ITEM _D_

# CITY OF LA VISTA
## MAYOR AND CITY COUNCIL REPORT
### SEPTEMBER 16, 2014 AGENDA

| Subject: | Type: | Submitted By: |
|---|---|---|
| FINANCIAL INFORMATION SOFTWARE SYSTEM NEEDS ASSESSMENT REPORT | RESOLUTION<br>ORDINANCE<br>♦ RECEIVE/FILE | PAM BUETHE<br>CITY CLERK |

## SYNOPSIS

BerryDunn, the Financial Information Software System Consultants have submitted a final draft of the Needs Assessment Report to the City.

## FISCAL IMPACT

N/A

## RECOMMENDATION

Approval

## BACKGROUND

BerryDunn met with functional area stakeholders over three days, June 17th – June 19th, to review, evaluate and document the City's existing systems functionality and understand processes that are critical or unique to the City. The information gathered during these meetings is used to develop the Needs Assessment Report and ultimately a Request for Proposal (RFP) to procure a new Financial Information Software System. A representative from BerryDunn will be in attendance.

The draft Needs Assessment Report is attached for your review.
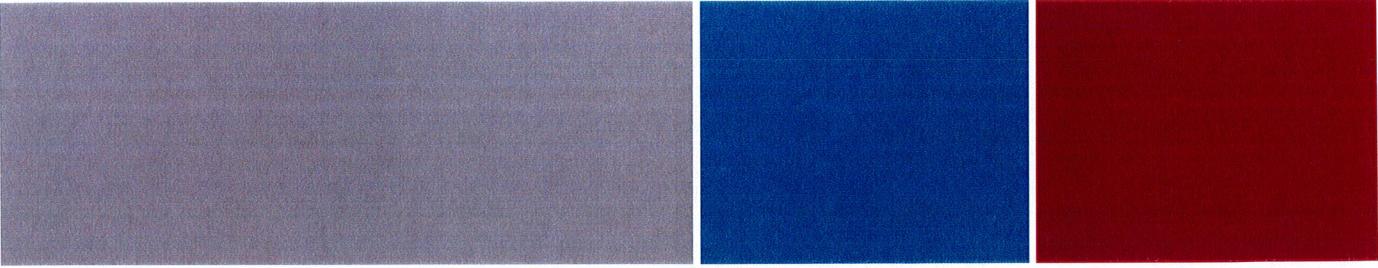
# City of La Vista

## Financial Information Software System Selection Project



# Needs Assessment Report

**Version 2**

August 12, 2014

**Prepared for:**

City of La Vista

8116 Park View Boulevard

La Vista, Nebraska 68128

# City of La Vista
## Financial Information Software System Selection Project

## Table of Contents – Version 2

| Version | Delivered Date | Update Reason |
|---|---|---|
| Draft 1 | July 16, 2014 | Draft 1 of the Report submitted to the City for review |
| Version 1 | August 5, 2014 | Version 1 of the Report submitted to the City for review based on Draft 1 feedback. |
| Version 2 | August 12, 2014 | Version 2 of the Report submitted to the City for review based on Version 1 feedback. |

Table i: Version History of the Report

## Executive Summary

The City has retained Berry Dunn McNeil & Parker, LLC (BerryDunn) to provide consulting services to assess the City's comprehensive software needs and assist the City with the selection of a Financial Information Software System. The City currently uses Summit (Data-Tech) FMS (Financial Management System), which includes general ledger accounting and reporting, receipt management, accounts payable, purchase orders, payroll/human resources, fixed asset management, and a bank module. The City is interested in identifying an innovative and effective solution for meeting its current and future financial management system needs. There are four major tasks involved in this project:

1. Evaluation of Current Processes and Systems, and Needs Assessment
2. Development of a Request for Proposal Document
3. Evaluation and Selection of a Vendor
4. Contract Negotiations

These tasks will include developing a needs assessment report, defining requirements for a new system, and assisting with the development of a request for proposal document. This phase of the project will conclude once contract negotiations with the selected vendors have been finalized.

In late April 2014, BerryDunn conducted an initial project planning meeting with the City Project Team to review the proposed Plan of Services and Schedule, clarify goals and objectives, identify known project constraints, and refine dates and/or tasks as appropriate. Prior to conducting on-site work, BerryDunn requested information from the City in order to become more familiar with the current environment. A web survey was provided to City staff to understand issues and challenges with current system(s) and/or business processes in place.

In June 2014, BerryDunn facilitated a Project Kickoff Meeting with the City Project Team and department users. During the meeting, BerryDunn and City Project Team members were introduced and a review of the approach and timeline for the project was provided. In addition, City staff had the opportunity to ask questions about the project and the City's goals and objectives.

Following the Project Kickoff Meeting, BerryDunn facilitated fact-finding meetings with department users of the existing Summit system. The purpose of these meetings was to follow up on information previously provided, document high-level functional requirements necessary to meet the City's needs, understand the current business processes associated with the City's Summit system, and identify challenges in the current Summit system. In addition to meeting with the users of Summit, BerryDunn also met with staff that supports other City business functions that do not use Summit and either use a different City system or rely on manual processes. The meetings were conducted based on functional areas listed in the following table:

**Table v.1: Fact-Finding Subject Areas**

| No. | Functional Area |
|---|---|
| 1 | General Ledger, Financial Reporting, and Treasury Management |
| 2 | Budgeting |
| 3 | Purchasing |
| 4 | Accounts Payable |
| 5 | Accounts Receivable and Cash Receipts |
| 6 | Planning and Permitting |
| 7 | Inspections |
| 8 | Fixed Asset Management |
| 9 | Project Management |
| 10 | Grant Management |
| 11 | Work Orders |
| 12 | Human Resources |
| 13 | Time Entry and Payroll |

There were many challenges related to the current systems and environment at the City identified as a result of the fact finding activities. Many of the challenges are documented in Section 2.0 Business Processes. BerryDunn has identified the ten primary challenges and areas for improvement in the current environment at the City. These challenges are identified in the table below and described in detail in Section 6.0.

**Table v.2: Challenges and Areas for Improvement**

| | Challenges and Areas for Improvement |
|---|---|
| 1 | Lack of integration among existing enterprise applications |
| 2 | Instances of several point solutions |
| 3 | Reliance on manual and paper-based processes |
| 4 | Limited query and reporting capabilities |
| 5 | Limited or inadequate functionality in current systems |
| 6 | Budget information is manually submitted by departments |
| 7 | Multiple applications for human resources |
| 8 | Limited document management capabilities |
| 9 | Unliquidated purchase orders are cancelled at year end |
| 10 | An accounts receivable module is not utilized |

Section 7.0 presents the two improvement options that will each provide varying improvements to the current environment, identified in the following table:

**Table v.3: Improvement Options**

| | Improvement Options |
|---|---|
| **1** | Initiate procurement to select and implement an ERP system |
| **2** | Issue RFP for integrated core financials, human resources, and payroll with integration to community development |

The Request for Information process was administered concurrently with the Needs Assessment Report development. A draft RFI package consisting of an Instructions Memo and Workbook was developed by BerryDunn based on information gathered during the fact-finding efforts and the considerations needed for the City's planning. This draft package was reviewed by the City with appropriate feedback provided. The RFI was released to the vendor community in July. This process is further described in Section 8.0 of this Report.

Based on the improvement options analyzed, Improvement Option 2 would most improve the effectiveness of the City's systems environment. This option involves replacing the current City system with a financial, human resources, and payroll application through a competitive procurement with the ability for a single or multiple vendors to propose on all functionality.

As the City moves forward in the project, next steps involve developing a detailed listing of functional and technical requirements required in a new system. These requirements will then be validated with City staff during Joint Requirements Planning work sessions, and incorporated into the Request for Proposal document that will be distributed to the vendor community. These next steps are summarized in the table below.

**Table v.4: Next Steps in the Project**

| Project Deliverables |
|---|
| **Task 2: Request for Proposal Document** |
| D3. Preliminary Functional and Technical Requirements |
| D4. Final Functional and Technical Requirements |
| D5. RFP Document |
| **Task 3: Evaluation and Selection of a Vendor** |
| D6. System Selection Assistance |
| **Task 5: Contract Negotiations** |
| D7. Contract Negotiations |

# 1.0  Introduction

## 1.1  Project Background

In January 2014, the City of La Vista (the City) released an RFP (Request for Proposal) seeking the services of a qualified consultant in order to provide Financial Information Software System advisory services, including conducting a needs assessment, developing functional and technical requirements, developing a request for proposal, assisting with software evaluation and selection of a vendor, assisting with contract negotiations and software implementation.

The City has retained Berry Dunn McNeil & Parker, LLC (BerryDunn) to provide consulting services to assess the City's comprehensive software needs and assist the City with the selection of a Financial Information Software System. The City currently uses Summit (Data-Tech) FMS (Financial Management System), which includes general ledger accounting and reporting, receipt management, accounts payable, purchase orders, payroll/human resources, fixed asset management, and a bank module. The City is interested in identifying an innovative and effective solution for meeting its current and future financial management system needs. There are four major tasks involved in this project:

5. Evaluation of Current Processes and Systems, and Needs Assessment
6. Development of a Request for Proposal Document
7. Evaluation and Selection of a Vendor
8. Contract Negotiations

These tasks will include developing a needs assessment report, defining requirements for a new system, and assisting with the development of a request for proposal document. This phase of the project will conclude once contract negotiations with the selected vendors have been finalized.

## 1.2  Report Format

This report is comprised of eight sections and an executive summary, as described below:

1. **Introduction.** This section describes the background of the project, the format of the report, the work performed in the development of the report, a background of the developments in the ERP software marketplace, and defines key terms and abbreviations used throughout the Report.

2. **Business Processes.** This section outlines the City's current department business processes at a high level.

3. **Current Application Environment.** This section describes the City's current application environment, including areas of integration with specialized, stand-alone applications.

4. **Current Technical Environment.** This section describes the current support structure and processes related to the City's existing applications.

5. **User Web Survey.** This section contains the survey questions as well as key themes as reported in the survey responses.

6. **Primary Challenges and Areas for Improvement.** This section summarizes the primary challenges and areas for improvement in the current environment.

7. **Improvement Options and Considerations.** This section of the report presents the improvement options for the City as well as their related benefits and limitations.

8. **Plan of Action.** This section provides an analysis of the improvement options and will summarize the considerations the City should review and assess as it begins the planning related to the next steps in the project.

9. **Next Steps.** This section identifies the next steps in the project.

## 1.3   Work Performed

In late April 2014, BerryDunn conducted an initial project planning meeting with the City Project Team to review the proposed Plan of Services and Schedule, clarify goals and objectives, identify known project constraints, and refine dates and/or tasks as appropriate.

Prior to conducting on-site work, BerryDunn requested information from the City in order to become more familiar with the current environment. A web survey was provided to City staff to understand issues and challenges with current system(s) and/or business processes in place.

In June 2014, BerryDunn facilitated a Project Kickoff Meeting with the City Project Team and department users. During the meeting, BerryDunn and City Project Team members were introduced and a review of the approach and timeline for the project was provided. In addition, City staff had the opportunity to ask questions about the project and the City's goals and objectives.

Following the Project Kickoff Meeting, BerryDunn facilitated fact-finding meetings with department users of the existing Summit system. The purpose of these meetings was to follow up on information previously provided, document high-level functional requirements necessary to meet the City's needs, understand the current business processes associated with the City's Summit system, and identify challenges in the current Summit system. In addition to meeting with the users of Summit, BerryDunn also met with staff that supports other City business functions that do not use Summit and either use a different City system or rely on manual processes. The meetings were conducted based on functional areas listed in the following table:

**Table 1.1: Fact-Finding Subject Areas**

| No. | Functional Area |
|-----|-----------------|
| **Fact-Finding Subject Areas** ||
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| 7 | Inspections |
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| 9 | Project Management |
| 10 | Grant Management |
| 11 | Work Orders |
| 12 | Human Resources |
| 13 | Time Entry and Payroll |

Immediately following the on-site work sessions, BerryDunn coordinated follow-up fact-finding activities in developing this Needs Assessment Report.

