



Memorandum

Memorandum No: 20-068

Date: July 24, 2020

To: Honorable Mayor and Commissioners

From: Chris Lagerbloom, ICMA-CM, City Manager

Re: Update on the City's Enterprise Resource Management (ERP) System Implementation

In 2016 the City Commission approved the purchase of the Infor Enterprise Resource Planning (ERP) software to replace the antiquated Financial Accounting and Management Information System (FAMIS), purchasing system (BuySpeed) and, payroll/Human Resources System (Cyborg). The system implementation began in November 2017, with the goal of eliminating repetitive and manual processes and streamlining the processing of financial, payroll, Human Resources (HR), purchasing and budgeting activities. The new system will also eliminate reliance on obsolete server hardware and software applications.

The Infor ERP system deployment has encountered several setbacks, which is not uncommon for such large-scale enterprise-wide projects. To assist the City in determining the best course forward, the City engaged the Panorama Consulting Group (Panorama) to perform an assessment of the ERP implementation project. Panorama recommended that the City continue with the Infor project but utilize a more experienced Infor team or employ a professional consulting organization with the required governmental experience in implementing Version 11 of the software.

Based upon the report, the FY 2021 Proposed Operating Budget includes \$658,069 for the ongoing maintenance of the legacy systems that will be needed to sustain City operations until the ERP system is fully implemented. The FY 2021 - FY 2025 Proposed Community Investment Plan (CIP) includes \$2.6 million in additional funding to complete this important project.

Recommended Additional Funding for the ERP System Implementation

(Detailed budget on page 20 of Exhibit 1)

Consulting Resources

Team of consultants for seven (7) months (Consultants in Project Manager, Human Resources, Payroll/Time, Benefits, Finance (2), and a Technical Consultant)	\$1,422,960
Consultant travel	213,444

City Resources

City contracted Project Manager	184,800
City contracted temporary resources to backfill for project team	739,200

Staff Training

System administration and support training for City IT staff	50,000
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Total Project Estimated Cost - External Labor **\$ 2,610,404**

The report will be used as the foundation to re-engage communications with Infor, with the intent of negotiating a more effective plan to achieve a successful implementation and to recover some cost where possible. The Panorama report is attached for your reference. I will continue to provide updates on this project as we move forward with the system implementation.

Attachment:

Exhibit 1 – Panorama’s City of Fort Lauderdale ERP Assessment Report

c: Tarlesha W. Smith, Assistant City Manager
Alain E. Boileau, City Attorney
Jeffrey A. Modarelli, City Clerk
John C. Herbst, City Auditor
Department Directors
CMO Managers
Budget Advisory Board

City of Fort Lauderdale ERP Assessment Report

Stephen L. Ditty, Senior Manager
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June 2020

Table of Content

City of Fort Lauderdale ERP Assessment Report	1
1. Executive Summary	3
2. Assessment Objective and Methodology	4
3. Assessment Activities Completed	4
4. Overall ERP Project Assessment	5
4.1 Project Management, PMO and Governance	5
4.2 Project Staffing	6
4.3 Functional Teams and Testing	8
4.4 Technical	11
4.5 Project Financials	12
4.6 Remaining Project Activities Needed to Complete	15
5. Infor Software Viability in the Public Sector Marketplace (<i>WIP</i>)	23
6. Options to Move Forward	28
7. Recommendations – Next Steps	29

1. Executive Summary

In March 2020, Panorama Consulting Group was engaged by the City of Fort Lauderdale to perform an assessment of the in-flight ERP implementation project. The project was stopped by the City in October 2019 amidst concerns regarding the operational readiness of the Infor software as well as the organizational preparedness of the City staff to operate the new systems and corresponding processes successfully. In addition, there is an existing financial dispute between the City and Infor regarding outstanding invoices for completed work and additional funds that Infor requires to continue the project.

Our team spent several weeks reviewing key project documents and deliverables, interviewing City project team personnel, conducting a series of written Q/A with Infor¹ and performing follow-up conference calls with City staff to provide further clarification as needed. In addition, we were asked to evaluate the viability of the Infor software solution relative to industry best practices and our experience with similar public-sector clients.

Overall, we found that progress has been made with the requirements definition, “As Is – To Be” detailed process design, data conversion, system configuration, and limited testing activities on the project. However, there still remains significant detailed process design, configuration, data conversion and testing to be completed in key areas of the system ((e.g., Benefits, A/P, A/R, Fund Accounting (all modules), Purchase Order Processing and Approvals, Longevity, Asset Management/Depreciation, Expense Management, Cash Management including the Payroll interface, Project Accounting, Grant Accounting)) before the system can be considered “ready” for Go Live. Additionally, comprehensive End-User Training must be provided to the City support staff, and the City’s post-Go Live system support team (coupled with detailed operational procedures) must be developed and put in place to properly enable the City to effectively operate the system when it is moved into production.

This report contains a detailed list of activities that need to be completed for the project to Go Live along with our recommended changes (e.g., staffing and others) that should be made to increase its chance of success. We have also included a potential timeline and an estimated cost for an external consulting team to complete the project.

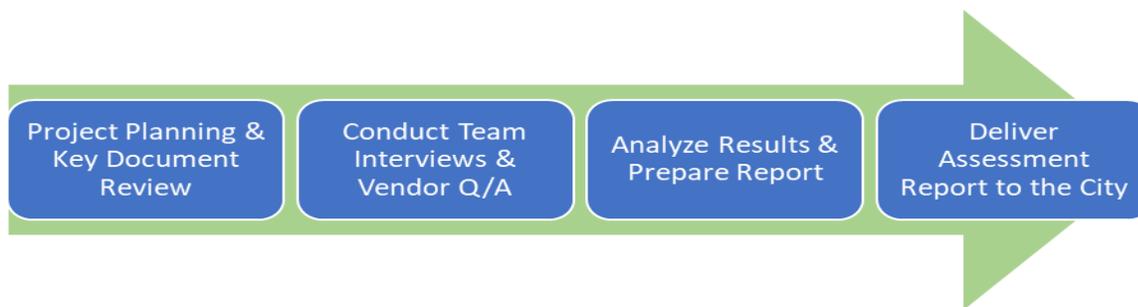
We also conducted market research and assessed the overall viability of the vendor’s software solution in the Public Sector and for governmental organizations similar to the City.

