacy Systems support	828,946	828,946
Total Expenditures				858,946	858,946
Net				\$858,946	\$858,946

Funding Impacts (Net):

Fund	Budget Request	Year 2 (Ongoing)
Central Services (Information Technology Services)	858,946	858,946

Infor Payment Terms Per CAM 21-0749

Exhibit D

III. Payment Terms:

Payment is due within 45 days of the date of the invoice.

Customer shall pay the Annual Subscription Fee, in advance, as invoiced by Infor. For further clarity, payments shall be due as follows:

Subscription Period	Subscription Fee	Services Fee	Combined Total Fee	Payment Due Date
Order Form Date through October 31, 2022	\$380,000.00	\$820,000.00	\$1,200,000.00	October 31, 2021
November 1, 2022 – October 31, 2023	\$450,000.00	\$350,000.00	\$800,000.00	October 31, 2022
November 1, 2023 – October 31, 2024	\$500,000.00	\$300,000.00	\$800,000.00	October 31, 2023
November 1, 2024 – October 31, 2025	\$500,000.00	\$300,000.00	\$800,000.00	October 31, 2024
November 1, 2025 – October 31, 2026	\$575,000.00	\$273,000.00	\$848,000.00	October 31, 2025
November 1, 2026 – October 31, 2027	\$650,000.00	\$240,400.00	\$890,400.00	October 31, 2026
November 1, 2027 – October 31, 2028	\$700,000.00	\$275,000.00	\$975,000.00	October 31, 2027
November 1, 2028 – October 31, 2029	\$750,000.00	\$225,000.00	\$975,000.00	October 31, 2028
November 1, 2029 – October 31, 2030	\$850,000.00	\$145,000.00	\$995,000.00	October 31, 2029
November 1, 2030 – October 31, 2031	\$923,400.00	\$71,600.00	\$995,000.00	October 31, 2030
November 1, 2031 – October 31, 2032	\$995,000.00	\$0.00	\$995,000.00	October 31, 2031

Customer Account ID:	372281	Total: \$10,273,400
Infor GL ID:	US06A	
Account Executive Name:	Claudia Santacoloma	

Primary-Use Address:	Invoice Address:
City of Fort Lauderdale 100 N. Andrews Avenue Fort Lauderdale, FL 33301 USA	City of Fort Lauderdale 100 N. Andrews Avenue Fort Lauderdale, FL 33301 USA
Contact Name: Susan Grant	Contact Name: Accounts Payable
Contact Phone: 954-828-5145	Contact Phone: 954-828-5175
Contact email: sugrant@fortlauderdale.gov	Contact email: acctspayable@fortlauderdale.gov

IV. Additional Terms

The consulting services set forth in the Infor Consulting Fixed Fee Services Work Order signed concurrently with this Order Form will be delivered as part of a bundled subscription offer, and are not separately valued, priced, or subject to a credit or refund from Infor.

Please visit <https://www.infor.com/customer-center/MTcloud> for benefits related to the Infor Multi-tenant Cloud Customer Bill of Rights (only applicable to Subscription Software hosted in a multi-tenant environment).

Exhibit 1 – Service Level Description is attached to and made a part of this Order Form.

Education Services: NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE AGREEMENT, INFOR MAKES NO WARRANTIES WHATSOEVER, EXPRESSED OR IMPLIED, WITH REGARD TO INFOR CAMPUS MEMBERSHIPS OR ANY EDUCATION SERVICES AND INFOR EXPLICITLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE AGREEMENT, THE TOTAL LIABILITY OF INFOR, ITS AFFILIATES AND THIRD PARTY LICENSORS IN CONNECTION WITH AN INFOR CAMPUS MEMBERSHIP OR ANY EDUCATION SERVICES SHALL NOT EXCEED THE ANNUAL FEE PAID BY CUSTOMER FOR SUCH INFOR CAMPUS MEMBERSHIP OR EDUCATION SERVICES (AS APPLICABLE) FOR THE ANNUAL PERIOD IN WHICH THE LIABILITY FIRST AROSE.



ENTERPRISE RESOURCE PLANNING (ERP) AND WHAT'S NEXT?



OCTOBER 18, 2022

CITY COMMISSION CONFERENCE MEETING

PRESENTERS

GLENN MARCOS, CPPO, CPPB, FCPM, FCPA, CHIEF PROCURMENT OFFICER/ASSISTANT FINANCE

LINDA SHORT, CGFO, CPM, DEPUTY DIRECTOR OF FINANCE

Why implement an ERP System?