## 1.4    Enterprise Resource Planning (ERP) System Background

This report assesses the needs in the current environment at the City related to its current financial system and the associated business processes. An ERP system can assist an organization in leveraging the strengths in the current environment and address the challenges, and assist the City in performing its mission critical tasks. The following two sub-sections contain background information related to ERP systems in general.

### 1.4.1   ERP Definition

ERP is an information technology industry term for integrated, multi-module application software packages designed to serve and support several business functions across an organization. An ERP system is a strategic tool that helps the organization improve operations and management by integrating business processes and helping to optimize the allocation of available resources (human resources, assets, inventory, cash, etc.).

ERP systems have been developed to include a variety of modules that can be implemented with some independence depending on the need of the organization. There are, however, some groups of modules that are typically required to be implemented together so that baseline functionality is

available. The following table indicates what is typically implemented as "core" modules both within financials and human resources and those that are considered ancillary. Ancillary modules are those that can typically be implemented independently based on the needs of the organization.

Table 1.2: Nature of ERP System Modules

| Nature of ERP System Modules | | |
|---|---|---|
| **Area** | **Common Core Modules** | **Examples of Ancillary Modules** |
| **Financial Management** | • General Ledger<br>• Budgeting<br>• Purchasing<br>• Accounts Payable<br>• Accounts Receivable | • Inventory<br>• Capital Assets<br>• Work Orders<br>• Project Accounting<br>• Grant Management |
| **Human Resource Management** | • Human Resources (i.e., employee file)<br>• Payroll Processing | • Applicant Tracking<br>• Performance Management<br>• Training Management<br>• Discipline<br>• Time and Attendance |
| **Land Management and Revenue** | • Tax Billing<br>• Utility Billing<br>• Real Estate and Personal Property<br>• Planning and Zoning | • Permits<br>• Inspections<br>• Code Enforcement<br>• Business Licenses |

It is important to note that in some cases an ancillary module is determined to address a need significant enough that it will be implemented among those core modules. An example may be project accounting if projects are currently tracked using an account number segment and were to change through the implementation of a new system.

ERP systems are typically commercial software packages that facilitate collection and integration of information related to various areas of an organization such as finance, accounting, human resources, inventory, procurement, and customer service. By becoming the central information center of the organization, ERP systems allow the organization to better understand its business, direct resources, and plan for the future. The systems enable the organization to standardize and improve its business processes to implement best practices for their industry.

Today ERP systems are often implemented with relational database management and business intelligence software that allows organizations to make use of a centralized data repository. Industry trends suggest these technology systems often help improve management reporting functions, data analysis, and report design and distribution functions within an organization. When used effectively,

the systems can enable governments to concentrate efforts on serving citizens, assisting City staff, and maximizing the use of available resources.

## 1.4.2   The History of ERP

During the 1970s, commercial software development largely focused on creating systems for the manufacturing industry. Most software packages were developed to operate on large mainframe-based systems and supported traditional inventory management functions. The focus gradually shifted to Material Requirement Planning (MRP) systems that provided information that helped leaders make decisions regarding staff resources, time, and raw materials required for the procurement, assembly, and distribution of a product. These systems continued to be primarily custom-designed for each organization. During this time period, government organizations primarily relied on custom-developed software or were not automated, since commercially available software for government clients was not widely available.

In the 1980s, companies began to integrate the other resources of a manufacturing organization into their computer systems. The integration concept gave rise to Manufacturing Resources Planning II, or MRP-II. MRP-II was conceived as a method for effective planning of all the resources of a manufacturing company. Commercial software developers began creating similar systems for various industries, including government, during the 1980s. Organizations in other industries began implementing financial systems once they recognized the successes achieved by manufacturing organizations. State and large City government organizations began implementing commercially available systems in the early-to-mid 1980s.

Changes in technology during the 1980s and 1990s, advancements in personal computing, and infrastructure purchases in the marketplace drastically changed the requirements of system integration. Organizations implemented software from multiple software companies to automate their various business functions. Selecting the best fit software from multiple software companies led to the "best of breed" approach.

During the 1990s, the Internet spurred the desire to share data. Organizations using the "best of breed" approach were typically faced with increasing software integration costs in order to share data between disparate computer systems. As Year 2000 (Y2K) problems began to be addressed by organizations, many were faced with large costs to modify existing systems to make them Y2K compliant. Some organizations took this as an opportunity to replace their "best of breed" applications with a single integrated ERP application from one vendor that met their business needs. For these reasons, many organizations in both the public and private sectors began implementing large scale ERP systems in the mid-to-late 1990s.

Since the change in the millennium, there have been many changes in the ERP system marketplace. More specifically, most ERP vendors have re-architected and/or enhanced their systems to take advantage of Internet technologies and capabilities. In addition, significant consolidation in the vendor community took place in the first half of the most recent decade. For example, Oracle acquired JD Edwards and PeopleSoft and Microsoft acquired a number of small to mid-sized ERP software

vendors. In the past, most ERP software vendors could be classified as a Tier I, Tier II, or Tier III vendors, based on the typical size of their client base (i.e., Tier 1 vendors would serve the largest clients). Recently, many Tier I vendors have made significant investments to serve smaller clients, and likewise most Tier II and Tier III vendors are now serving larger clients. This trend has provided new alternatives for public sector organizations where previously software company mergers were starting to limit the options available.

## 1.5    Common Terms and Abbreviations

The following table contains a selection of the common terms and abbreviations used throughout this report along with the related definitions and explanations.

Table 1.3: Common Terms and Abbreviations

| No. | Term/Abbreviation | Definition/Explanation |
|---|---|---|
| | **Common Terms and Abbreviations** | |
| 1 | ACH | Automated Clearing House |
| 2 | BerryDunn | Berry Dunn McNeil & Parker; the consulting firm retained by the City to assist with this project. |
| 3 | CIP | Capital Improvement Program |
| 4 | COTS | Commercial Off The Shelf |
| 5 | DDS | Direct Deposit Statement |
| 6 | ERP | Enterprise Resource Planning |
| 7 | GASB | Government Accounting Standards Board |
| 8 | HR | Human Resources |
| 9 | MS | Microsoft |
| 10 | PO | Purchase Order |
| 11 | PAF | Personnel Action Form |
| 12 | PRF | Personnel Requisition Form |
| 13 | RFI | Request for Information |
| 14 | RFP | Request for Proposal |

## 2.0 Business Processes

This section of the report describes the current department business processes that were analyzed as part of this project. Within the sub-sections to follow, the specific department business processes are outlined including the identification of areas where applications, spreadsheets, and/or manual and paper-based processes are used. The descriptions are not intended to detail each step involved in the process, but instead to highlight the major activities and areas of challenge.

### 2.1 General Ledger, Financial Reporting, and Treasury Management

The City currently uses Summit (Data-Tech) to manage the General Ledger. The current General Ledger Account structure is depicted below, consisting of four segments and 10 digits. The City reports on an October – September fiscal year across 12 periods.

**Account Structure**

**All Numeric Values**

| XX | XX | XXXX | XX |
|---|---|---|---|
| **Fund (2 Digits)** | **Department (2 Digits)** | **Account (4 Digits)** | **Sub-Account (2 Digits)** |
| 01 | 14 | 0101 | 14 |
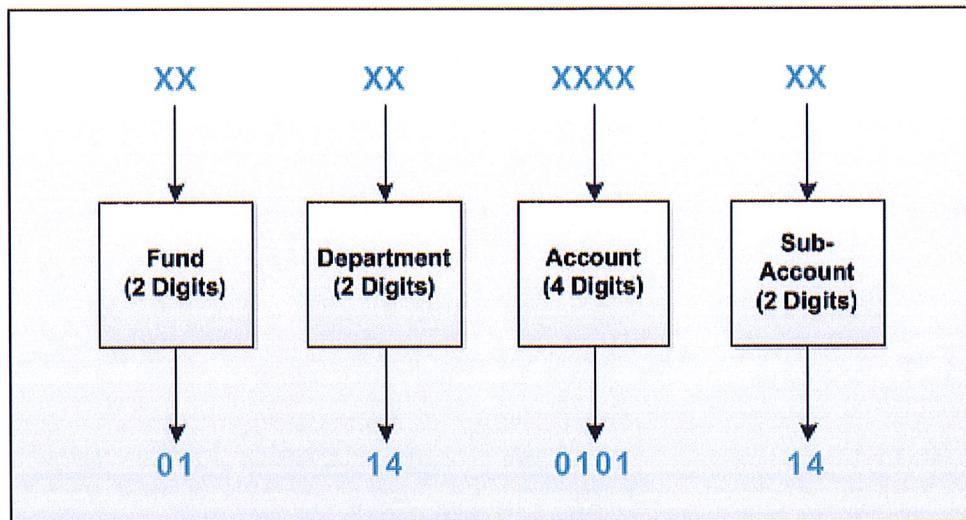
**Figure 2.1 Chart of Account Structure**

It was reported that one of the constraints of the Summit system is that it only allows a maximum of four segments in the chart of account structure; the City would like the ability to use more than four. In the current environment, security permissions are applied to users at the account level; however, the City expressed a desire to be able to restrict user access at the department level in a future system.

Journal entries are currently handled by two City staff members, and the average volume of entries is around two dozen per month. Entries are made into MS Excel by two staff members, and then printed and submitted to the Finance Director for review and approval. One of the initial staff members in the process then enters and posts the entry in Summit. Some individual entries may range up to several pages long when printed from MS Excel. Some recurring journal entries are carried out in Summit

through the use of templates; however, they require manual entry of a title, amount, and description. Reversals are entered manually and require posting of a new journal entry. The City expressed a desire for greater flexibility in the journal entry process, including the ability to automatically perform reversals, to allow departments to enter their own journal entries that could be routed to accounting for review and posting, and to import into a new system directly from MS Excel. It was further noted by the City that due to limitations in the Summit system, a journal entry may not exceed 99 lines. Staff expressed a desire to have an unlimited number of lines per journal entry in a future system.

It was reported that there is limited reporting capability in the Summit system. Many of the reports that are generated are input into MS Excel and manipulated to produce the desired information in desired formats. Further, several departments are using MS Excel to track and maintain budget related information in order to supplement the Summit system.

## 2.2    Budgeting

The City currently uses a combination of MS Excel worksheets and Summit for budgeting. The budgeting process begins in February external to the Summit system when the Finance department starts the process of creating the budget packets for each department. The contents of the budget packets include multiple MS Excel worksheets, organizational charts, and reports produced from Summit. Information provided within the MS Excel worksheets includes the following and is used by the departments for informational purposes to create their budget requests:

- Quarterly newsletter, postage, and computer services costs by department
- Salary & benefits expenses and overall operating expenses by department
  - Includes current year budget, last year actual, and next year's base budget
- Personnel salary projection costs

Departments begin completing the budget packets after they are distributed in April. An MS Excel worksheet is provided with the budget line item account numbers included, but the remainder of the worksheet is blank in order for the department to complete the budget request. Departments enter the current year's approved budget; most departments use the budget book as the basis for this information. Departments are required to enter a year-end estimated budget amount; however, it was reported by City staff that this can be a difficult figure to estimate due to the lack of forecasting capabilities in the current system. The budget request for next year's budget is then entered in addition to any grants, annexation, and capital requests. Additional blank MS Excel worksheets are provided for budget justification purposes. These include a staffing plan by department for next year's budget and the following four future years, travel and training budget requests, capital requests, and anticipated grants. The budget packets are submitted from the departments to the Finance department in both hard copy and electronic format by May with a review in June.

It was reported that most departments are using a combination of budget data from Summit and budget data maintained in MS Excel for reporting purposes. It was reported that the existing system does not provide the ability to perform any budgetary "what-if" scenarios as this is currently performed in MS Excel. The City will need a future system to provide "what-if" capabilities. This also includes the

ability of a future system to provide budget forecasting capabilities in order to plan more effectively for equipment, personnel, and annexation costs.