¹ Note: Infor denied us direct access to their project team members and directed us to document our questions in written form and submit them for review. We did receive responses to most of our questions but only after they were reviewed and approved by their legal team. We were also required to sign an Infor Non-Disclosure Agreement restricting our findings and conclusions documented in this report.

Overall, the City has invested a significant amount of effort and funds in the Infor software and related implementation activities and we have outlined options to move forward. Ultimately, we recommend the City continue with the Infor project but employ a professional consulting organization who has the required governmental experience implementing Version 11 of the software.

2. Assessment Objective and Methodology

For this project, we employed the following approach



3. Assessment Activities Completed

To accomplish this objective, key project documents were reviewed (e.g., project plans, deliverables, status reports, presentations, issue logs, process flow diagrams, requirements and traceability matrix, design decision and risks, vendor contracts and exhibits, original RFP selection materials, system testing documents/results and defects, technical architecture and landscape diagrams, third party project reviews and assessments, Executive Steering Committee meeting presentations and minutes), remote interviews were conducted with each of the key City project team members, and detailed questions and responses were exchanged with vendor representatives.

The following project areas and City personnel were included in our Assessment:

- Project Management (City and Vendor)
- Human Resources (Director, Deputy Director and supporting staff)
- Benefits Administration
- Organizational Change Management (Development and Learning)
- Data Conversion
- Testing
- Business Process/Workarounds

- Finance and Payroll (Controller, Asst. Controller, Treasurer, Accounting and Finance Directors and supporting staff)
- Procurement (Senior Procurement Specialist)
- Project Financials, Budget, and Billing
- IT (CIO, Senior Technical Strategists, and supporting staff)
- Executive Management (Assistant City Manager)

4. Overall ERP Project Assessment

Below are the detailed findings that we identified for each topical area reviewed.

4.1 Project Management, PMO and Governance

Two project managers have run the project since its inception. Myra Guy is the Infor PM and is dedicated to the project full time. Andy Elwell is an independent contractor hired by the City to manage the project but was released shortly before the work stoppage in October. These PM duties have been assumed by multiple City resources. There is a formal PMO Governance Structure and process in place with regular status reporting documenting project accomplishments, issues, risks, financials, and upcoming activities. A detailed project plan is in place for the Infor consulting team that has been updated and reported against. An executive Steering Committee has been formed with both City and Infor members and has been actively reviewing project status and issues on a monthly basis. A formal Change Control procedure is in place to document changes to the Vendor Scope and Contract and there have been five Change Orders executed since project inception. Task Orders are the instrument for the vendor to document completion of tasks and activities and bill the City for completed work. There have been 5 Task Orders processed and 2 remain outstanding.

Infor has maintained a detailed project plan to manage the work of the consulting team. Hours have been tracked against these tasks and detailed status reports have been produced and shared with the City. Steering Committee is meeting regularly, and a structured Change Order process is in place. Infor has a dedicated project manager who is working onsite and actively managing the daily activities of the team.

The project plan managed by Infor only contains activities for their consulting team. There is no comprehensive plan in place to manage all the resources and tasks on the project, and this makes it hard to monitor resourcing and report accurate status against plan. The City's contract PM seems to have been playing more of an administrative role and primarily coordinating activities instead of actively managing them. The Infor PM seemed to be effective at project management, but her offensive behaviour toward some of the City's team members has impeded her ability to lead the team effectively. There also appears to be a lack of defined

acceptance criteria in use on the project to assess the quality of the completed work products. Therefore, the City team has relied on Infor's representation of work quality without a standard to compare it to and has led to team confusion regarding the acceptance of deliverables, quality of completed work and a lack of overall confidence in the vendor and the software solution. This can be remedied with the addition of an experienced project manager working on the City's behalf who can ensure this acceptance criteria are properly defined and complied with when future project work products are delivered to the City for review. In addition, this project manager should also work to ensure that the appropriate City subject matter experts are involved in the review and acceptance process.

4.2 Project Staffing

City Project Staffing and Sponsorship

Our Assessment has identified several key themes and actions that impacted the City's commitment and dedication to the ERP Project. The following is a list of the critical ones:

- Overall, the City did not dedicate employees to the project full-time nor were their "day to day" roles and responsibilities redirected. Rather, City staff was expected to continue to perform their regular job requirements and add their ERP project responsibilities to this existing workload.
- The City went thru a significant amount of turnover in leadership and key staff during the project's tenure. A few notable examples include the Assistant City Manager, HR Director, Deputy HR Director, Finance Director roles were vacated during the project. The previous IT Director did not play a detailed role in the project and became involved when the project's initial Go Live plan was put in jeopardy in late 2019. Instead of consistent, clear project and vendor control and ownership from the City for this ERP project, we determined that this role was played by a myriad of personnel over the course of the project.
- As discussed above, the City employed a contractor to perform the role of Project Manager. His lack of ERP Implementation experience, functional knowledge of the City's business processes, and technical experience with the Infor software suite came into question during the project. This knowledge gap likely impeded his ability to effectively manage City resources and hold Infor accountable for project delivery and contractual commitments.
- City was also working on several concurrent projects (e.g., Accela Land Management/Building Permit application, PCI Security) during the time that the ERP

project was in-flight. This created contention amongst the City's IT and business staff who were expected to complete these projects simultaneously.

- During a few of the Conference Room Pilot (CRP) design sessions, the City's subject matter experts were not available to confirm the business requirements, review the corresponding system designs and acknowledge that the software would work to meet the City's operational expectations.
- Several of the City's project team members were not available at times to attend the Infor software training courses that were available and purchased by the City.

