

Request for Decision

Title	Enterprise Resource Planning (ERP) Project Update and Resourcing Requirements
Proposed Motion	That Council approve funding for the Enterprise Resource Planning (ERP) project resourcing requirements in the amount of \$1,132,000 from the General Operating Reserve.
Administrative Recommendation	Administration recommends that Council approve the ERP project update as information, funding for a contracted project manager, temporary business and systems analyst, and general funds for planning activities, consulting services, and administrative (licenses, temporary software, etc.) costs.
Previous Council / Committee Direction	<u>December 13, 2022 Regular Council Meeting</u> Motion 481/22: That Council approve the 2023 Operating Budget as amended by motions passed on November 23, and 24, 2022, which represents a 3.9% tax rate increase.
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> In 2022, a Financial Systems Review project was supported by the Corporate Systems Steering Committee (a corporate systems governance committee comprised of all department managers) and a Request for Proposal for such services was issued. Reasons for this project include reduced support from the software provider, increasing costs, risk of system obsolescence, and security. MNP Digital was awarded the Financial Systems Review contract. Administration and MNP Digital established a steering committee and commenced the project in August 2022, with the project concluding in October 2022. The Financial System Review Steering Committee developed the future state vision for the County, which is “The County has a progressive financial environment, enabling efficient, accurate and timely information for informed decision-making as well as an enhanced and streamlined user experience.”

- MNP Digital and Administration identified the following system risks:
 - Current Diamond solution is approaching end-of-life in 2028.
 - Future Diamond solution is unknown.
 - Legacy Tool Risk – Change Drivers
 - System Security and Support
 - Inconsistent or Inaccurate Data Flows
 - Increasing System Costs
 - Inefficiencies in Processes
 - Reputational Concerns
 - Increased Employee Turnover Due to Outdated System
- MNP Digital recommended that Administration undertake a Financial Systems Transformation to address the current risk of operating on an end of support platform that forms the basis of the County’s financial information and reporting. This recommendation included that the transformation establishes required standards, processes, and guidelines for use and prioritizes an effective training and support model for all the users.
- On December 6, 2022, MNP Digital and Administration provided a briefing to Council on the Financial Systems Review report. Key objectives included work streams which make up the foundation of the financial system transformation roadmap, timeline for the transformation, governance and resourcing for the project, and preliminary financial analysis.
- Since December, Administration has recruited for the Financial Systems Business Analyst, as approved in Budget 2023, who is now supporting readiness activities, conducted a core financial system Request for Information (RFI), a utilities and taxation system RFI, and financial system research with several municipalities currently undertaking a similar replacement. Administration is also formulating a cross-departmental steering committee with the General Managers of Financial Services and Corporate Services as the project sponsors.
- Preliminary findings to date are as follows:
 - Solutions for full cycle municipal financial software solutions are challenging.
 - Taxation and utility account management software solution options are scarce.
 - Municipalities surveyed to date have varied implementation approaches and have selected different software solutions than one another.
 - RFI results represent lower implementation costs than originally anticipated.
 - Planning strategies are underway with the goal of developing a robust implementation plan upon securing effective systems replacement project management expertise.
 - Further requirement gathering, needs analysis, and priority analysis are important next steps.

- The next phase of the ERP project includes ensuring adequate planning resources are in place to keep pace with project objectives. To ensure this project is successful Administration proposes adding a contracted project manager, temporary business and systems analyst, and general funds for planning activities, consulting services, and administrative (licenses, temporary software, etc.) costs.
- The project manager would be required to ensure the goals and requirements of an ERP systems replacement are met. A primary, critical step in this project is to ensure that the organizational needs are identified, gaps are documented, and project scope is determined. To do this, a project manager is essential to refine the current project plan and build the Business Case for Council's approval which will provide the project timeline and funding required.
- The business analyst will liaise between project team and impacted departments to ensure deliverables as set out by the program manager consider impacted stakeholders needs. The analysis of business functions can be found in standard deliverables such as business process documentation, functional and non-functional requirements documentation to support acquisition, construction, and implementation activities suite business needs. The business analyst also coordinates testing and training activity to ensure business understands how their activities have changed using new systems and processes.
- The systems analyst will act as the Information Services (IS) representative on the ERP replacement project, ensuring effective management of non-functional requirements (data, integrations, workflows, security, process mapping) and involving operational IS service teams to mitigate risks and support successful system replacement. The position will report to the Manager of Information Services and will work under the guidance of a designated project manager and the ERP project steering committee.
- A detailed project plan and timeline will be developed with the Business Case, which is targeted for December of 2023. Administration will provide project updates quarterly, with additional meetings as required. The key milestones of the project during the planning phase include department workshops, assessment of gaps/needs, development of the project scope, and Business Case development.

External Communication

- Coverage of the Council Meeting.