- **To eliminate Disparate Systems**
 - BuySpeed- Requisitions, Purchase Orders
 - BidSync- Supplier Registration, Strategic Sourcing
 - FAMIS- Financials, General Ledger, Accounts Payables, Accounts, Receivables
 - Financial Institution (Truist Bank)- Procurement Cards
- **Causes of Disparate Systems**
 - Overlapping databases
 - Inconsistent data
 - Difficult to report on critical data
 - Lack of Information
 - Time consuming to compile data to create comprehensive procurement and financial reports
 - Manual process
 - Decision-Making is challenging
- **Implementation of an ERP System**
 - Transform Business Process
 - Reduce redundancies/Efficiency
 - Streamline process
 - Value-added participants by defining roles
 - Best practices
 - Transparency
 - Business Intelligence/Analytics
 - Data Driven to make informed decisions
 - Improve Customer Service (Internal/External)



ARE YOU A CHANGE?

The image features the Infor logo, which consists of the word "infor" in a white, lowercase, sans-serif font inside a red square. The logo is positioned between the words "ARE YOU" and "A CHANGE?". Below the main logo, there is a faint, semi-transparent version of the same logo.

- The City selected INFOR as its ERP Solution
- INFOR is one of the world's largest providers of enterprise application software.
- Automates and integrates critical business processes, enabling the City to better manage suppliers, procurement, financials, and human resources.
- One platform where modules communicates and passes data seamlessly.
- Cloud-based Software can be accessed over the internet via a web browser.

DIGITAL, SYSTEM, AND BUSINESS TRANSFORMATION



- DATA CLEAN-UP
- DATA MIGRATION
- DATA CONVERSION
- DATA VALIDATION
- REPORTS
- INTERFACES
- ELECTRONIC WORKFLOWS





Implementation Scope



City defined Business Requirements



City and Infor defined Functional and Technical Requirements



Infor developed Unit Test Specification and Unit Testing



Infor developed System Integration Test (SIT), City updated Specification/Script, and conducted SIT Functional Test



City conducted User Acceptance Test (UAT)



City and Infor identified, analyzed, and resolved defects and issues

PHASE I IMPLEMENTATION



- INFOR Software Version 11

	PROCUREMENT (SUPPLY CHAIN)	FINANCE
<u>BUSINESS PROCESS</u>	<u>MODULES</u>	<u>MODULES</u>
Source to Settle	Supplier Registration Strategic Sourcing Supplier Portal Requisition Self-Service Purchasing Matching Contract Management	Payables Matching Procurement Cards
Plan to Inventory	Inventory Control Mobile (Handheld/Smart Devices) Supply Chain Management- Par and Cycle Counting Mobile (Handheld/Smart Devices) Supply Chain Management- Receiving and Delivery	

Cont'd- PHASE I IMPLEMENTATION

FINANCE

<u>BUSINESS PROCESS</u>	<u>MODULES</u>
Record to Report	General Ledger General Ledger Allocations Reconciliation Management Budget Reporting Interface Management
Project Inception to Completion	Project Ledger Grant Accounting Project Invoicing and Revenue Recognition
Miscellaneous Billing to Collections	Accounts Receivables Customer Maintenance Credit Management
Asset Creation to Period/Year End Close	Asset Accounting
Cash Forecasting to Period End Closing	Cash Management Cash Forecasting Daily Bank Statement Reconciliation



INFOR TRAINING AND TRANSFER OF KNOWLEDGE



- During the implementation of Phase 1, Procurement and Financial Staff attended over 19 INFOR Training Courses
- A total of 48 days of training.
- “Train-the-Trainer” Concept
- ERP (Infor) Training Corner