It was reported that the process to create the budget preparation worksheets is time consuming and adds additional steps to the budget process. The City will need a future system to provide the ability to view budgetary amounts by line item and enter their budget requests directly into the system through a user-friendly data entry interface. It was reported that the future system will also need to provide the ability to roll up budget line items or sub-accounts to the overall department budget.

Personnel budgeting is currently based on manual processing. MS Excel is the primary tool for this, and staff manually create worksheets with existing personnel cost information for a variety of calculations and projections. It was reported that the City will need a future system that is integrated with a human resources and payroll module in order to provide personnel data for salary and benefit projections.

Table 2.1: City of La Vista Budget Process

| City of La Vista Budget Process | |
| --- | --- |
| **Timeline** | **Process/Step** |
| February – March | The Finance department creates budget packets. |
| April | Budget packets distributed to departments. |
| April-May | Departments complete budget packets. |
| May | Budget packets due from Departments to the Finance department. |
| June | Departments meet with the Finance and the Administration departments to discuss budget. |
| July | Council workshops. |
| August | Public budget hearing and two readings of the budget ordinance. |
| September | Final reading of the budget ordinance with approval to the State. |

The City currently uses a combination of MS Excel and Plan-It for the Capital Improvement Plan (CIP) process. The City recently implemented the Plan-It system and is in the process of determining how to effectively utilize this system. The City is also open to exploring the capabilities that a future system can provide regarding CIP functionality. Currently, departments create and maintain a list of potential capital improvement projects, then meet internally to discuss their capital projects, and prepare a Project Detail Form for each project. Each project is prioritized using a numerical evaluation criterion. Information is entered into Plan-It based on the information provided on the Project Detail Form.

## 2.3 Purchasing

The City currently uses a combination of Summit and paper-based documents in the Purchasing process. The departments utilize their own individual paper-based requisition forms, which are provided to their department head for approval. After receiving a manual signature, a requisition is

entered into Summit. At the end of each day, the Finance Department prints a requisition reports that is given to the Finance Director for approval. The requisitions are then rolled to purchase orders, printed, and distributed to the requisitioning department. Several City departments reported using MS Excel spreadsheets to track their own requisitions as a workaround to querying the information in Summit. Further, manual processes are used to track expenditures against contracts in MS Excel, particularly as they relate to Capital Improvement Program projects. The City departments desire to keep the ability to split requisitions by account code across multiple accounts,  but would also like to be able to restrict departments from entering in certain account codes.

The City reported that when purchase orders (POs) are created, they are manually printed and distributed. A paper purchase order file is maintained with all supporting documentation (requisition, quotes, etc.) as the Summit system is limited in its ability to attach documentation. The City reported a desire to move to a paperless requisition and PO process that would allow for scanning in supporting documentation and attaching it to a purchase order in a new system.

It was reported that in instances of discrepancies where the obligated amount on the PO differs from the amount on the vendor invoice, a rubber approval stamp is used to mark the PO. The paper PO is then provided to the department head that approves the change and provides the PO back to the Finance department. The Finance department must manually make the adjustment to the PO in Summit. Many of the same processes are in place for the City's credit card, which currently has approximately 40 cards in use.

The City uses Notify Me on the City website – a notification service that allows contractors to sign up to receive notice of bid postings to the City website. The City does not have bid management capabilities in the current environment. A table containing the purchasing thresholds and advertising requirements appears below:

Table 2.2: City of La Vista Purchasing Thresholds

| Purchasing Thresholds | |
|---|---|
| **Amount** | **Policy** |
| $500 - $5,000 | Informal – obtain three quotes if possible |
| $5,000 - $30,000 | Semiformal – develop RFP and obtain three quotes |
| $30,000 and above | Formal – solicitation and publication process required |

The City website does not allow for electronic proposal submission by contractors. In the Summit system, there are approximately 5,000 vendors. The vendors that require a 1099 are tied to the Summit Accounts Payable module. The City reported a desire to have bid functionality in a new system and allow for electronic submission of proposals. It was reported by the City that the Finance department maintains the existing vendor file; however, there are instances when duplicate vendors exist in the system.

It was reported that, due to system limitations surrounding year end, all unliquidated purchase orders are closed at fiscal year-end. Once a new fiscal year is opened, all purchase orders that were closed must be manually reentered with the appropriate current fiscal year accounting information. City staff reported the desire for a future system to provide functionality that would allow the City to carry over unliquidated purchase orders to the new year.

The City is currently using credit cards, and has issued approximately 40 cards to City staff through First Westroads Bank Card Member Services. City staff reported the desire to move to a purchasing card vendor in the near future. Further, the City reported some perceived difficulties surrounding the credit card program and reconciling statements. Transactions are reconciled on a monthly basis by the Finance Department, who matches purchase orders to the statement. The payment is then posted within the Accounts Payable module in Summit.. In the current environment, the City does receive a master statement that includes all individual cardholders' activity. It was reported that a future system should have the ability to interface directly with the future bank for purchasing card transactions and reconciliation.

## 2.4    Accounts Payable

The City currently uses the Accounts Payable module in the Summit system, in addition to several manual paper-based processes. Paper and electronic invoices are accepted by the City, and manually entered into Summit by the Finance department or attached to the PO. Electronic invoices are all printed prior to payment. All invoices, in paper form, are stamped by the Finance department when entered in Summit. A receiving module or functionality is not being used within Summit, nor are any paper-based receiving documents. The City reported printing approximately 5,000 checks per year, with two check-runs per month, with the exceptions being three in September and one in October.

For invoices received from vendors for which the City has a purchase order, the invoice is sent to the appropriate department to be matched with the purchase order and submitted to Finance to process payment.  When an employee purchases an item using a blanket purchase order, a receipt, or "ticket" is brought back to the City offices and stamped, coded, signed, and dated by the department head. The tickets are then submitted to the Finance department. A monthly statement is then sent to the City by the vendor, and each item on the statement must be matched up to the stamped tickets by the Finance department. It was reported that often it can be difficult to match up tickets with line items on the monthly invoice as there may be upwards of 100 line items on a statement. Additionally, often tickets cannot be located and the Finance department must visit each department to identify the requisite information related to the charges. When the monthly statement is ready to be paid, the Finance department must manually enter each line item into the Summit system and code each line item to the appropriate department and budget.

City staff reported that in the process of preparing the claim and prior to printing checks, they must run a report and reconcile it to the general ledger.. It was reported that the amount on this report does not match, and manual processes are in place to  balance the totals prior to moving forward with the

check process. Twice per month the Finance department prepares all payment files along with the check register and submits it to City Council for review.

The City reported difficulty surrounding the partial liquidation of purchase orders within the Summit system within the batch mode. If there was a partial payment made against a purchase order, and the Finance department attempt to make a subsequent payment the system will automatically pay the full purchase order amount as opposed to the unliquidated amount. Therefore, City staff must track any previously paid amounts on a purchase order prior to entering a second invoice.

The City reported that the process to reissue a check within Summit is cumbersome. If a payee misplaces a check, City staff must recreate the record within Summit beginning with a new purchase order, and following all appropriate steps through payment. Additional challenges were noted by City staff surrounding the limited number of characters that may be printed on checks (10 characters), paper-based processes for recurring payments, and reconciling the monthly credit card statements.

## 2.5    Accounts Receivable and Cash Receipts

The City is not currently using an Accounts Receivable module within Summit and does not maintain a master customer file. There are a number of external systems utilized by other departments within the City that perform accounts receivable functions including ActiveNet and Blue Prince. It was reported that most departments have the Finance Department create an invoice. Some departments are tracking the related invoice data in MS Excel while the Finance department maintains paper copies of outstanding invoices in a file folder and Excel worksheet. Copies of outstanding invoices are maintained in a manila folder at the front counter. When a debtor makes a payment, City staff must retrieve this folder, identify the correct invoice, and then receipt the money into the Cash Receipts module within Summit. City staff reported there is not an adequate process in place for tracking or monitoring past due invoices, and were able to identify several invoices in excess of twelve months past due. Since the City is not using an automated system, it is difficult to determine outstanding receivables as well as the ability to follow a specific aging process. The City has expressed an interest in utilizing an Accounts Receivable module in the future system.

The City is currently using the Cash Receipts module within Summit. All receipts are entered with a revenue code but there are no invoices in the system to receipt against. Therefore, the City does not receive a notification from the system and is only notified from the bank if a check has bounced. It was reported that the City needs the ability to have a master customer file in a future system that will allow them to note customers that have bounced checks and are cash only. Deposits from other departments are brought to the front desk receptionist and these transactions are entered into the system. For those systems that provide cash receipting functionality, it is the desire of the City to explore the capabilities of interfacing these external systems to a future system. The Recreation Department is currently the only department that can take online payments. The City expressed an interest to allow more customers the option to pay bills online. All receipts provided to customers are paper carbon copies and not printed out of the system.

## 2.6     Human Resources

The City currently uses NeoGov, CareerLink, Summit, and Success Factors, as well as paper-based processes to support the Human Resources function. The four systems identified as being used by the Human Resources department (HR) are not integrated. Recruiting is performed through the NeoGov and CareerLink systems; however, upon hire all employee-related data maintained in these systems is manually entered into Summit. Success Factors is being utilized to maintain performance management.

When a department identifies a vacancy or new position, the manager of the department will fill out a paper Personnel Requisition Form (PRF) detailing the justification and details of the position. The PRF is then routed to the City Administrator for review and approval. If the PRF is approved, it is returned in paper form to HR and the position is posted to NeoGov, the City website, and CareerLink.

Vacant positions are advertised through these two websites as well as the City website. Interested applicants may either complete the application process online, or print out an application and deliver it to City hall in paper form. In some instances, HR will perform pre-screening to verify applicants hold any applicable certifications (e.g., lifeguard certification). The individual departments then review applications and identify applicants to be scheduled for interviews. HR is responsible for scheduling interviews with candidates.

Following interviews, once a department has identified a candidate to offer the position to, a paper-based Personnel Action Form  (PAF) is completed and submitted to HR. City staff noted that the PAF must be in paper form as it is used to process payroll. After the position has been accepted by a candidate, the NeoGov and CareerLink sites are updated by HR, and Finance manually enters the new hire into Summit as an employee. The hiring department's administrative assistant creates a profile for the new hire in the Payroll Maxx system and contacts HR to obtain from Summit the newly assigned employee ID, which is then manually entered into Payroll Maxx.

It was reported by City staff that the on-boarding process varies by department. All new hires are provided with a hard copy of the employee manual, and must sign an acknowledgment of receipt. Public Works and the Police departments were unique in that they were the only departments to report utilizing orientation checklists. Each department that reported issuing City property to employees (keys, uniforms, radios, etc.) maintains an individual instance of an MS Excel spreadsheet to track the equipment signed out to employees.

The City currently uses the Success Factors system for the performance evaluation process. The process is initiated by running a report in Summit each month to identify which employees should undergo an evaluation in the subsequent month. The evaluation process is then initiated within Success Factors, which notifies the employees via email that they are to complete a self-evaluation within the system. After an evaluation has been completed by both the employee and their supervisor, a PAF in paper form is completed and submitted to Human Resources with any salary or position adjustments. Finance will then make the manual entries into the Summit system. It was reported that Summit requires HR to manually adjust the next evaluation date for each employee after an

evaluation has been completed, and no prompt is available to remind HR to make this adjustment. The City staff reported instances of employees' evaluation dates not being updated, and thus being overlooked. The Summit system does not have the ability to track any progressive discipline actions or notations related to verbal warnings issued to employees; City Staff expressed such a desire in a new system.

Detailed benefit election information is maintained in paper files. Deductions for benefits elections are coded into a table within Summit to allow HR to appropriately deduct from biweekly paychecks. However City staff reported the need to use a hard-copy cheat sheet to allow them to reference the codes and which elections they are linked to. Further, staff reported that any departures from the default set of deductions within Summit require manual adjustments to the deduction amounts withheld (i.e., selecting self-insurance without dental coverage requires a manual downward adjustment to the deduction amount for the associated code).

