

CITY OF HIGH POINT

AGENDA ITEM



TITLE: Recommendation on Enterprise Resource Planning (ERP) System Procurement	
FROM: Bobby Fitzjohn, Financial Services Director Adam Ward, Information Technology Director Angela Kirkwood, Human Resources Director	MEETING DATE: June 17, 2024
PUBLIC HEARING: n/a	ADVERTISED DATE/BY: n/a
ATTACHMENTS: Recommendation memo	

PURPOSE: The City Council is requested to approve the Steering Committee's recommendation on Enterprise Resource Planning (ERP) System Procurement.

BACKGROUND: The City's ERP system is used to manage day-to-day financial and human resource activities. These activities include but are not limited to accounting, billing, payables, procurement, payroll, onboarding, recruitment, and position control. The current ERP system has been in place for more than 15 years and has exceeded its useful life.

A Request for Proposal (RFP) process was used to solicit proposals for the next generation ERP system. The RFP is documented in the attached memo. Based on the RFP and demonstrations, extensive reference checks, and follow-up discussions the steering committee unanimously recommends the Avaap/Workday solution. The implementation plan for the ERP system will be to implement the financial and human capital modules simultaneously in approximately 12-15 months. Planning will begin upon the execution of the agreements between the City, Avaap, Workday, and CanAm (third-party cashiering system). The Steering Committee also recommends hiring an implementation project manager.

The estimated costs for this project are \$3,288,700 for implementation services with Avaap, \$205,765 for Workday training and delivery assurance, \$168,782 for the CanAm cashiering system, and \$432,000 for implementation project management services from ClientFirst Technology Consulting. The total estimated cost of implementation is \$4,095,247.

Staff also recommends entering into a 10-year subscription agreement with Workday for a total of \$8,845,000 and a 10-year subscription agreement with CanAm for approximately \$1,045,972. These long-term agreements allow the City to lock in our subscription rates with an annual increase of 2% and 4% respectively rather than adjusting annually based on CPI. The system will be updated continuously over the 10-year period, allowing us to take advantage of innovations in technology.

BUDGET IMPACT: Funding has been set aside in previous years and in the FY 2024-25 budget.

RECOMMENDATION/ACTION REQUESTED: Council is requested at this time to authorize the appropriate city officials to enter into an Agreement for Services with Avaap, a Subscription Agreement with Workday, and a Software as a Service Agreement with CanAm pending the final negotiations of the ERP Steering Committee and approval of the documents by the City Attorney.



To: Tasha Logan Ford, City Manager
Eric Olmedo, Assistant City Manager

From: Bobby Fitzjohn, Financial Services Director
Adam Ward, Information Technology Director
Angela Kirkwood, Human Resources Director

Date: June 5, 2024

Subject: Recommendation on Enterprise Resource Planning (ERP) System Procurement

The City's ERP system is used to manage day-to-day financial and human resource activities. These activities include but are not limited to accounting, billing, payables, procurement, payroll, onboarding, recruitment, and position control. The current ERP system has been in place for more than 15 years and has exceeded its useful life.

An ERP Steering Committee was formed with senior staff from IT, Finance, HR, and an executive sponsor from the Manager's Office. In December 2019, the city entered into an agreement with ClientFirst Technology Consulting to develop a Request for Proposal (RFP) for a replacement ERP system. The project was delayed due to the COVID-19 pandemic, and the Steering Committee began meeting again in late 2022.

The ERP selection process began with extensive planning sessions with ClientFirst to identify the business requirements of the City which were then used as the backbone of the RFP. An RFP was sent out and proposals were received from ten interested vendors in June 2023. The City narrowed this group to two proposals and had scripted demos over several days with each group in August. These demonstrations were presented to numerous city employees that will be involved in the use and implementation of the new system. Based on the evaluations from these demonstrations, extensive reference checks, and follow-up discussions the steering committee unanimously decided to recommend the Avaap/Workday solution. With the assistance of ClientFirst, the Steering Committee entered into contract negotiations.

The implementation plan for the ERP system will be to implement the financial and human capital modules simultaneously in approximately 12-15 months. Planning will begin upon the execution of the agreements between the City, Avaap, Workday, and CanAm (third-party cashiering system). The Steering Committee also recommends hiring an implementation project manager. The estimated costs for this project are \$3,288,700 for implementation services with Avaap, \$205,765 for Workday training and delivery assurance, \$168,782 for the CanAm cashiering system, and \$432,000 for implementation project management services from ClientFirst Technology Consulting. The total estimated cost of implementation is \$4,095,247.

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The City has over the past several years been setting aside funds for the procurement of an ERP system, budget is available for this contract. Staff will continue to provide updates to Council on the status of this project.

Council is requested at this time to authorize the appropriate city staff to enter into an Agreement for Services with Avaap, a Subscription Agreement with Workday, and a Software as a Service Agreement with CanAm pending the final negotiations of the ERP Steering Committee and approval of the documents by the City Attorney.