KEY BENEFITS OF THE ERP SYSTEM/RETURN ON INVESTMENT

- Integrated System allows for a single Financial System of Record
- New Charts of Accounts in accordance with Florida Statute (F.S.) Section 218.33 and follows Uniform Accounting Practices and Procedures for Local Government Agencies to report to Florida Department of Financial Services
- Streamlined Automated Workflow
- Dashboards, Business Intelligence, Analytics
 - ✓ Supplier Spend Reports
 - ✓ Supplier Diversity and Certifications
 - ✓ Payment Cycle and Reports
 - ✓ Procurement Cycle
 - ✓ Contract Management
- Better and Faster Reporting
 - ✓ Real Time
 - ✓ Scheduled
 - ✓ Ad-hoc
 - ✓ Individual
 - ✓ Shared
 - ✓ Custom
 - ✓ Export to Various Formats (PDF, Excel, CSV)
- Better Internal Financial Controls
 - ✓ Segregation of Duties
 - ✓ Contract Compliance
 - ✓ Tolerances
 - ✓ Audit Tracking
- One Stop Shop for Suppliers
 - ✓ Supplier Portal
 - View Purchase Orders
 - View Contracts
 - View Invoices
 - View Payments
 - ✓ Supplier Registration
 - ✓ Strategic Sourcing



Infor CloudSuite Advantage – Technology Infrastructure

- Infor CloudSuite Digital Transformation, Phase I completed, modernized the Day-to-Day Business Processes for Financials, Procurement, and Inventory for Public Works across the city.
- Software/Modules Disaster Recovery, Infor Financial and Supply Chain Management Disaster Recovery included with annual subscription, no additional maintenance required.
- Software/Modules Downtime, Infor Modules rank High Availability – 99.7% Uptime SLA, Minimal Downtime for System Maintenance.
- Software/Modules Cyber Security, Infor’s enhanced Cyber Security provided by Amazon Web Services.
- Software/Modules Upgrades, all upgrades are automatically deployed in ‘toggle-off’ mode; no in-house servers and IT infrastructure responsibility for the CoFL.
- Reduce the complexity of your technology footprint, no additional in-house servers or infrastructure to maintain.
- Software/Module Maintenance, maintenance conducted by Infor Support Center as part of the subscription cost with none of the traditional maintenance and upkeep costs to the city.
- Improved Agility and Scalability, enabling the city to manage growth and peak usage time.
- Connectivity and Mobility, Infor CloudSuite allows city to connect with employees, customers, and other business anywhere with minimal efforts and provided the opportunity for mobile capabilities. Infor’s solution accelerated Digital Transformation for the City of Fort Lauderdale.
- Optimization, Add-On Public Sector Solutions, and Artificial Intelligence Capabilities, leverage current deployment to expand public services.

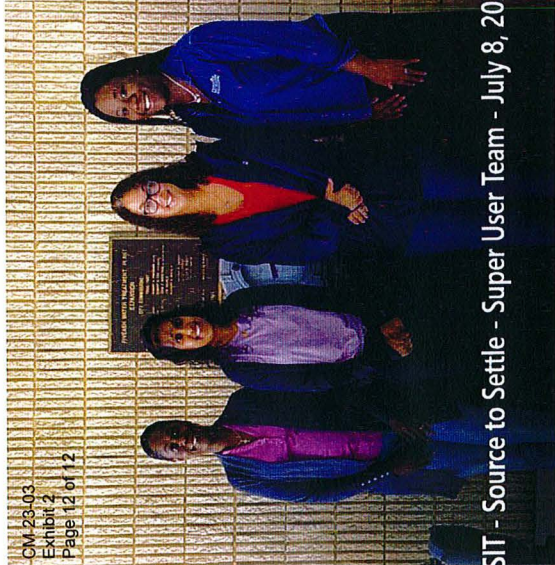
GO-LIVE AND WHAT IS NEXT?



- ❖ Soft Launch- October 3, 2022
- ❖ Go-Live- October 4, 2022
- ❖ Over 500 Registered Suppliers
- ❖ Over 300 Contracts
- ❖ Approximately 300 Requisitions entered
- ❖ Over 160 Purchase Orders created
- ❖ Over 500 payments issued
- ❖ Totaling over \$3 million dollars