Infor Project Staffing and Sponsorship

Similarly, our Assessment identified several key themes and actions that impacted Infor's performance on the ERP Project. The following is a list of the critical ones:

- Project Manager's behaviour and management style. As cited above, the working style of Infor's PM seemed to alienate her from the City team members and created an environment of mistrust and defensiveness. We did not find evidence of her fostering a collaborative, inclusive culture that complex initiatives like these need to succeed.
- Lack of Version 11 and Government/Public Sector Experience - During the sales cycle and early activities in the project (e.g. Brown Paper Design, CRP), the consultants on the project utilized Version 10 to demonstrate how the software would meet City business requirements. This knowledge base seemed to initially suffice but quickly diminished when the Version 11 was installed, and several consultants needed to be replaced and/or backfilled with more knowledgeable resources. Their overall lack of system experience regarding this new Version and how it should be programmed to support the City's governmental accounting and business operations had an adverse impact on the project's ability to successfully complete the configuration and pass subsequent testing cycles.
- Consultant Turnover – interviews with City project team members identified the loss of critical Infor resources during the project. Patrick O'Keefe, Jim Ward, and Noah Leyva are notable examples of key team members who left the project and were replaced with less experienced personnel. We attempted to speak with Infor for an explanation of these staffing moves but they were non-responsive. Replacing any resources with the required skillsets and requisite experience has adverse impacts on ERP projects, but with a total complement of nine consulting roles makes these three even more significant.

- Limited Capacity of the technical development resources. Despite Infor telling us that they had assigned multiple IT resources to the project (e.g., Jen Daniels, Amy Anderson) the only resource that seemed to do most of the work was Vikram Reddy. He was apparently responsible for the data conversion programming, interface design and development and the other technical tasks on the project. We found evidence that this single-threaded approach became a bottleneck at times and led to project delays in data conversion development and reconciliation as well as other technical tasks.

4.3 Functional Teams and Testing

Business Process/Workarounds

During the Brown Paper workshops, the team did a good job documenting their “As Is” and “To Be” business processes. However, the combined team must still define the *End to End* Process Maps which contain all the work steps required to execute a total process (i.e., New Hire)

The following must be defined for each Process:

- Swim Lane diagram with detailed work steps
- Data entry forms and requirements for each work step
- Roles and responsibilities and security requirements for each work step
- Screen Design/Edits/Data system requirements for each work step
- Review/Approval work steps, alerts, workflow/signature requirements for each work step
- Workarounds documented where required
- Reporting requirements across the overall business process

It will take time to complete this step, but these maps provide the foundation for how the system will be tested, users trained, and business operations executed once the system is deployed.

Human Resources

Overall, things seem to be in pretty good shape with the configuration of the HR modules in the system. Neo-Gov is the third-party system that is used by the City to perform Applicant Tracking activities and there is an interface that has been built to Infor to streamline the hiring process. Onboarding, Classification, Compensation and Performance Evaluation processes are in place and working in the system. Key functions still to be tested include the Reinstatement/Rehire process, Longevity and the Neo-Gov interface.

Benefits

Contrary to HR, there remains a significant amount of requirements definition/discovery and configuration to be done with Benefits Administration. The City's Benefits SMES consist of a small division of 5 employees who manage the City's health plans (e.g. Medical, Dental, AD&D, Life insurance) and assist in the administration of the City's retiree benefits, benefits detailed in union contracts, and Affordable Care Act (ACA) reporting. Open Enrollment occurs annually in the August – December time period. Cyborg is their legacy system and they operate 10-12 interfaces to third party carriers like Cigna to support the processes. The team appears to have been stretched working on day to day operations along with these project responsibilities. Most of their work is labor-intensive and required extensive efforts managing the City's legacy benefit programs and systems. This is compounded during Open Enrollment and has created significant contention for this team's team relative to their project responsibilities and has led to missed deadlines and delays.

While some testing has been successfully completed in the individual HR functions, true "End to End" testing must still be successfully completed including a full cycle "Hire to Paycheck" process for a representative group of City employees. There has been no formal End User Training conducted and this needs to be done along with the development of detailed job aids related work products. One of the critical reporting requirements for a Vacancy Report has not yet been fulfilled and must be done before Go Live.

For Benefits, the remaining system configuration must be completed for the new benefit plans and a thorough End to End testing of all the key processes (including the Open Enrollment Process) must be completed. The interfaces must also be thoroughly tested and signed off by the carriers that the format and data content is accurate. As with HR, End-User training must be completed and required job aids developed to properly prepare the City staff to operate the system after Go Live. Ideally, all of this should be in place by August 1st to enable the team to effectively use the new system to support the upcoming Open Enrollment activities.

Finance

There remains significant functionality not working in the system and/or not yet fully programmed. Among other areas, A/P, A/R Fund Accounting, Purchase Order Processing and Approvals, Longevity, Asset Management/Depreciation, Expense Management, Cash Management and Grant Accounting are critical functions that do not currently work to meet the City's requirements.

Full lifecycle or "End to End" system testing must still be successfully completed on several key processes including Year-End-Close and Payroll to General Ledger process.

Budgeting

Originally, Infor proposed a Budgeting/Reporting tool called d/EPM which is part of its suite of software products. After the collective team conducted detailed system design, Conference Room Pilot, and testing activities in mid-2019, it was deemed unacceptable and a replacement tool (Sherpa) was introduced. This new tool comes from a third-party and has been successfully used by the City for FY2021 budget development. Implementation of the budget monitoring component is currently underway. What remains to be done is data mapping to and from the Infor ERP system and conversion to the new Infor Chart of Accounts once that has been implemented.

Payroll

The Payroll requirements have seemed to be successfully collected and incorporated into the design of the system. Kronos is a third-party time collection tool and an automated interface has been developed to transfer employee's time data into the payroll system to be used in pay calculations.