City staff reported that the NeoGov website is not user-friendly and the process of executing actions in the system is not intuitive and requires entering information into different sections. Several other manual processes were reported, including submission of training certificates to both the department managers and Human Resources, training requests, documentation related to discipline and grievance matters, and PAFS used for the termination of employees.

## 2.7    Time Entry and Payroll

Since January 2013, the City has used Payroll Maxx to manage the time entry process across all departments. Payroll information is calculated in Payroll Maxx and an export file is created for import into Summit in order to process payroll, as the two systems are not integrated. City staff reported that the City has considered outsourcing the payroll function to Payroll Maxx.

All City staff is set up for direct deposit following the first pay period, which is paid via check. City staff reported that Direct Deposit Statements (DDS) are printed by Finance for each employee, during each pay period, and distributed manually. It was reported that Summit does not allow Finance to reprint DDS, and therefore two hard copies of each individual's DDS are printed each pay period. The employee will receive one copy of the DDS, while the other is placed into a three-ring binder for retention in case the employee misplaces theirs or otherwise needs a copy in the future. Finance Department staff reported having numerous large binders full of past DDS and reports. City staff expressed a desire for employee self-service in a future system that would allow staff to access timesheets, as well as current and past Direct Deposit Statements.

In order to send the payroll information to the bank for direct deposit to employees accounts, it was reported that there are some manual process. An ACH (Automated Clearing House) file is generated and compared to the direct deposit authorization forms for each employee to ensure the routing and account numbers listed are correct. The ACH file is then placed onto a USB thumb drive, and given to the City Clerk by the Finance department. The City Clerk then uploads the ACH file to the bank and must notify the bank of the upload.

For time entry processes, Public Works and the Police Department are using Payroll Maxx for scheduling in the current environment, largely due to considerations surrounding overtime (Police) and callouts (Public Works). All City non-exempt departments, except for Police, clock in and clock out through the system, either through time clocks or at their desktop. The time entry functionality within Payroll Maxx was reported as being able to meet the current needs of the City. There was an expressed desire to be able to generate reports within a future system that would delineate overtime and standard hours worked and amounts paid, based on user-defined time periods and personnel.

City staff reported challenges surrounding the accrual process between Summit and Payroll Maxx. Specifically, discrepancies in employee's vacation time on their DDS results from the Payroll Maxx system accruing balances to three decimal places while Summit only accrues to two decimal places. Further, City staff reported challenges surrounding the fact that Payroll Maxx is a real-time system, while Summit is not.

## 2.8    Fixed Asset Management

The City currently uses the RTA (Ron Turley Associates) system for fleet management, the Gasboy system for fuel management, and MS Excel for fixed asset tracking. The Summit system does have a fixed asset module, however it was reported by City staff that the Excel spreadsheets provide better functionality. It was reported that the City only recently implemented the RTA system and is accessed by several users at the City. The City is also using Gasboy to track vehicle mileage with the ability to import this data from Gasboy into RTA. It was reported that the process to export the data from Gasboy is cumbersome and requires multiple steps before the data can be imported into RTA. The City reported that they are in the process of moving to a shared services agreement for a fuel management system with another community and the existing Gasboy system will be replaced. It was reported that the RTA system is meeting the needs of the City and that the City is exploring the capabilities of migrating RTA from a desktop to server environment in order to allow other department's access to the system.

It was reported that when departments purchase vehicles or equipment a Fixed Asset Report is completed by the appropriate department and provided to the Finance department. Fixed assets are identified based on the general ledger account number entered during the purchase order process and it was reported by the City the need for a future system to provide this functionality. The information provided in the Fixed Asset Report is then entered and maintained in an MS Excel worksheet. At the end of the year, the Finance department reviews a listing of all payments made throughout the year to make sure all fixed assets have been identified. It was reported by the City that a future system needs to provide the ability to track the associated payment to the asset number for reporting purposes. The City's Auditor provides the needed Government Accounting Standards Board (GASB) reports; however, the City expressed the desire for a future system to provide GASB reporting capabilities.

## 2.9    Work Orders

The City has been using LandPort for work order management for approximately 30 months. Requests for work order come in via phone, weblink, in person, and through CivicPlus on the City website. It was reported that a recent redesign of the City website has resulted in a fourfold increase in the number of requests submitted through CivicPlus.

Work orders are manually entered into the LandPort system and routed to the appropriate departments via email based on the nature of the work involved. When City staff members external to Public Works submit a work order request through LandPort, an email notification is sent when the request is assigned to the appropriate City staff member, and again when the work order has been closed. It was reported that users cannot enter the system and view all open work orders, and as a result multiple users may unknowingly enter in requests for the same work order.

Once a work order is entered into the system, a work ticket is generated. City staff are then creating a separate work ticket in MS Word and printing the ticket for handwritten notes in the field. Upon returning to the office, staff manually enter notes into LandPort if notes are needed for billing/special assessment purposes. Otherwise, staff mark the work order ticket as complete. Staff reported not using LandPort in the field at this time, though there was an expressed interest in this capability.

RTA is currently used for fleet management. For vehicle maintenance, the police department enters requests through the City's intranet. The information is routed to public works, where it is entered into the RTA system to track all vehicle maintenance requests. This process does not touch the LandPort system. It was reported that RTA is meeting the needs of the City.

It was reported that the LandPort system is currently meeting the needs of the City Staff. Some difficulties surrounding reporting for performance metrics were noted by other City departments, though Public Works is not generating any such reports.

## 2.10    Grant Management

The City currently tracks all grant activity outside of the system using MS Excel. The City has multiple grant sources including Local, County, State, and Federal in addition to grants provided by local businesses.. All grant funding is requested as part of the annual budgeting process and Federal grants require a Catalog of Federal Domestic Assistance number for tracking purposes. It was reported by City staff that the existing Summit system does not have the capability to track grant funding, which causes the system to indicate the account is over budget. The City needs the future system to provide a Grant Management module that is integrated with the General Ledger and Budgeting modules in order to reflect the appropriate budgeted grant amounts for each applicable general ledger account.

Additional capabilities reported by the City needed in the future environment should include a grant reimbursement process, ability to track matching or in-kind grants, and a potential interface to the

exiting time entry system. Since most grant related reports do not follow a standard format, the City reported that a future system should provide the ability to export the data to MS Excel.

## 2.11   Project Management

The City currently tracks all project activity outside of the system using MS Excel. The City currently maintains multiple project types including but not limited to infrastructure, watershed, community development, and street maintenance. Most projects will have multiple funding sources, which cross multiple fiscal years. It was reported that the existing Summit system does not have the ability to track projects with multiple funding sources across multiple years; therefore, each project is tracked in a Project Expenditures Summary MS Excel spreadsheet. Information tracked in the Project Expenditures Summary spreadsheet includes the date of the associated invoice with the invoice number, the invoice amount, and which funding source paid the invoice. Totals are provided to date by funding source and a total of all expenditures. In some instances, an invoice is also split between multiple funding sources. It was reported by the City the need for a future system to provide a Project Management module that is integrated with a Grant Management module. Additional integration points needed in a future system include the ability to identity the project on the accounts payable invoice as well as a potential interface to the existing time entry system.

Most projects within the City are outsourced to external organizations; therefore, the City does not need a future system to project estimation capabilities. However, the City did report the need to track the contract amount of each project in addition to all milestones associated with each project. All milestones are currently tracked in MS Outlook and all status reports are created using MS Word. It was also reported by the City that the current system does not have the ability to adjust next year's budget based upon the project costs that have been completed. As most projects cross multiple fiscal years, the project costs that have not been completed need to be transferred to a new year.

## 2.12   Planning and Permitting

The City currently is using the Blue Prince system to support Permitting activities. Blue Prince is not integrated with the City's GIS system at this time. Applications are submitted in paper form at City Hall. Applicants are not always required to submit fees until such time the permit has been reviewed and approved by the City. City staff create a new entry within Blue Prince to assign the application a project number, and submit the application and associated documents in hard copy to the Building Department for review. Residential permit applications are reviewed by the Building Department. Commercial permit applications are reviewed by the Building Department and several City departments as well as the State Fire Marshal.

All comments on each permit application are combined into one MS Word document and returned to the applicant. Resubmittal of the amended application must be done in person at City Hall. Once the application for permit has been approved, City Staff contact the applicant and advise them to appear in City Hall to pay the permit fee and collect their permit, which is printed directly from Blue Prince. The City currently does not use a system to support the Planning activities. City staff reported that initial application documents in the planning process must be submitted in hard copy to the City.

Copies of the documents are made and circulated to departments for comments, which are then combined into a single MS Word document that is sent to the applicant. The applicant will make the required changes to the application exhibits, and may then submit a PDF version of the documents to the City for review and submission to the Planning Commission. Once approved by the Planning Commission, the application will go before City Council for approval. The plan is then recorded with the Register of Deeds and filed by the City.

There is not currently a public-facing portal to allow customers to interact with the City on applications or review processes. The City reported that Blue Prince is currently meeting the needs of the Building Department in terms of the Permitting function.

## 2.13   Inspections

The City currently uses the Blue Prince system to support the inspections activities, which involve approximately 2,400 inspections annually. Requests for inspections are handled in person, or called in by citizens and contractors and answered by staff at the front counter. The City inspectors have a shared calendar in MS Outlook that allows other City staff to view their availability. Front counter staff identifies available times for scheduling inspections and makes an entry on the Outlook calendar while on the phone with the requestor. The information related to the inspection type is then entered into Blue Prince, printed out and placed into an inbox tray for the inspectors. In instances where a re-inspection is required, the City reported that the property owner or contractor is responsible for contacting the City to schedule the re-inspection.

The City requires bonds for temporary Certificates of Occupancy, and Blue Prince is able to mark whether or not a bond was collected on a Certificate. However, there is not ability in the system to track bonds and related activity. The City staff voiced a desire for the ability to track and report on bonds that are related to temporary Certificates of Occupancy.

Inspectors are currently using Toughbook's and air cards in the field, along with printers. City staff reported that the Blue Prince system is currently meeting the needs of the new construction inspections process.

It was reported that the City is using Palm Tech to manage the Rental Inspection Program, and inspectors are able to use this system in the field on their Toughbooks. The system is not integrated with Blue Prince, and further requires maintaining an MS Excel spreadsheet to track the registration status of rental properties and whether the registration fees collected by the City are complete or not. Rental properties are scheduled for inspection on a recurring basis which varies upon the results of the inspection. For properties with no major defects, inspections occur every two years whereas those with major defects are inspected annually. Newly constructed properties are not required to be inspected until three years after the build date. City staff reported frustration over the entry of data in Blue Prince for multi-unit Rental Inspection Program inspections. It was reported that Blue Prince does not allow users to enter in bulk inspection results for multi-unit buildings and since each unit is a separate entry in Blue Prince, inspectors are required to open and edit numerous units within a single building following an inspection.

## 3.0    Current Application Environment

A variety of applications and databases exist in the current environment to support the financial management business processes. The following sub-sections further describe the applications and databases currently in use.

### 3.1    Summit (Data-Tech)

Since 1995, the City has utilized a software application currently licensed to Summit (Data-Tech) to manage many of its mission-critical data and business processes, in particular those related to core financials. The particular application modules licensed, but not necessarily utilized in all cases, have been detailed in the table below:

Table 3.1: Licensed Summit Modules

| No. | Module |
|---|---|
| Licensed Summit Modules | |
| 1 | Accounts Payable |
| 2 | General Ledger |
| 3 | Bank Reconciliation |
| 4 | Payroll Electronic Bank Transmissions |
| 5 | Receipts Management |
| 6 | Fixed Assets |
| 7 | Purchase Orders |

It was reported that there are a limited number of users within the City, with only 20 active licenses. The existing Summit system has been supplemented by various unintegrated third-party systems, as well as numerous MS Excel spreadsheets to track and manage City data. The current system requires manual journal entries to the General Ledger and only provides summary level transaction detail. As a result, drill-down functionality to detailed transaction information is limited. The City expressed the need for a future system to be fully integrated with all sub-system modules in order to decrease the number of manual journal entries made by City staff to the General Ledger. The City also expressed the desire to be able to easily attach supporting documentation to activities within the various modules, such as invoices or quotes to purchase orders, a function that is not reported by staff as being currently available within Summit.