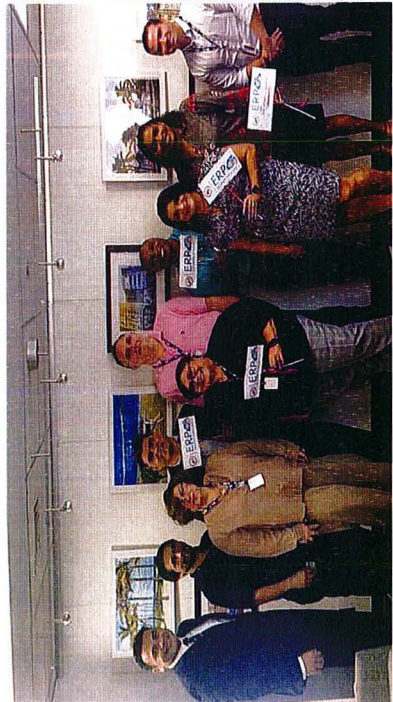
- ❖ Stabilize the System- Usually up to 1 year
- ❖ Optimize the System- an on-going process (enhancements, updates, upgrades, releases, etc.)
- ❖ PHASE II- GLOBAL HUMAN RESOURCE IMPLEMENTATION
 - Payroll
 - Employee and Manager Self-Service
 - Employee Relations
 - Talent Acquisition and more.....
- ❖ Already Started
- ❖ Anticipated Phase II Go-Live Date: July 2023



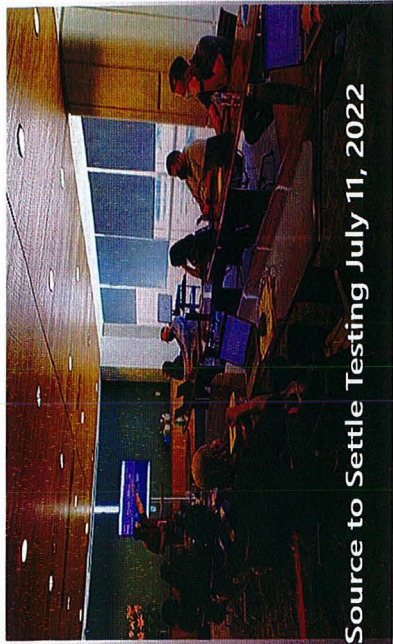
SIT - Source to Settle - Super User Team - July 8, 2022



THANK YOU!



ERP - SIT - Joint Session (FSM / Procurement) - July 11, 2022



Source to Settle Testing July 11, 2022



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#21-0749

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: September 9, 2021

TITLE: Motion Approving Amendment to Agreement for Enterprise Resource Planning (ERP) Software System Solution and Associated Professional Services, Addendum to Subscription License and Services Agreement, and Change Order No. 6 for Enterprise Resource Planning (ERP) Cloud Solution and Associated Professional Services - Infor (US), Inc. and Infor Public Sector, Inc. - \$10,273,400 - **(Commission Districts 1, 2, 3 and 4)**

Recommendation

Staff recommends the City Commission approve an Amendment to the Agreement for Enterprise Resource Planning (ERP) Software System Solution and Associated Professional Services, Addendum to Subscription License and Services Agreement, and Change Order No. 6, in substantially the forms attached (Infor Consulting Fixed Fee Services Work Order), for the upgrade of the on-premise Enterprise Resource Planning (ERP) solution to a cloud subscription solution and associated professional services in the amount of \$10,273,400 (\$1,200,000 in Fiscal Year 2021 Community Investment Plan and \$9,073,400 in subsequent fiscal years operating and capital budgets) and extend the contract term by an additional six (6) years. The amount represents \$3,000,000 for implementation services and \$7,273,400 for annual subscription fees through 2032.

Background

On September 7, 2016, the City Commission approved (CAM 16-0900) a ten (10) year Agreement for the purchase of an Enterprise Resource Planning (ERP) software system solution and associated professional services with Ciber, Inc. ("Ciber") (Implementer), and contract with Infor (US), Inc. (Infor); and authorized the City Manager to approve task orders as well as two, one-year renewal options, contingent upon appropriation of funds in the total amount of \$6,562,618.

On June 6, 2017, the City Commission approved (CAM 17-0512) Assumption of Contract and Consent to Assignment of ERP system implementer agreement from Ciber to Infor (US).

During project scoping and business analysis by staff and Infor, staff determined that changes to the original scope were necessary for the move to version 11, as well as

additional data conversions and the Expense Management Module. As such, and in accordance with Section 2-177, Code of Ordinances of the City of Fort Lauderdale, staff administratively approved Change Orders 1-4. The cumulative total (\$655,162) of the first four change orders were less than the 10% as allowed by the Code.

On December 18, 2018, the City Commission approved (CAM 18-1312) Change Order No. 5 for additional consultant services costs totaling \$274,677.80 related to the building of interfaces between several software applications being used by departments and the new financial accounting system for the ERP.