The team executed their first parallel payroll test in August 2019 and encountered a significant amount of errors. A parallel test is when the employee payroll amounts from both the legacy (Cyborg) system and the Infor payroll system are compared and reconciled. These results were presented to the Steering Committee in October 2019 and became the rationale for not Going Live as planned.

In addition to the completion of successful parallel tests, our Assessment also identified the need for a more thorough End to End testing of the payroll application. This includes the full cycle of Kronos – Infor Time Module – Infor Payroll module – Infor General Ledger system. This is the critical business process to test that ensures employee time data is properly passed and processed thru each of these systems. Similar testing must also be done with the employee pension plans and payments, Year-End payroll processing and reporting.

Testing

The combined team has completed several testing cycles:

- After the initial design and configuration were complete, a series of Integrated System Testing (IST) was performed in each specific function of the system. Defects were tracked and the team has worked to remediate them.²

² Specific testing results have been hard to assess given the relative lack of clarity in the testing documentation available.

- A condensed User Acceptance Test (UAT) was also conducted and completed with results documented and reported.
- Parallel Payroll Test was conducted in August 2019 and documented in the section above.

In addition to the full lifecycle End to End testing that is described in the sections above, we found no evidence of any system performance testing being completed on the project and believe this should be something that is addressed and added to the project plan.

4.4 Technical

Data Conversion

This activity involves the conversion and import of the employee and financial data from the City's legacy systems into the Infor software. The team was originally given "templates" to use to convert the data into the Infor-specific format. The challenge with data conversion is that the Infor system configuration continues to change over the course of the project, and this requires the data mapping activities to be revisited.

Decisions regarding the amount and type of historical data that will be converted have been made and the team has undergone a series of five conversion cycles beginning in November 2018 spanning thru October 2019. The data has gotten better with each successive cycle and the significant items remaining to be resolved include employee pension and absence information.

IT Architecture

As discussed above, Infor originally proposed, and the team started with Version 10 of the software. This required the City to purchase and configure specific hardware required to host and process this system. Once the decision was made to install Version 11, the City was required to purchase additional hardware and configure it to meet these new requirements.

The technical architecture consists of "On-Premise" software installed at City offices. It includes multiple environments used for specific purposes (e.g., Development, Testing, Training, Production). These environments are currently maintained by Infor this is a critical

knowledge base that must be transferred to the City IT support team before Go Live. To assist with this transition, the City needs to attend the available Infor technical training courses which should give them this required knowledge.

Finally, a comprehensive Post-Production Support Plan with procedures, staffing and tools must be in place to properly prepare the City to support these new technical components after Go Live.

4.5 Project Financials

Based on conversations with the City's Budget Office and the IT Department, the original budget for the ERP project was \$6,835,726. This consisted of dollars for:

- Hardware - \$800,000
- Infor - \$3,892,453
- Project Management and Temp Staffing - \$1,837,818
- RFP Prep - \$155,455
- Disaster Recovery - \$150,000

As of May 2020, approx. \$6,188,457 has been spent with \$280,964 in encumbrances.

- Hardware - \$629,784
- Infor - \$4,129,620
- Project Management and Temp Staffing - \$1,129,244
- RFP Prep - \$155,318
- Disaster Recovery - \$0
- Misc. Not Categorized - \$144,491

The City executed a budget amendment³ on April 2, 2019 and moved \$177,590 from the ERP project budget for personnel ERP related expenditures leaving a balance at \$188,715 to spend on the project from the original budget.

³ CCMTG4/2/19(G)TRSF FOR OPER SPPRT FOR ERP IMPLEMEN (177,590.00)

Regarding the Infor implementation services, the City executed a **Fixed-Price Contract**⁴ which consisted of the following cost categories totalling \$2,853,020:

- Implementation Services (Software Module Design, Configuration, Testing and Deployment) - \$1,094,680
- Train the Trainer Training – \$72,670
- Data Conversion Services (AP, Budgeting, GL, HR) – \$59,280
- Interfaces (59 Development Objects) - \$247,240
- Other Implementation Services (Project Management, Software Installation, Change Management) - \$1,011,650
- Travel and Lodging Expenses for Consultants - \$367,500

For this fixed price, it is important to note that the City expected to receive a fully functional, working solution of the Infor software that would be able to successfully support their business operations for a long period of time. As documented below, the City has paid Infor more than the contracted amount and there is still a significant amount of work to be completed before an acceptable system can be implemented.

The original software costs are listed below and total to \$1,039,433:

- * Core Components
 - Application Software - \$527,941
 - Other Software - \$231,755
- * Optional Components
 - Application Software - \$100,724
 - Other Software - \$179,013

Contract Grand Total - \$3,892,453

⁴ CIBER MSA Exhibit B

Annual Software Maintenance Paid to Infor*:

Software	Annual Maintenance	Annual Maintenance - PAID 2016	Annual Maintenance - PAID 2017	Annual Maintenance - PAID 2018	Annual Maintenance - PAID 2019	Annual Maintenance - PAID 2020
Infor on Prem Software	109,379.00	109,379.00	109,379.00	109,379.00	111,566.58	-
Infor SaaS	76,800.00		76,800.00	76,800.00	76,800.00	-
Infor (Optional)	22,159.00	-	-	-	-	-
Infor Escrow	244.00	-	-	-	-	-
Emphasys SymPro	15,000.00					
Finite Matters (FML)	10,500.00					
MHC Software Inc (MCH)	33,750.00					
Business Software (BSI)	6,768.00					
	274,600.00	109,379.00	186,179.00	186,179.00	188,366.58	
				Grand Total Paid to INFOR in Maintenance		670,103.58

* Note, since the software has not yet been put into operations and no maintenance has been performed, these costs could likely be recovered from Infor.