### 3.2    Payroll Maxx

The City began using Payroll Maxx in January 2013 to support time entry processes across all City departments. Some departments, including Public Works and the Police department, have expanded the use of the system to include scheduling activities. The City has expressed a desire to maintain the existing Payroll Maxx system, and possibly outsource the payroll function completely to Payroll Maxx in the future.

## 3.3 LandPort

Within the past three years, the City began using the LandPort system to manage the work order processes. It was reported that the system is meeting current needs of the City; however, City staff reported some additional desired functionality in either the existing system or a potential new system. The most desirable is the ability to use LandPort while working in the field; being able to track labor hours and amounts in addition to materials for purposes of assessing special assessments; and the ability to run reports for performance metrics. The City intends to look into expanded functionality within LandPort, but also would consider a replacement system that could integrate more fully with other modules.

## 3.4 Blue Prince

The Building Department utilizes Blue Prince to support the permitting and inspection processes. While City staff reported some challenges with the functionality of the system, including some identified manual processes and not being user-friendly, it was reported that the system is able to meet the current needs of the Building Department as it related to permitting, licensing, and new construction inspections.

## 3.5 Additional Commercial Applications

Multiple departments are using Commercial-Off-The-Shelf (COTS) systems due to specialized functionality for their use, availability of applications, or deficiencies in other City systems. Several of these applications are identified and described in the following table.

Table 3.2: Additional Commercial Applications

| No. | Application | Use/Summary |
|-----|-------------|-------------|
| Additional Commercial Applications |
| 1 | Gasboy | Fuel Management |
| 2 | RTA | Fleet Management |
| 3 | Micro Paver | Pavement Management |
| 4 | Success Factors | HR Evaluation System |
| 5 | CivicPlus | City Website/Citizen Request |
| 6 | Palm-Tech | Rental Inspection Program |
| 7 | ActiveNET | Recreation Online Payment/Reservations |
| 8 | Plan-It | Capital Improvement Projects |
| 9 | NeoGov | Applicant Tracking |
| 10 | USReports | Police Online Reports/Payments |

## 4.0 Current Application Environment

Support for the City's applications involves both internal and external resources. The following sub-sections describe the support and maintenance that is provided for these applications, as well as general IT support.

### 4.1 Internal Support Model

City departments receive technology support from Sarpy County Information Services through an inter-local agreement established in June 2006. Sarpy County Information Services (IS) provides regular support to La Vista users Monday through Friday, 8:00 A.M. to 5:00 P.M., except on County holidays. Support is available evenings, weekends, and holidays via telephone and work is performed remotely for all non-urgent issues. If an urgent issue arises during the evening, a weekend, or a holiday, a member of Sarpy County IS will respond to the City location to resolve the issue.

As the City prepares for support of a future applications environment that includes a new financial system, it can be expected that the support needs will change. As the City implements workflow and transitions processes from being paper-based to leveraging the financial system, more users will regularly be using workstations. This will require appropriate levels of basic workstation support (i.e., help desk) in addition to application support.

Similar organizations that have implemented financial systems have seen an increase in workstation usage as well as an increase in the total percentage of an employee's time that is spent at a workstation. These organizations of similar size typically have a help desk resource of at least 0.5 FTE available. Adequate help desk support will decrease instances of downtime and promote overall system performance allowing the City to further leverage its investment in a new financial system.

### 4.2 Vendor Application Support

Users reported receiving primary support for existing systems from the Sarpy County Information Services department. Many users of the Summit system reported receiving support directly from Data-Tech support, and users of ActiveNet reported support directly from ActiveNet customer support. In some instances users within the departments have been able to provide support for the existing system. As the planning and procurement activities continue for a new financial system, it will be important that the City plan for an appropriate level of technical support.

### 4.3 Network Infrastructure

The La Vista network connects the following locations by fiber; City Hall, Community Center, Old Police Station, the Police Facility, Public Works, Library, Golf Clubhouse, City Pool and Sports Complex. Internet traffic all flows through City Hall. The City maintains wireless dishes for backup purposes.

Similar to the considerations for an increase in the number of staff utilizing the system, the City can expect these employees to include those who work from more remote locations at the City. Examples include those who will be creating electronic purchase orders in the system, or potentially using the system to manage projects.

## 5.0   User Web Survey

Prior to facilitating the on-site fact-finding meetings, BerryDunn developed and administered a web-based survey to end-users in the City. The objective of the survey was to elicit feedback from City staff relating to their satisfaction with existing systems and to further inform BerryDunn's understanding of issues and challenges users face with the City's current financial management and related systems.

### 5.1   Survey Questions

The following table contains the questions that were included in the user survey.

Table 5.1: User Survey Questions

| User Survey Questions | |
|---|---|
| **No.** | **Question** |
| 1 | The City is in the process of replacing the existing Summit (Data-Tech) Financial Management System, and may also consider the replacement of other existing standalone systems. This project will involve participation from Departments across the City. Please provide the Department that relates to you. (open comments) |
| 2 | Please select the role that best describes your participation in your respective business areas:<br>a.   Managing Director of Department Head<br>b.   Department Supervisor<br>c.   Frontline Supervisor<br>d.   Staff member primarily working in the office<br>e.   Staff member primarily working in the field<br>f.   Other (please specify) |
| 3 | Please select the module that you work with or are responsible for/interact with (choose all that apply):<br>a.   General Ledger and Financial Reporting<br>b.   Budgeting<br>c.   Purchasing<br>d.   Accounts Payable<br>e.   Accounts Receivable<br>f.   Human Resources/Payroll<br>g.   Fixed Asset Management<br>h.   Work Orders<br>i.   Treasury Management<br>j.   Grant Management<br>k.   Community Development<br>l.   Project Management |

| | User Survey Questions |
|---|---|
| **No.** | **Question** |
| | m.  Other (please specify) |
| 4 | What system(s) do you use to support the current business processes of your department? Please list all systems used (Ex: Summit, Blue Prince, RTA, Micro Paver, Landport, Plan-It, ActiveNet, ArcView). (open comments) |
| 5 | Who provides technological support for the software/systems/applications you use on a regular basis (e.g., Data Tech, Sarpy County IT)? (open comments) |
| 6 | Are you using MS Excel spreadsheets, external databases, or paper-based and manual processes to track information related to your business area?<br>a.  Yes<br>b.  No<br>Please Explain (open comments) |
| 7 | What are the greatest strengths you experience with using the existing systems? (Ex: Summit, Blue Prince, RTA, Micro Paver, Landport, Plan-It, ActiveNet, ArcView) (open comments) |
| 8 | What are the greatest challenges or problems you experience with using the existing systems? (Ex: Summit, Blue Prince, RTA, Micro Paver, Landport, Plan-It, ActiveNet, ArcView) (open comments) |
| 9 | Are you able to effectively and efficiently access the data that you need using existing systems? (Ex: Summit, Blue Prince, RTA, Micro Paver, Landport, Plan-It, ActiveNet, ArcView) (open comments) |
| 10 | What functionality do you not have today that could help meet the needs of your business area? (open comments) |
| 11 | Are there specific business process changes that you feel a potential new system(s) may able to assist with in terms of improving overall efficiencies? (open comments) |
| 12 | Is there any additional information you wish to share related to the existing system or a future system? (open comments) |

## 5.2    Survey Responses

Appendix B of this report contains additional survey response information and the following table identifies several of the key themes that were reported by survey participants.

Table 5.2: User Survey Key Themes

| No. | Theme |
| --- | --- |
| 1 | Users reported utilizing MS Excel spreadsheets, external databases, or paper-based or manual processes to track information and/or to validate the information provided by the existing systems. |
| 2 | Users reported difficulty with reporting, requiring familiarity with Crystal Reports to facilitate the process. |
| 3 | Users reported an inability of the existing systems to integrate. |
| 4 | Users reported difficulty with retrieving data from the existing systems. |
| 5 | Users reported a lack of training necessary to effectively operate the existing systems. |
| 6 | Users reported experiencing difficulties while navigating the existing systems. |

The preliminary results of the survey were reviewed and confirmed with City stakeholders during the fact-finding meetings. These survey results were considered in the development of the challenges and areas for improvement described in sections of this report to follow.

## 6.0    Primary Challenges and Areas for Improvement

There were many challenges related to the current systems and environment that the City identified as a result of the fact finding activities. Many of the challenges are documented in Section 2.0 Business Processes. BerryDunn has identified ten primary challenges and areas for improvement in the current environment at the City. These challenges are identified in the table below and described in detail in the sub-sections that follow.

**Table 6.1: Challenges and Areas for Improvement**

| | Challenges and Areas for Improvement |
|---|---|
| 1 | Lack of integration among existing enterprise applications |
| 2 | Instances of several point solutions |
| 3 | Reliance on manual and paper-based processes |
| 4 | Limited query and reporting capabilities |
| 5 | Limited or inadequate functionality in current systems |
| 6 | Budget information is manually submitted by departments |
| 7 | Multiple applications for human resources |
| 8 | Limited document management capabilities |
| 9 | Unliquidated purchase orders are cancelled at year end |
| 10 | An accounts receivable module is not utilized |

### 1.  Lack of integration among existing enterprise applications

The City's existing Summit system has not been able to meet the needs of all City departments, and as such Blue Prince and the LandPort applications have been purchased to supplement the needs of other departments. These supplemental systems are not currently, or are unable to be, integrated with the existing Summit system. As a result, staff performs manual entries to transfer information between systems and maintain spreadsheets to reconcile data between systems.

### 2.  Instances of several point solutions

In addition to the Blue Prince and LandPort applications, the City also relies on other point solutions. Due to both a lack of modules and limited functionality within Summit, the City has implemented numerous third-party applications over the years. In some instances, these applications provide specialized functionality not commonly found in financial systems, but in others these applications are addressing a limitation specific to the City's instance of Summit.

### 3.  Reliance on manual and paper-based processes

The City currently relies on several manual and paper-based processes for data entry and data validation. Examples exist in nearly every City business process where staff is using MS Excel or paper to manually manage data. The use of Excel and manual processes creates inefficiencies and presents opportunities for data errors and conflicts.

## 4. Limited Query and Reporting Capabilities

All departments in the City reported a desire for increased reporting capabilities. A theme across departments included the reliance on MS Excel for budget tracking and overall reporting needs. Where data does exist in the existing system, users reported the need to export data to MS Excel. In a future environment, the City requires that a system provide user-friendly query and reporting capabilities while also utilizing dashboard reporting for City Management.

## 5. Limited or inadequate functionality in current systems

There are several areas in which the City would benefit from expanded functionality not in place in the current environment, but widely available in future systems. Examples include automatic balancing of journal entries and budget checking with purchasing requisitions that occur in real-time or the ability to track and monitor activity for projects that cross multiple fiscal years.

## 6. Budget information is manually submitted by departments

All departments in the City reported using MS Excel spreadsheets to submit annual budget requests to the Finance department who then must manually combine the data from various departments and enter into the system. Budget requests are submitted in both paper and electronic form, which creates inefficiencies. Users largely attributed this to a lack of budget entry functionality in the existing system.

## 7. Multiple applications for human resources

The City has deployed multiple third-party applications in order to meet the needs of the Human Resources department. This includes NeoGov, Success Factors, and Payroll Maxx. These applications are not integrated with the existing Summit system and create the need for duplicate data entry into multiple systems with the potential for incorrect data.

## 8. Limited document management capabilities

The lack of document management functionality within existing City applications has created the need to store a large amount of paper documentation within departments. In addition to storage challenges, research of particular transactions takes more time now than if support documentation was electronically scanned and attached to the related transaction.

## 9. Unliquidated purchase orders are cancelled at year end

City staff reported that due to system limitations, all unliquidated purchase orders must be closed, and cancelled, at fiscal year-end. Once the new fiscal year is open, the Finance department must recreate purchase orders using the current fiscal year accounting data. This creates inefficiencies and opportunities for incorrect data entry and oversight.