An assessment of the project was conducted in June 2020, by a third-party consulting firm, Panorama Consulting Group. The consultant recommended to continue with Infor as a viable ERP software solution for the City. City staff then renegotiated with Infor and conducted a planning session to move the project forward.

Change Order No. 6 represents:

1. Upgrading the on-premise solution to a cloud-based solution for a cost of \$7,273,400 in Annual SaaS Subscription payments over the remaining 11-year period.
2. Increasing the implementation service costs for the cloud-based solution by \$3,000,000.

Exhibit 3, the Amendment extends the Agreement for an additional six (6) years through October 31, 2032, with two one-year renewal options.

Migrating the on-premise solution to the cloud provides the City with a more hardened and secure data systems environment as it leverages Amazon Web Services (AWS) computing capabilities and security features available on the Infor cloud solution. These capabilities and features provide enhanced Cyber Security, business continuity, and Disaster Recovery competencies that will improve the systems lifecycle and user experience. Proposed cloud-based system will improve system's high availability mitigates downtimes associated with System Maintenance. The proposed cloud-based architecture also mitigates the need for the City to replace servers and additional staffing for managing routine upgrades and patches associated with an on-premise environment. Continuing with the on-premise solution would cost the City approximately \$23,916,854 over the same time period.

Additionally, some cybersecurity risks are transferred from the City to Infor. Exhibit 5 is an Addendum to the Subscription License and Services Agreement, which transfers cybersecurity and cyber insurance risks to Infor Public Sector, Inc.

Staff recommends the proprietary purchase for the upgrade of the on-premise solution to a cloud-based solution from Infor in the amount of \$10,273,400 over 11 years. In addition to the fees paid to Infor during the term of the Agreement, the project costs are anticipated to include \$1,200,000 paid to various service providers that will support the implementation process. Anticipated service providers that will support implementation include the continued procurement of a Project Manager to represent the City's interests, the procurement of data conversion services, and data integration subject matter experts.

Total project costs and funding sources are detailed below:

	ERP PROJECT COSTS	FUNDING SOURCES		
		FY 2021 CIP	FUTURE OPERATING BUDGETS	FUTURE CAPITAL BUDGETS
SaaS	7,273,400.00		7,273,400.00	
Infor Implementation	3,000,000.00	1,200,000.00		1,800,000.00
	10,273,400.00	1,200,000.00	7,273,400.00	1,800,000.00
3rd Party Project Costs	1,200,000.00	1,200,000.00		
	\$ 11,473,400.00	\$ 2,400,000.00	\$ 7,273,400.00	\$ 1,800,000.00

Pursuant to Section 2-181(f)(3), Code of Ordinances of the City of Fort Lauderdale, Florida, the City may purchase proprietary items, as defined in Section 2-173, without competitive solicitation. As defined by the Code, a proprietary item is not readily available from more than one supplier, manufacturer, or person and is unique in nature without competitive solicitation.

Resource Impact

Funds for proposed change order in the total amount of \$1,200,000 are available in the FY2021 Community Investment Plan and the remainder of the contract obligation is contingent upon appropriation of funding in future year's operating and capital budgets.

Funds available as of July 27, 2021					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	PURCHASE AMOUNT
581-P11937.581-6599	Enterprise Resource Planning (ERP)	Capital Outlay / Construction	\$7,802,136	\$2,407,894	\$1,200,000
TOTAL AMOUNT ►					\$1,200,000

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2024* initiative, specifically advancing:

- Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably.
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term planning

This item advances *the Fast Forward Fort Lauderdale 2035 Vision Plan: We Are United.*

Attachments

- Exhibit 1 - Ciber Agreement for Professional Services - Executed
- Exhibit 2 - Infor (US) Assumption of Contract and Consent to Assignment - Executed
- Exhibit 3 - Infor Public Sector, Inc. Subscription License and Services Agreement - Executed

Exhibit 4 - Infor Public Sector, Inc. Addendum to Subscription License and Services Agreement

Exhibit 5 - Infor Public Sector, Inc. SaaS Order Form

Exhibit 6 - Change Order No.6 - Infor (US) Consulting Fixed Fee Services Work Order

Exhibit 7 - Infor (US) Amendment to Agreement for Enterprise Resource Planning (ERP) Software System Solution and Associated Professional Services

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