4.6 Remaining Project Activities Needed to Complete

The following is a list of specific activities that our Assessment identified as required to successfully complete the project:

Project Staffing

- **City Project Manager** - Identify, assign, and dedicate a *qualified* City Project Manager to the project full-time. They must have previous ERP implementation experience and a proven track record of successful implementations in the public sector, preferably state or local government.
- **City Project Team** - Review the current complement of City project team members and determine the skills/personnel required to complete the remaining project activities. Identify, confirm, and dedicate these individuals to the project and redirect their daily work responsibilities to other City staff or contracted personnel for the duration of the project.
- **Consulting Team** - Replace the current Infor PM and Consulting team with a team from a professional consulting organization who has a proven track record of implementing the Infor V11 software in public sector locations. Actively interview proposed team members to ensure fit and experience levels meet expectations. Contract with them using a “pay for performance” arrangement where they are compensated commensurate with the project’s success.

- **City Leadership/Project Sponsorship and Decision Making** – Define clear roles within City leadership regarding ownership of the project, decision making and issue escalation and ownership of the vendor relationship and contract. Work to ensure there is continuity in these roles and responsibilities during the remainder of the project.

Project Work

- **Develop a Comprehensive Project Plan and Enhanced Governance Process** - Perform a more detailed review of the work identified below that must be completed before Go Live and ask Project Management to build a “bottoms up”, integrated project plan which contains all required project tasks and resources including City and Consulting teams. Actively use this plan to manage and report project status, assign resources, monitor task completion and overall critical path status to Go Live. Institute formal checkpoints and acceptance criteria for remaining deliverables and a structured review process to ensure that completed work meets expectations.
- **Business Process, Requirements Definition and Conference Room Pilot** - Conduct a thorough review of the original Brown Paper Business Process documentation and conduct another Conference Room Pilot using the City’s “To Be” processes and data with the appropriate City subject matter experts to ensure they are complete and accurate.

The following must be defined for each Process in scope:

- Swim Lane diagram with detailed work steps
 - Data entry forms and requirements for each work step
 - Roles and responsibilities and security requirements for each work step
 - Screen Design/Edits/Data system requirements for each work step
 - Review/Approval work steps, alerts, workflow/signature requirements for each work step
 - Workarounds documented where required
 - Reporting requirements across the overall business process
- **System Design and Configuration** – Conduct a comprehensive review of the design documentation and corresponding system configuration. Update the system to reflect the completed requirements and processes defined in #1. Some of the key focus areas should be:
 - Chart of Accounts Setup
 - Accounts Payable
 - Accounts Receivable
 - Fund Accounting (including AP, AR, PO Encumbrances and Cash Management)

- Retainage
 - Purchase Order Processing, Invoicing and Approvals
 - Longevity
 - Asset Management and Depreciation
 - Expense Management
 - Cash Management
 - Grant Accounting
 - Benefits Administration – Plan Design, including Affordable Care Act and 1095/1094 reporting
 - Employee Pension Design and Process
 - Absence Management in GHR
 - Overall Reporting – ensure catalogue of delivered and custom reports have been developed to specification and unit tested. Assess the effectiveness of the Infor BI reporting tool and determine if it suitable for use going forward to meet the City’s future reporting requirements.
 - Misc. Payroll, Comp Time, and Sick Leave Tracking – see detailed issues documented from Debi Donato
 - Mobile Supply Chain Management/Bar Code system interface to/from Infor for Inventory management
 - Sherpa Budgeting tool – confirm an automated method to import/export data
- **System Development** – Review the functional and technical design specifications, programming code, and unit test results of the following components and verify accuracy and completeness. Perform redesign, programming and unit testing activities as required to ensure all are working as designed:
 - System Security – User Profiles and Authorizations
 - Automated Interfaces – especially NeoGov Application Tracking, Kronos Time Management and Cigna
 - Custom Reports
 - System Customizations
- **Conduct Comprehensive Integration and End to End (E2E) System Testing** – Review the existing IST and UAT test scripts and enlist a team of City SME’s to update these with current requirements and a generate a set of E2E test scripts and data that comprise the required integration scenarios and processes that will be in use to support the City functions after Go Live. The model for these scripts should mirror the “To Be” processes that were designed and reviewed in Brown Paper process definition work described above. Present and review testing results with City leadership for sign-off.

Some of the key integration scenarios include

- Employee Lifecycle – NeoGov Applicant Tracking – Onboarding and Benefits Enrollment – Kronos Time Entry – Payroll Processing – Termination
 - Finance – Purchase Requisition to Payment (Req to Check)
 - Finance – Year-End Close
 - Finance – Payroll – General Ledger posting process and reconciliation
 - Finance – Payroll Year-End processing
-
- **Conduct Parallel Payroll Testing cycles** – Review the errors that were encountered from the test conducted in August and remediate. Select a representative sample of employees across the organization and continue to test until the results achieve the City’s acceptance criteria which must be defined. Present and review testing results with City leadership for sign-off.

 - **Conduct Formal End-User Training** – Define the required training curriculum and courses for the City support staff. This includes functional and technical training. Leverage content from other City and Infor projects to develop a comprehensive set of training materials, job aids and related information. Deliver the training formally in a classroom setting with knowledgeable instructors. Require attendance from key City staff and provide the group with an online “sandbox” environment for them to practice in before Going Live. Provide refresher training as needed after Go Live and make the training materials generally available to all staff. Managers and employees may also need training based on their changing role and requirements (i.e., online approvals) with the new system and business processes.

 - **Design and Implement a Post-Production Support Model** – Confirm the organizational roles and responsibilities, resource assignments, required training and skill development, and documented work procedures needed for the City to support the system after Go Live. Once these requirements are identified, actively work to put them in place and ensure this workstream is on the Critical Path to Go Live.

 - **Formally Assess Operational Readiness with Pre-Defined Criteria Before Go Live** – Develop a checklist of Go Live readiness criteria and populate it as work progresses. Predefine the criteria (e.g., # IST cycles passed with zero critical defects) that must be met for each project area to move the system into production. Formalize a Go/No Go Checklist and present to all levels of leadership for input and assessment. This makes the Go/No Go decision more objective than subjective.