## 10. An accounts receivable module is not utilized

The City currently maintains customer and accounts receivable information in MS Excel and is not utilizing an integrated Accounts Receivable module. Modern systems provide an Accounts Receivable module that is fully integrated with a Cash Receipts module in addition to other modules including but not limited to General Ledger and Payroll. This will allow the City to gain insight into customers with outstanding balances.

## 7.0   Improvement Options and Considerations

The following sub-sections identify two potential improvement options that the City has related to the current environment. These options were developed as a result of the fact-finding activities conducted thus far in the project.

| Option 1: Initiate procurement to select and implement an ERP system | |
|---|---|
| This option involves replacing the current City systems with an integrated ERP system through a competitive procurement process. This option includes procuring both financial management and community development functionality in the future ERP. | |
| **Benefits of Option 1** | • Opportunities to expand the number of modules licensed from the ERP vendor to reduce some department reliance on manual and paper-based processes.<br>• Reduced challenges related to interfaces by utilizing a single integrated application.<br>• Competitive procurement will allow leverage during cost negotiations.<br>• Opportunities to de-centralize certain processes.<br>• Opportunities for cross-departmental knowledge transfer. |
| **Limitations of Option 1** | • Some specific functionality may not be available by utilizing a single integrated ERP instead of best-of-breed applications.<br>• Initially implementing a full replacement ERP will be more costly than Option 2.<br>• Project resource demands to implement a replacement ERP will be more than Option 2.<br>• The timeframe to implement Option 1 is longer than Option 2. |
| **Option 2: Issue RFP for integrated core financials, human resources, and payroll with integration to community development** | |
| This option involves replacing the current City systems with an integrated system through a competitive procurement process. This option includes procuring core financials, human resources, and payroll with integration to community development through one RFP that encourages an integrated application. | |
| **Benefits of Option 2** | • Highest level of fit with available functionality is likely with Option 2.<br>• Opportunities to de-centralize certain processes.<br>• Opportunities for cross-departmental knowledge transfer.<br>• Opportunities to leverage larger customer bases from vendors for adopting best practices business processes.<br>• Competitive procurement will allow leverage during cost negotiations.<br>• Opportunities to streamline the implementation may exist by implementing separate applications depending on available City resources.<br>• Shorter implementation timeline that Option 1.<br>• Lower cost than option 1. |
| **Limitations of Option 2** | • The City will need to maintain more than one primary business application.<br>• System interfaces/integrations will need to be developed and supported.<br>• Data will continue to be stored in multiple systems. |

## 7.1   Comparison of Options

The two improvement options will each provide varying improvements to the current environment for the City. This sub-section presents a high-level comparison of how each improvement option will address the challenges and areas for improvement.

It is important to note that future project activities will inform the City of the detailed functionality, budget, resource levels, and timelines associated with each improvement option. At this point in the project, indicators have been applied based solely on the expected high-level software functionality provided by the improvement option. These other considerations will be addressed in future project activities.

The following table summarizes the meaning of each challenge/area for improvement indicator.

**Table 7.1: Challenge/Area for Improvement Indicators**

| | Challenge/Area for Improvement Indicators | |
|---|---|---|
| **No.** | **Indicator** | **Summary** |
| 1 | Likely to Fully Address | The option is expected to provide the greatest opportunity to address the challenge/area for improvement in the future system(s) environment. |
| 2 | Likely to Marginally Address | The option is expected to improve upon the challenge/area for improvement in the future system(s) environment, but the City should expect to still have instances of inefficient or ineffective processes. |
| 3 | Likely to Not Address | The option is expected not to improve upon the challenge/area for improvement in the future system(s) environment. |
| 4 | TBD | At this time, there is not sufficient information to reasonably predict the expected outcome. |

The following table applies an indicator by option to each challenge/area for improvement. These indicators have been applied based on the expected high-level software functionality provided by the improvement option.

**Table 7.2: Comparison to Challenges/Areas for Improvement**

| | Comparison to Challenges/Areas for Improvement | | |
|---|---|---|---|
| **No.** | **Challenge/Area for Improvement** | **Option 1** | **Option 2** |
| 1 | Lack of integration among existing enterprise applications | Likely to Fully Address | Likely to Fully Address |
| 2 | Instances of several point solutions | Likely to Fully Address | Likely to Marginally Address |
| 3 | Reliance on manual and paper-based processes | Likely to Fully Address | Likely to Fully Address |
| 4 | Limited query and reporting capabilities | Likely to Fully Address | Likely to Fully Address |

| Comparison to Challenges/Areas for Improvement | | | |
|---|---|---|---|
| No. | Challenge/Area for Improvement | Option 1 | Option 2 |
| 5 | Limited or inadequate functionality in current systems | Likely to Marginally Address | Likely to Fully Address |
| 6 | Budget information is manually submitted by departments | Likely to Fully Address | Likely to Fully Address |
| 7 | Multiple applications for human resources | Likely to Marginally Address | Likely to Fully Address |
| 8 | Limited document management capabilities | Likely to Fully Address | Likely to Fully Address |
| 9 | Unliquidated purchase orders are cancelled at year end | Likely to Fully Address | Likely to Fully Address |
| 10 | An accounts receivable module is not utilized | Likely to Fully Address | Likely to Fully Address |

## 7.2    Summary of Considerations

The ability of the two replacement options to address the ten challenges/areas for improvement are indicated in the preceding section based on the expected outcome. The indicators were applied based on industry best-practices and BerryDunn's experience with similar municipalities and the outcome of various financial system planning and replacement projects. Based on the applied indicators, Improvement Option 2 would most improve the effectiveness of the City's systems environment.

The City has recognized the importance of a thorough analysis of improvement options that takes into account the specific environment in La Vista. As part of this process, BerryDunn conducted specific research with the vendor community with each replacement option. This was accomplished with a Request for Information (RFI) process involving a variety of vendors in the marketplace.

The RFI requested information from the vendor community based on the information in the table below:

Table 7.3: Request for Information

| Request for Information | | |
|---|---|---|
| No. | Consideration | Summary |
| 1 | Availability of Modules | The Request for Information included a listing of modules required by the City in a future system. Vendors were asked to indicate the availability of modules in their system |
| 2 | Implementation Timeline | The Request for Information requested vendors to provide the estimated timeline to implement the list of modules. Vendors |

| Request for Information | | |
|---|---|---|
| **No.** | **Consideration** | **Summary** |
| | | were asked to provide the recommended phasing for the modules available and the related timeline for each phase. |
| 3 | Cost | The Request for Information requested vendors to provide an estimated budget for the list of modules. Vendors were asked to provide a low and high cost estimate for the modules available and by individual module. |

In order to gather information to inform the City of factors involved with each improvement option, BerryDunn administered the RFI to vendors associated with both options, including the existing community development software in use by the City.

# 8.0 Plan of Action

This section of the report summarizes the results of the Request for Information (RFI) conducted as part of the Financial Information Software System Selection Project. This section of the report also summarizes considerations the City should review and assess as it begins the planning related to the selection and implementation of a financial system.

## 8.1 RFI Approach and Responding Vendors

BerryDunn administered the RFI process in April. The information gathered during the fact-finding meetings was used to develop a list of system modules. This list was incorporated into a worksheet in a MS Excel workbook along with worksheets for implementation timelines and cost. This workbook accompanied by a memo describing the RFI process formed the Request for Information (RFI) that was issued to the vendor community.

The first worksheet of the MS Excel workbook requested that vendors indicate the availability of system modules potentially needed by the City using response indicators described in the first worksheet. The second worksheet asked vendors to provide a recommended implementation timeline that included the modules to be implemented in each phase and the duration of each phase. Vendors were asked to provide a total cost estimate (low and high estimates) comprised of software and necessary implementation services in the fourth worksheet.

BerryDunn coordinated the RFI release, submitted the RFI to vendors electronically, answered questions during the RFI process, and collected vendor responses. Once responses were received, they were analyzed to develop the information contained in this Needs Assessment Report.

The following table contains the list of vendors that responded to the Request for Information.

Table 8.1: RFI Participating Vendors

| RFI Participating Vendors | |
|---|---|
| **No** | **Vendor** |
| 1 | BS&A Software |
| 2 | Caselle |
| 3 | CityView (Blue Prince) |
| 4 | Harris ERP |
| 5 | Springbrook |

## 8.2  RFI Responses

The following sub-sections contain summary tables of the responses to the Request for Information from each of the ten participating vendors.

- *Availability of Modules*

Vendors were asked to utilize a set of response indicators to provide the availability of modules with their software. The following table describes these response indicators.

Table 8.2: Availability of Modules Response Indicators

| Availability of Modules Response Indicators | |
|---|---|
| 1 | The module is part of the integrated software package we provide. |
| 2 | The module is part of the software provided; however, it is part of a separate software package (i.e., complementary software products from a single vendor). |
| 3 | The module is not part of the software we provide; however, we regularly integrate with a third-party software product to provide this functionality. |
| 4 | We do not provide this module. |

The following table identifies the availability of modules by response indicator by participating vendor.

Table 8.3: Availability of Modules

| No | Module | BS&A Software | Caselle | CityView | Harris ERP | Springbrook |
|---|---|---|---|---|---|---|
| | Core Financial Modules | | | | | |
| 1.01 | General Ledger, Financial Reporting, and Treasury Management (including Bank Reconciliation) | 1 | 1 | - | 1/3 | 1 |
| 1.02 | Budgeting (including CIP) | 2 | 1 | - | 1 | 1 |
| 1.03 | Purchasing | 1 | 1 | - | 1 | 1 |
| 1.04 | Accounts Payable | 1 | 1 | - | 1 | 1 |
| 1.05 | Accounts Receivable and Cash Receipts | 1 | 1 | 1 | 1 | 1 |
| 1.06 | Project Management | 2 | 1 | - | 1 | 1 |
| 1.07 | Grant Management | 2 | 1 | - | 1 | 1 |
| | Community Development Modules | | | | | |
| 1.08 | Fixed Asset Management | 1 | 1 | - | 1 | 1 |
| 1.09 | Planning and Permitting | 1 | 1 | 1 | 1 | 1 |
| 1.10 | Inspections (including Rentals) | 1 | 1 | 1 | 1 | 1 |
| 1.11 | Work Orders | 1 | 1 | - | 1 | 1 |

| No | Module | BS&A Software | Caselle | CityView | Harris ERP | Springbrook |
|---|---|---|---|---|---|---|
| | **Human Resources and Payroll** | | | | | |
| **1.12** | Payroll | 1 | 1 | - | 1 | 1 |
| **1.13** | Human Resources | 1 | 1 | - | 1 | 1 |

- ***Implementation Timeline***

Vendors were asked to provide estimated implementation timelines based on what they know about the City and the modules and functionality that would be implemented. Vendors were asked to provide timelines by phase, where they would indicate the number of phases needed and what modules would be implemented in each phase.

The following table contains the number of phases indicated by vendors and the implementation timeline responses in months.

**Table 8.4: Implementation Timelines**

| Implementation Timelines (months)* | | |
|---|---|---|
| **Vendor** | **Number of Phases** | **Duration of Implementation** |
| BS&A Software | 1 | 9 |
| Caselle | 5 | 11 |
| CityView (Blue Prince) | N/A | N/A |
| Harris ERP | 3 | 9-15 |
| Springbrook | 4 | 11-13 |
| **Average** | **3.25** | **10-12** |

*implementation timelines provided are only based on core financials, human resources, and payroll*

- ***Estimated Cost Levels***

Vendors were asked to provide high and low cost estimates by module for multiple one-time cost areas as well as for recurring maintenance costs. The following table contains the total high and low one-time cost estimate responses from vendors in dollars.

