

## City of Garden Grove

### MEMORANDUM

To: ERP Subcommittee - Council Member  
Patrick Phat Bui  
Dept: City Council  
Subject: ERP Project Subcommittee Update

From: CI Steering  
Committee  
Dept: City Manager/IT/  
Finance  
Date: July 2, 2020

#### OBJECTIVE

To update the ERP Subcommittee of the Phase I go-live status with the City Intelligence (CI) Project.

#### BACKGROUND

In September 2018, the City entered into a software solution agreement with Superior, LLC for the implementation of an Enterprise Resources Planning (ERP) system, Finance Enterprise. Finance Enterprise (FE) is a comprehensive, powerful tool that combines finance, human resources and payroll into one fully integrated system. The CI project management team leading the implementation efforts is comprised of staff members from the City Manager's Office, Finance, Information Technology, Human Resources, and Public Works departments. The project goals are to streamline processes, improve efficiency, promote transparency, enable advanced analytics, and ensure well-informed decision making. The implementation plan is divided into two phases: the first phase is the Finance suite, which went live on July 1, 2020. The second phase will cover Human Resources and Payroll suites. Each phase starts with a comprehensive business process review to ensure the aforementioned project goals are achieved. The total budget for this significant project is \$6.4 million.

#### DISCUSSION

Phase I of the Project went live on July 1, 2020, as scheduled. FE modules went live include:

- General Ledger;
- Accounts Payable;
- Accounts Receivable;
- Purchasing and Encumbrance;
- Store/Inventory (Warehouse);
- Reports;
- Budget;
- Person/Entity (vendor/customer database); and
- Bank Reconciliation

Additionally, the City's IT Department revamped our Cashiering system to allow transaction posting to FE and improved business processes.

Relevant records from our existing PICK system were converted to FE to maximize efficiency, including:

- 2,878 vendors;
- 259 customers;
- 191 invoices;
- 868 purchase orders;
- 1,679 inventory items; and
- FY2020-21 adopted budget.

The following transactions were successfully processed during the first day of going live:

- Over 900 electronic fund transfer (EFT) payments to Housing vendors;
- Nearly 200 checks printed;
- Two new Purchase Orders created;
- Several warehouse orders issued;
- Numerous cash receipts transactions processed; and
- Over two dozens of invoices entered and routed to approvers via workflow.

There were no system issues on the first day. Several user issues and minor configuration deficiencies were identified, such as:

- Workflow routing – it is an ongoing effort to refine workflow as we better understand how the system functions over the next few months, along with modifying our processes
- Application functionality – users identified situations not evaluated during training and testing, such as setting up temporary vendor for refund and retention withholding
- Reporting – additional reporting needs were identified. We have Central Square consultants standing by to address this issue over the next couple of months.

Budget-wise, we are on target. A total of \$4.4 million was designated for consulting services to be provided by both CentralSquare and Schafer Consulting, among which \$2.8 million was for Phase I. As of the end of June 2020, a total of \$650,000 consulting fees were paid. We anticipate additional consulting fees related to post-go-live support, as well as bringing on a few modules that were postponed. However, Phase I of the project did come in well under budget, partly due to the savings on consultant travel cost. All end user trainings were conducted virtually, due to the COVID-19 pandemic. The Project Team was able to develop an online training platform and strategy to meet our needs, which effectively avoided delay in project go-live and realized cost saving.

In summary, the deployment of the Phase I of the project was successful. Prior to go-live, the core Project Team developed and distributed a Hotline informational flyer to anticipate call/questions from end users by functional area. During go-live, we have key consultants standing by for critical issues. A post-go-live Q&A live session

will be hosted next Tuesday to answer questions from our end users and refine our configuration. System configuration will be evaluated continuously and modified as needed to ensure it meets user expectations as well as sound business practices.