Staffing Model	Hourly Rate	Daily Rate
Consulting Resources:		
Project Manager	\$190	\$1,520
GHR Consultant	\$180	\$1,440
Payroll/Time Consultant	\$180	\$1,440
Benefits Consultant	\$180	\$1,440
Finance Consultant - 1	\$180	\$1,440
Finance Consultant - 2	\$180	\$1,440
Technical Consultant	\$65	\$520
Daily Rate (Full Consulting Team)		\$9,240
Estimated Effort in Days - 7 months or 154 days		\$1,422,960
Estimated Travel Expenses (15% of Total Fees)		\$213,444
City Contracted Project Manager	\$150	\$184,800
City Contracted Business SME's to backfill Project Team Members (Estimated 8 FTE's @ \$75/hour for 154 days)	\$75	\$739,200
System Administration and Support Training for CITY IT Staff		\$50,000
Total Project Estimated Cost - External Labor		\$2,610,404
City Contractors:		
HR/Recruiting	1.0	
Payroll/Time	1.0	
Benefits Admin	1.0	
Finance (COA, GL/AP/AR)	1.0	
Finance Procurement/Budgeting	1.0	
IT - Data Migrations	1.0	
IT - Testing	1.0	
IT - Development	1.0	

Note – the Hourly Consulting Rates used in the table above were taken from the original Infor/CIBER Agreement⁵

⁵ CIBER MSA Exhibit B. CIBER BAFO.pdf

Work Completion Assessment

In addition to the analysis above, Panorama also reviewed the detailed Task Orders and Change Orders that Infor used to bill the City for project work activities Infor considered complete. The following table depicts our assessment of the amount of work that was actually completed.

Project Activity/Deliverable	Amount City Paid for "Completed" Work	% Complete as Assessed by Panorama	Difference
Business Process/Requirements Definition	\$300,582	90	\$30,058.20
- Task Order 3 - \$110,600			
- Change Order 2 - \$190,582			
System Design/Application Configuration	\$606,400	80	\$121,280.00
- Task Order 1 - \$442,600			
- Task Order 4 - \$163,800			
System Development - Interfaces, Report, Conversions	\$685,521	90	\$68,552.10
- Task Order 1 - \$306,520			
- Change Order 3 - \$220,864			
- Change Order 5 - \$158,137			
Integration, UAT Testing and Payroll Parallel Testing	\$309,776	60	\$123,910.40
- Task Order 5 - \$216,592			
- Change Order 2 - \$93,184			
Training (Train the Trainer/Classes)	\$157,970	100	
- Task Order 1 - \$36,660			
- Task Order 3 - \$8,960			
- Task Order 4 - \$37,700			
- Change Order 2 - \$74,650			
Total			\$343,801

As you can see from the table, our assessment determined that the City paid Infor for approximately \$350K of work that has not been fully completed.

Functionality Gaps in the Infor Solution⁶

The following is a list of functions that our assessment identified as Infor delivered software that may not meet 100% of the City's business requirements and would be considered gaps that need to be remediated before the system is launched into production. We vetted these with the Infor Product Team and included their responses to each item *in blue*.

⁶ Note – these items are those that we identified during our assessment and not intended to be an exhaustive list. Others may be discovered as more comprehensive testing is completed.

- Employee Pension Design and Payment processing
 - The system is capable of having multiple Pension types and calculations. This is accomplished on the Pension Screen. On PR04 you are able to create multiple funding sources for a pension plan.
- Governmental Accounting – Uniform Chart of Accounts, Equity in Pooled Cash/Fund, Encumbrances and Retainage processing
 - Retainage - Retainage amounts can be designated at the header or line levels. Setting up retainage allows for the designation of multiple criteria: the first retainage amount, up to percent complete, second retainage percent, retainage invoices dues and lifetime maximum amount. The contract shows the percent complete for retainage. There is a specific process for AP to pay the retained amount.
- Fund Accounting – recording and reporting on specific fund transactions
 - The system has fund accounting capabilities and functionality will need to be turned on to show fund ownership of assets and to be able to transfer assets by fund.
 - Inter-Fund Transfers - This will be accommodated with the new Fund Accounting Functionality. Inter-Fund transfers are accommodated throughout the solution depending on your needs.
- Purchase Orders - processing across fiscal years, including Vendor name on PO's, accommodating partial payments
 - Partial payments can be made by the payment scheduler. This is on the payment schedule tab. This will leave the remaining balance open for later payments.
- Mobile Supply Chain Management – enabling bar coding system to work with Infor for inventory management
 - Able to print barcode labels with user defined data relating to the inventory item. Client is able to print label during PO receiving, picking, and misc. receipts. This is a system configuration to have the ability to print labels.
- Procurement – Contract handling, Blanket Purchase Order and Change Order Processing
 - Blanket orders may be accommodated within the system. The core “Blanket Order” functionality allows for the creation of orders from a set list of items. Blanket POs can be created in one of two ways. The recommended way is to

create a contract with limits. When a requisition is created, the requisition automatically links to the contract which keeps track of the total orders and amount spent

- Longevity – employee bonus payments based on seniority with Unions
 - *No response provided*
- Asset Management – Depreciation processing
 - Multiple depreciation books can be set up to handle different depreciation methods.
- Management and Accounting of Grants
 - *No response provided*
- Mobile Supply Chain Management/Bar Code system interface to/from Infor for Inventory management
 - Infor GO is the Mobile APP. All Modules are supported with more functionality being added monthly. Infor Go supports Android and Apple devices.
- Printing - Single Sign On between Infor and MHC system for check and PO printing
 - *No response provided*

5. Infor Software Viability in the Public Sector Marketplace



Headquartered in New York City, Infor is a global leader in business cloud software products for companies in industry specific markets.⁷ It was founded in 2002 and has acquired over 40 software companies since then, including Lawson Software. It is a privately held organization with an annual revenue estimated at \$3B, located in 142 offices spanning 170 countries. Its workforce of approximately 17,000 employees who support over 68,000 customers.⁸ In February 2020, Kock Industries fully acquired Infor for approximately \$13B.