Table 8.5: High and Low Total One-Time Cost Estimates – Financials, Human Resources, and Payroll

| High and Low Total One-Time Cost Estimates ($) | | | | | | | |
|---|---|---|---|---|---|---|---|
| Vendor | No. of Modules Proposed (of 13 listed in RFI) | Combined Financial, Human Resources, and Payroll | | Financial | | Human Resources and Payroll | |
| | | Low Estimate | High Estimate | Low Estimate | High Estimate | Low Estimate | High Estimate |
| BS&A Software | 11* | 174,500 | 218,245 | 89,875 | 111,875 | 48,685 | 61,930 |
| Caselle | 11* | 74,975 | 161,350 | 43,275 | 97,325 | 22,575 | 38,275 |
| CityView (Blue Prince) | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Harris ERP | 11* | 345,630 | 389,940 | 152,015 | 152,045 | 98,035 | 142,315 |
| Springbrook | 11* | 123,060 | 175,800 | 84,560 | 120,800 | 38,500 | 55,000 |

*The Planning & Permitting module and the Inspections module have not been included in table 8.5 above. These modules have been included in Table 8.6 below.*

Table 8.6: High and Low Total One-Time Cost Estimates – All Modules

| High and Low Total One-Time Cost Estimates ($) | | | |
|---|---|---|---|
| Vendor | No. of Modules Proposed (of 13 listed in RFI) | Low Estimate | High Estimate |
| BS&A Software | 13 | 218,555 | 274,415 |
| Caselle | 13 | 95, 225 | 216,600 |
| CityView (Blue Prince) | 5* | 41, 320 | 65,520 |
| Harris ERP | 13 | 399,730 | 458,340 |
| Springbrook | 13 | 145,530 | 207,900 |

*Modules provided by CityView (Blue Prince) include additional modules available to the City. These additional modules are identified below:*

- *BluePrince integration with ESRI GIS*
- *BluePrince integration with Laserfiche*
- *BluePrince Contractor bundle*
- *BluePrince Offline module*

The following table contains the average of the high and low one-time cost estimates by cost area from vendors in dollars.

**Table 8.7: One-Time Cost Estimates by Cost Area - Financials, Human Resources, and Payroll**

| | Average One-Time Cost Estimates by Cost Area ($) | | | | | |
|---|---|---|---|---|---|---|
| **Vendor** | **Software License Costs** | **Data Conversion Costs** | **Professional Services Costs** | **Training Costs** | **Other Costs** | **Total** |
| BS&A Software | 81,955 | 65,618 | 20,200 | 28,600 | - | 196,373 |
| Caselle | 62,013 | 22,900 | 10,000 | 23,250 | - | 118,163 |
| CityView (Blue Prince) | N/A | N/A | N/A | N/A | N/A | N/A |
| Harris ERP | 148,475 | 26,350 | 146,615 | 46,345 | - | 367,785 |
| Springbrook | 85,000 | 15,300 | 6,800 | 42,330 | - | 149,430 |

**Table 8.8: One-Time Cost Estimates by Cost Area - All Modules**

| | Average One-Time Cost Estimates by Cost Area ($) | | | | | |
|---|---|---|---|---|---|---|
| **Vendor** | **Software License Costs** | **Data Conversion Costs** | **Professional Services Costs** | **Training Costs** | **Other Costs** | **Total** |
| BS&A Software | 97,445 | 83,790 | 25,250 | 40,000 | - | 246,485 |
| Caselle | 78,013 | 40,400 | 11,000 | 26,500 | - | 155,913 |
| CityView (Blue Prince) | 24,500 | 7,500 | 17,820 | 3,600 | - | 53,420 |
| Harris ERP | 170,975 | 31,000 | 173,895 | 53,165 | - | 429,035 |
| Springbrook | 97,750 | 21,930 | 8,075 | 48,960 | - | 176,715 |

The following table contains the high and low recurring cost estimate responses from vendors in dollars.

**Table 8.9: High and Low Recurring Cost Estimates - Financials, Human Resources, and Payroll**

| High and Low Recurring Cost Estimates ($) | | |
|---|---|---|
| **Vendor** | **Low Estimate** | **High Estimate** |
| BS&A Software | 16,400 | 16,400 |
| Caselle | 19,164 | 19,164 |
| CityView (Blue Prince) | N/A | N/A |
| Harris ERP | 27,220 | 32,170 |
| Springbrook | 15,820 | 22,600 |

**Table 8.10: High and Low Recurring Cost Estimates- All Modules**

| High and Low Recurring Cost Estimates ($) | | |
|---|---|---|
| **Vendor** | **Low Estimate** | **High Estimate** |
| BS&A Software | 19,500 | 19,500 |
| Caselle | 24,864 | 24,864 |
| CityView (Blue Prince) | 4,660 | 5,440 |
| Harris ERP | 31,220 | 37,170 |
| Springbrook | 18,130 | 25,900 |

Based on the improvement options analyzed, Improvement Option 2 would most improve the effectiveness of the City's systems environment. This option involves replacing the current City system with a financial, human resources, and payroll application through a competitive procurement with the ability for a single or multiple vendors to propose on all functionality.

This section of the report summarizes considerations the City should review and assess as it begins the planning related to the selection and implementation of Option 2 including system functionality, implementation teams, implementation approach, and timelines.

## 8.3    System Functionality

As part of the current project, a list of Functional and Technical Requirements will be developed. This list will be organized by functional area and will be developed for each of the modules. These requirements define the detailed functionality a future system must provide the City. The development of the requirements will involve a collaborative process of multiple City stakeholders and will include requirements that will ensure a system that allows for future growth for the City. The list of Functional and Technical Requirements will become part of a Request for Proposal that is published.

Based on BerryDunn's experience working with similar government organizations, the City may expect a total level of fit of approximately 75-85% in vendors' current products. In responding to the RFP, vendors will also indicate if a requirement may be provided in a future software version, through customization or through integration with a third-party product. It is BerryDunn's experience that these other methods will provide an additional 5-10% level of fit for an estimated expected range of 80-95%.

One of the largest factors contributing to a vendor's ability to provide a high level of fit with standard functionality is their level of experience working with government organizations. It is through this experience that increased functionality has been developed over recent years that can be made available to potential customers. If a software vendor is new to the government sector, they may have a lower level of fit due to less experience tailoring their systems to meet the needs of a government organization.

Regardless of the level of experience working with government organizations, a minimum level of functionality will need to be provided through customizations and integration from any vendor in order to meet the specific business needs of the City. As the City evaluates the vendor proposals in

response to the RFP, it will be important to understand how requirements provided by these methods will impact the system implementation as well as ongoing maintenance and operations of the software. The impact will vary, and the following table summarizes the four requirements delivery methods and describes some of their long-term implications.

Table 8.11: Functionality Delivery Methods

| No. | Methods | Summary | Long-Term Implications |
|---|---|---|---|
| **Functionality Delivery Methods** | | | |
| 1 | Standard | The requirement may be met with the current software version release. | Maintenance and updates performed by vendors will have little effect on core system functionality. |
| 2 | Future | The requirement may be met with a future software version release. | Maintenance and updates performed by vendors will have little effect on core system functionality. |
| 3 | Customization | The requirement may be met with a customization to the current software version release for a fee. | Maintenance and updates will require considerable planning to ensure customizations build in a current software version will work in future version. |
| 4 | Integration with Third-Party | The requirement may be met with an integrated third-party product for a fee. | Maintenance and updates will require considerable planning to ensure integrations build in a current software version will work in future version. |

When a vendor responds to a requirement with a statement that it may be met with a future software version release, it will be important for the City to understand the timing of this release. In some cases, the release may be generally available prior to when that particular functionality would go live.

When considering software functionality, the term "customization" is often used to describe a change to the software. The following table contains four common scenarios that the term "customization" is often used to describe.

Table 8.12: Range of Software Changes

| No. | Scenario | Summary |
|---|---|---|
| **Range of Software Changes** | | |
| 1 | Personalization | Personalization can occur at the user or user-group level and consists of changes to the system that are not necessarily data-driven, such as screen layout or colors. |
| 2 | Configuration | Configuration activities take place during implementation and include the design of menu structure, workflow, reports, and the look and feel of the application. |
| 3 | Customization | Customizations are changes made beyond the setup and look and feel of the application and may extend to the embedded table structure. |

| Range of Software Changes | | |
|---|---|---|
| **No.** | **Scenario** | **Summary** |
| 4 | Integration | Integration is a build when third-party products are chosen to provide a particular area of functionality. Integration capabilities can vary, but typically include passing general ledger information and potentially allowing reporting across multiple systems. |

Based on the summaries in the table above, the amount of technical expertise and ongoing cost to support customizations and integrations can be significant. As the City evaluates using these methods to provide the typically expected range of 5-10% level of fit, the additional expertise and cost will have to be considered in light of expanded functionality. Often times a customization is needed due to a complex business process that may not be in line with best practices. With an understanding of the ongoing effort and cost needed with a system to support that complex process, business process change is more easily justified in light of the investment needed for the customization.

## 8.4    Point Solutions

The fourth requirements delivery method discussed in the preceding sub-section is integration with a third-party product, known as point solutions. Point solutions typically provide a more specialized area of system functionality than a typical financial software system. In responding to the Request for Proposal, vendors will determine where a point solution is needed based upon the level of functionality defined by the Functional and Technical Requirements. A common scenario is where a financial system vendor evaluates the requirements and determines that needed functionality is great enough that a specialized point solution will provide a better level of fit than their own product.

As proposals from the financial system vendor and point solution partnerships and independent point solution vendors are evaluated, it will be important that the City Project Team consider how the entire proposed software suite will provide the needed functionality. Integration between the core financial system and the point solution is one of the largest factors to consider. Additional factors include how many times the proposed software products have been used together before, and how the multiple vendors will work together to update and maintain their products on an ongoing basis. During the proposal evaluation process, it will be important that the City Project Team apply the same due diligence to company history and background evaluation for all vendors in a given proposal.

## 8.5    Implementation Approach

There are multiple factors that the City will need to consider in planning for the implementation of new systems. Many of these considerations can be determined as part of the project planning phase. The primary consideration is the staffing levels that the City will commit to the implementation of new systems.

Other factors to be considered include the number of other City-wide projects underway both technical and non-technical, the number of third-party applications that will be used, the number of integration

points that must be built, and the amount of data that will be converted to the new system. All of these factors will contribute to the decision of which implementation approach will be used. Potential implementation approaches the City should consider are described in the following sections.

**"Big Bang" Approach**

A "big bang" approach for a system implementation involves going live with all systems modules and functionality at the same time. This allows full integration of modules to be realized from the onset of the go-live period. This approach can also assist in change management activities, since staff may realize the benefit of an integrated system early in the implementation. Another advantage is that training and business process redesign can focus on the functionality provided by the new system and not focus on changing processes during the implementation of multiple phases of the system.

Many disadvantages and risks exist with this implementation approach. In order for it to be successful, significant planning must be done prior to starting implementation. This planning effort can require significant City resources and can be time-consuming. Once the project schedule and plan is developed, it is difficult to modify the approach due to the other contingencies in the plan. Another disadvantage is that the configuration of the system is not able to progressively develop as it is implemented.

If this method is to be chosen, it is crucial that a detailed contingency plan is developed and that appropriate City resources are dedicated to the project to increase the likelihood of overall of project success.

**Phased Approach**

A phased system approach involves groupings of modules or business processes being brought into production on the new system while progressively going live with additional modules as the implementation progresses. Typically, there is a core group of modules that must interact with each other, which will go live first. From there, many of the ancillary modules can go live once the foundation has been established. The phased approach is the common approach for a system upgrade and implementations used in the public sector today. This approach typically involves going "live" on core financials (General Ledger, Budget, Procurement, Accounts Payable) first, followed by additional modules (Human Resources, Payroll, Grant Management, Project Accounting, and Fixed Assets).

An advantage of the phased approach is that the progression of modules allows for adjustments and configurations to be made throughout the implementation. Another advantage is that system users are given a longer period of time to adapt and learn the new system functionality.

One of the disadvantages of this approach is that it will generally require two separate systems to run in parallel for some time. This can quickly add complexity to the City infrastructure and place additional strain on support resources. In addition, the overall timeline of a phased approach is longer when compared to a "big bang" approach.