Relevant Policy/Legislation/Practices

- Financial Systems Review Report (2022)

<p>Implication of Administrative Recommendation</p>	<p><u>Strategic Alignment</u> Planned Growth – The ERP project will enhance the County’s ability to support growth in the County through innovation by reducing manual processes and improving digital capabilities to be able to provide timely internal and external financial services.</p> <p>Collaborative Governance – This update will provide Council with information and propose next steps for the ERP project. This supports information sharing internally and externally.</p> <p>Operational Excellence – An ERP replacement project is a large undertaking for organizations. Through effective resourcing, planning, engagement, and information sharing, the project can be successful.</p> <p><u>Organizational</u> The ERP Project is identified within the Corporate Business Plan. Administration continues to enhance and make steps forward on the objectives through the cross departmental steering committee and soon expects greater traction on project objectives pending Council approval of the resourcing request for a project manager, business analyst, and systems analyst.</p> <p><u>Financial</u> The following chart represents the funding required for the ERP project planning team resourcing.</p> <table border="1" data-bbox="527 1024 1490 1201"> <thead> <tr> <th>Description</th> <th>Amount</th> <th>Years</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Project Manager (Contract Services)</td> <td>250,000.00</td> <td>2</td> <td>\$ 500,000</td> </tr> <tr> <td>Business Analyst (Temp FTE)</td> <td>108,000.00</td> <td>2</td> <td>216,000</td> </tr> <tr> <td>Systems Analyst (Temp FTE)</td> <td>108,000.00</td> <td>2</td> <td>216,000</td> </tr> <tr> <td>Planning, Contracted/Consulting Services & Administrative Costs</td> <td>100,000.00</td> <td>2</td> <td>200,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">\$ 1,132,000</td> </tr> </tbody> </table> <p>As of March 31, 2023, the tax stabilization reserve group, which includes the General Operating Reserve, has an uncommitted balance of \$17.2 million, which is \$11.8 million above the reserve grouping’s target of \$5.4 million.</p>	Description	Amount	Years	Total	Project Manager (Contract Services)	250,000.00	2	\$ 500,000	Business Analyst (Temp FTE)	108,000.00	2	216,000	Systems Analyst (Temp FTE)	108,000.00	2	216,000	Planning, Contracted/Consulting Services & Administrative Costs	100,000.00	2	200,000				\$ 1,132,000
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<p>Alternatives Considered</p>	<p>Council could decide not to provide the funding requests for the ERP project.</p>																								
<p>Implications of Alternatives</p>	<p><u>Strategic Alignment</u> This decision would be inconsistent with the community outcomes of Planned Growth, Collaborative Governance, and Operational Excellence.</p> <p><u>Organizational</u> Administration would experience challenges in executing the project plan, risking project success. Identified risks may not be mitigated, including reduced support from the software provider, increasing costs, risk of system obsolescence, and security.</p> <p><u>Financial</u> None.</p>																								

Follow up Action	<ol style="list-style-type: none"> 1. Onboard Project Manager, Business Analyst, and Systems Analyst (Financial Services and Corporate Services Divisions, October 2023). 2. Develop ERP Project Business Case for Council consideration and approval (ERP Project Manager, December 2023).
Attachment(s)	None.
Report Reviewed by:	<p>Russ Avery, Manager, Information Services</p> <p>Sabrina Duquette, Manager, Corporate Finance & Treasury</p> <p>Jesse Sopko, General Manager, Corporate Services</p> <p>Andrew Hayes, General Manager, Financial Services & Chief Financial Officer</p> <p>Reegan McCullough, County Commissioner – CAO</p>

Strategic Alignment Checklist

Vision: *Offering a rich tapestry of historical, cultural, and natural experiences, Sturgeon County is a municipality that honours its rural roots and cultivates desirable communities. Uniquely situated to provide world-class agricultural, energy, and business investment opportunities, the County prioritizes responsible stewardship and dreaming big.*

Guiding Principles: Collaboration | Accountability | Flexibility | Excellence | Safety | Future Readiness | Affordability | Innovation

Community Outcome	Not consistent	Consistent	N/A
Planned Growth			
<ul style="list-style-type: none"> Internationally competitive to attract, grow and sustain diverse businesses; tenacious focus on new growth and innovation 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Modern broadband and digital capabilities 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Low cost, minimal red-tape regulations 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Reliable and effective infrastructure planning; comprehensive land use and infrastructure planning 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Thriving Communities			
<ul style="list-style-type: none"> Beautiful, surprising places with high standards; integrated natural spaces & trail systems; healthy and resilient 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Engaging cultural, historical, and civic amenities; strong community identity and pride 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Safe, welcoming, and diverse communities; small community feel and personal connection; commitment to high quality of life 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environmental Stewardship			
<ul style="list-style-type: none"> Clean air, land, and water; Carbon neutral municipal practices; circular economy opportunities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Conservation of natural areas and agricultural lands; enhanced greening and biodiversity; safekeeping ecosystems 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Sustainable development; partnerships with industry and others to drive emission reductions 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative Governance			
<ul style="list-style-type: none"> Predictable and stable external relationships; volunteer partnerships 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Meaningful connections with Indigenous communities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Ongoing community consultation and engagement; transparent and action-oriented decision making based on sound rationale 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Respectful and informed debate; clear and supportive governance processes 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<ul style="list-style-type: none"> Engaged and effective people – Council, Admin and Volunteers; continuous learning and improvement mindset; nimble and bold, with strong leadership 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Quality cost-effective service delivery; robust procurement and operational practices and policies; asset management and performance measurement; careful debt and reserve stewardship; long-term financial planning and sustainability 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Future focused thinking to proactively respond to emerging opportunities and challenges 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Alternative revenue generation and service delivery models integrated strategic and business planning 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>