⁷ <https://www.infor.com/about>

⁸ <https://en.wikipedia.org/wiki/Infor>

In August 2019, Infor made significant leadership changes:

- Charles Phillips, Chairman of Infor's Board of Directors, appointed Kevin Samuelson as Chief Executive Officer
- Soma Somasundaram, who has been with the company for over two decades, assumed a role as President of Products, in addition to maintaining his current role as CTO.
- Jay Hopkins has been promoted from Chief Accounting Officer to CFO.
- Cormac Watters has been promoted to General Manager, Head of International Markets.
- Rod Johnson has been promoted to General Manager, Head of Americas.

Regarding their Public Sector Practice, Infor claims to support 1,500 governmental organizations across North America and 4,500 governmental organizations worldwide.^{9 10}

Independent Industry Assessment

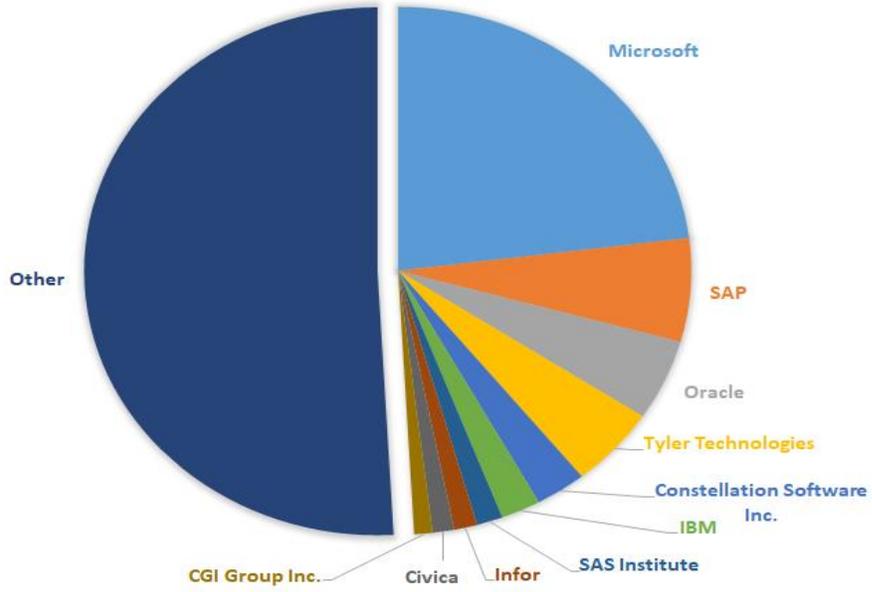
According to an independent research firm¹¹, the following is a breakdown of the top 10 software vendors for governments:

⁹ <https://www.infor.com/industries/state-local-government>

¹⁰ Our Assessment team made a formal request of Infor to provide state and local government client and contact information so that we can independently assess the viability of its software suite in use in similar organizations. Our request has yet to be answered.

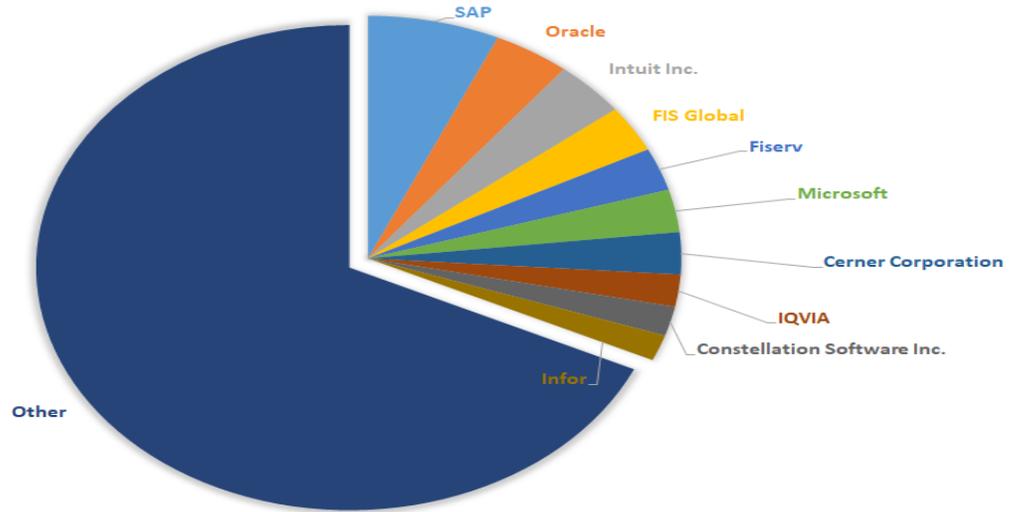
¹¹ Top 10 Government Software Vendors and Market Forecast 2018-2023, <https://www.appsruntheworld.com/top-10-government-software-vendors-and-market-forecast/>

EXHIBIT 1: 2018 GOVERNMENT APPLICATIONS MARKET SHARES
SPLIT BY TOP 10 GOVERNMENT VENDORS AND OTHERS, %

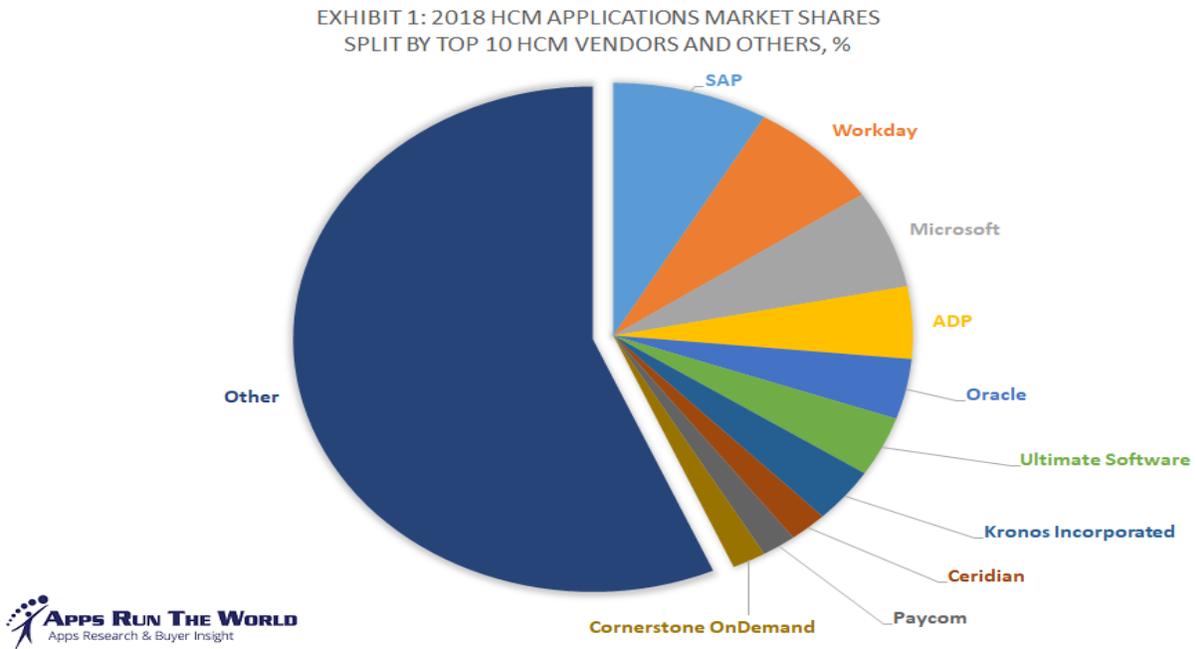


This same firm rates the top 10 overall ERP systems:

EXHIBIT 1: 2018 ERP APPLICATIONS MARKET SHARES
SPLIT BY TOP 10 ERP VENDORS AND OTHERS, %



This same firm rates the top 10 overall HCM systems:



Regarding HCM, Gartner's 2019 Assessment Report¹² describes the Infor HCM capabilities:

“Although Infor has made (HCM) product investments during the past year, innovation has not kept pace with the competition. Infor’s customer base has grown, but not at the same pace as some competitors. These two factors resulted in a decline in their execution assessment.”

As evidenced in the above analysis, Infor has a relatively small portion of the Governmental software market share as well as in the overall ERP market and is not included in the list of top 10 Human Capital Management (HCM) systems.

¹² Gartner Magic Quadrant for Cloud HCM Suites for 1,000+ Employee Enterprises, Published 23 September 2019

6. Options to Move Forward

We believe the City has four viable options going forward:

- 1) **Continue with the ERP Project using the Infor system with Infor labor.** Complete the specific activities listed above with Infor Services consulting personnel. Estimated cost of this option would be the \$2.6M illustrated in Section 4 (less any discounted fees that Infor provides to the City).
- 2) **Continue with the ERP Project using the Infor system with a professional consulting firm.** Complete the specific activities listed above including the replacement of the current consulting team with a professional consulting firm who has a proven track record of successful Version 11 public sector implementations. Estimated cost of this option would be the \$2.6M illustrated in Section 4.
- 3) **Discontinue with the ERP Project efforts and continue to use the legacy systems in place to support the City business operations.** Upgrade Cyborg as required to meet 2020 year-end payroll requirements and replace/enhance the remaining systems as needed. Estimated cost of this option will be based on the specific enhancements and/or upgrades required to sustain the legacy IT system environment. Note – the fragile state of the City’s existing systems will require replacement in the near future and the City will need to fund the costs of another system selection and implementation effort.
- 4) **Continue with the ERP Project but select another software vendor that is more suitable to support the City’s business requirements.** There are many project artefacts and deliverables that can be leveraged from the original project including the As Is/To Be Process Documentation and Business Requirements, Interface Designs, and Testing Scripts. Depending on the City’s procurement regulations, a lengthy, expensive software selection effort may not be necessary, and an expedited process could be put in place. Estimated costs of this effort would be \$100K for the Selection Project plus procurement and implementation expenses associated with the new ERP software vendor. These will range from \$5m-\$7M depending on the software chosen and terms of the negotiated licensing agreement.

7. Recommendations – Next Steps

The City has invested a significant amount of effort and funds in the Infor software and related implementation activities. However, finishing the implementation successfully will require additional funds and a series of recommended actions that are described in this report.

Our assessment of the Infor functionality identified a number of gaps in the delivered software that would need to be remediated such that the City could effectively use it to run its business successfully. These gaps are detailed in the Work Completion Assessment Section of this report. These remediation actions could be accomplished via system customizations, manual workarounds, or the use of third-party solutions. The scope of this assessment did not include a detailed analysis of these options or a preferred approach and cost for each. However, it is important to note that the cost of purchasing 3rd party solutions or adding FTE's to perform manual work arounds were not included in our 2.6 million project estimates. In addition, customizations made to the software are not recommended because they are costly and will likely impede the City's ability to upgrade to future releases of the software.

We subsequently reviewed these gaps with the Infor Product Group and learned that additional functionality has recently been enhanced in the areas of governmental (fund) accounting which the City was not exposed to during the project. Therefore, we believe that none of these gaps are substantial enough to warrant discontinuing with the Infor software (*Option 4*).

Ultimately, we believe the project should be restarted, but the City should employ a professional consulting organization who has the required governmental experience implementing Version 11 of the software (*Option 2*). *Option 1* would be viable only if Infor were able to deploy a more experienced consulting team than the group they started with.

Should the City not be able to secure the necessary funds to immediately restart the project, *Option 3* may need to be enacted for a period of time to allow for these funds to be acquired.

Regardless of the Option chosen, we believe the City has a legitimate claim for reimbursement of funds paid to Infor for software licensing, support, and an incomplete implementation project. This City should pursue this path and recover as much as possible.