## Summary of Considerations

BerryDunn recommends that a phased approach be used for the financial system implementation. Due to the many risks involved with a "big bang" approach, a phased approach has a higher likelihood of project success. A phased approach minimizes impact on City staff and resources, allows for a longer implementation timeline to target go-live dates with calendar and fiscal year starts, and allows the City to pay for initial start-up and maintenance costs over a longer period of time.

A successful phased implementation requires significant planning. One of the most important aspects of a phased project plan is the criteria for exiting and entering each phase. Adhering to entrance and exit criteria will ensure that each phase is fully complete before the next one begins and can assist in mitigating project risks in future phases. The City will need to identify the core modules to go-live as part of the first phase of the project, followed by additional modules. The timing of the additional modules should be furthered analyzed after a vendor(s) is selected.

## 8.6    Resource Teams

There are three phases of the financial system implementation that the City needs to plan resources for procurement, implementation, and operations (also referred to as post go-live). The needs of the City from a staffing and organizational standpoint will vary as the City transitions from the procurement phase to the implementation phase and to the operations phase.

Presented in Figure 8.1 below is the Project Staffing Continuum.
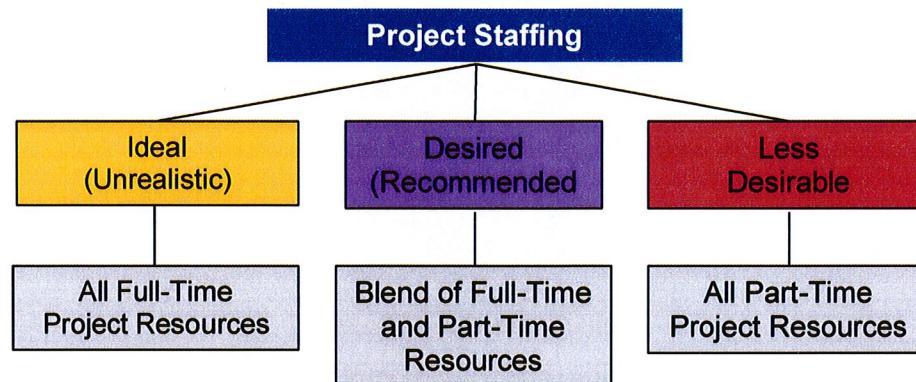


Figure 8.1: Project Staffing Continuum

The staffing and organization structure for the City's project team during the financial system project could range from a staff of full-time project team members dedicated 100% of the time to the implementation (ideal, but sometimes not possible) to a team of staff members that work part-time on the project (less desirable) and have daily tasks that need to be completed outside of the project. The recommended goal for the City is to assign the appropriate blend of full-time and part-time resources to work on the financial system project. One of the potential risks associated with a project of this magnitude is the availability of staff resources that the City can allocate towards the implementation of a financial system.

The following sub-sections further describe BerryDunn's recommendations for the appropriate levels of resources for each phase of the project.

**Procurement Phase**

The procurement phase will utilize resources in such a way as to establish the groups that will see the project through to the operations phase. A Project Sponsor, Project Management Team, and Selection Committee should all be identified at this point in the project. Establishing these roles now will involve them from the onset of the project and ensure continuity through all phases of the project. One of the potential risks of this phase is selecting a solution that does not meet the City's current and future objectives.

Figure 8.2 below depicts the Procurement Phase Structure.



**Figure 8.2: Procurement Phase Structure**

Table 8.13 contains the purpose and composition of each team or role within the Procurement Phase.

**Table 8.13: Procurement Phase Descriptions**

| Procurement Phase Descriptions | | |
| --- | --- | --- |
| **Team/Role** | **Purpose/Composition** | **Est. Time Commitment** |
| Project Sponsor | An existing management individual who will establish the overall mission and direction of the project. | 8-12 hours |
| Project Management Team | The team is responsible for making day-to-day project related decisions and address high-level project risks and issues. This team is often composed of three individuals, with an IT representative and two functional representatives. The team is usually led by an overall Project Manager. | 40-60 hours per person |

| Procurement Phase Descriptions | | |
|---|---|---|
| **Team/Role** | **Purpose/Composition** | **Est. Time Commitment** |
| Project Selection Committee | This committee will assist in decisions throughout the procurement process and will conduct scoring to identify the Short List vendors as well as the Preferred Vendor. This team should be comprised of existing personnel from key stakeholder departments who may also serve as members of the Application Owner Teams in the next project phase | 24-30 hours per person |

## Implementation Phase

As part of the implementation phase, the City will need to establish an Implementation Team comprised of current City resources and potentially additional resources hired for the implementation phase. One of the potential risks of this phase is lack of knowledge transfer from the selected vendor to the City as well as lack of (City) experience implementing a financial system. A detailed implementation methodology is recommended. BerryDunn's recommended structure for the Implementation Team is depicted in the figure below.
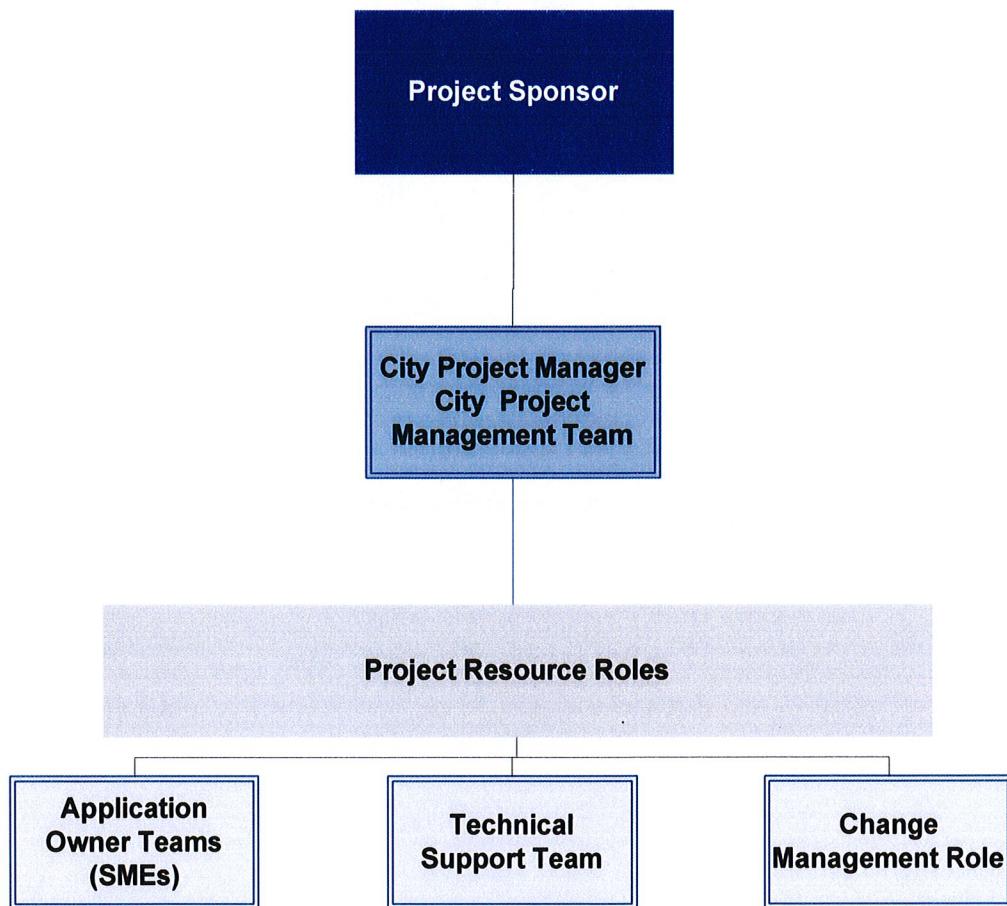
**Figure 8.3: Implementation Team Structure**

Table 8.14 contains the purpose or composition of each team or role in the Implementation Team.

Table 8.14: Implementation Team Descriptions

| Implementation Team Descriptions | | |
|---|---|---|
| **Team/Role** | **Purpose/Composition** | **Est. Time Commitment** |
| Project Sponsor | An existing management individual who will establish the overall mission and direction of the project. | 40-56 hours |
| Project Manager and Project Management Team | This team will have overall tactical responsibility for project implementation and monitoring of the vendor's established project plan. This team will assist the Project Manager to ensure participation by the project resource teams and make important project implementation/configuration decisions. The team should be comprised of management staff from key stakeholder departments in the City. | PM: 900 hours Others: 250 hours per person |
| Application Owner Teams (SMEs) | This team will serve as subject matter experts (SMEs) and assist the Project Manager with application and business issues with the City's existing systems environment. | 400-600 hours per person |
| Technical Support Team | This team will provide support for technical issues to the Implementation Team. In the City's current environment, staff may need to rely on a combination of support from IT and the selected vendor for technical support. | 240-300 hours per person |

## Operations Phase

As part of the operations phase, the City will need to establish an Operations Team comprised of current City resources. One of the risks of this phase is underutilization of the implemented solution. It is recommended that the City utilize best business practices of the implemented solution. BerryDunn's recommended structure for the Operations Team is depicted in Figure 8.4.
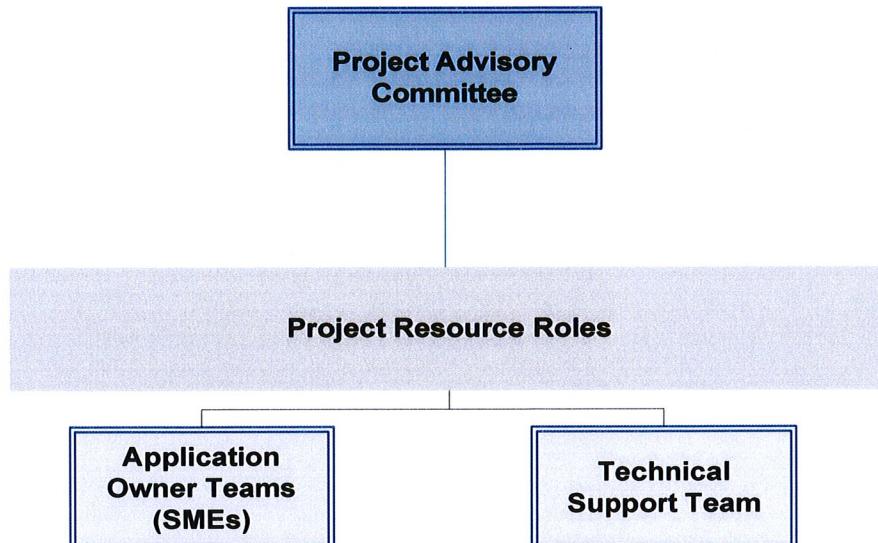


Figure 8.4: Operations Team Structure

Table 8.15 contains the purpose or composition of each team or role in the Operations Team. An estimated time commitment for this phase has not been provided because the time requirement will be dependent on the system that is selected as well as the level of service that is contracted from the vendor. At a high level, the City may expect to need at least two individuals available between 0.3 and 0.5 FTE for application support and at least one individual available at 0.5 FTE for technical support.

**Table 8.15: Operation Team Descriptions**

| Operations Team Descriptions | |
|---|---|
| **Team/Role** | **Purpose/Composition** |
| Project Advisory Committee | Continue to evaluate the overall strategic use of the financial system and provide guidance on future business process improvement initiatives. This committee should be comprised of members of Executive Management as well as individuals from key stakeholder departments. |
| Application Owner Teams (SMEs) | Continue to serve as subject matter experts and assist the Project Advisory Committee with business process improvement initiatives. |
| Technical Support Team | Continue to provide support for the new financial system environment in the areas of security, complex report writing, database administration, and interfaces. The Application Owner Teams will continue to provide business process support for departments as a first line of support. |

Proper project planning, executive sponsorship, change management, and resource allocation can be keys to increasing the overall likelihood of project success.

## 9.0   Next Steps

This Needs Assessment Report contains information related to the current technology environment at the City as well as the challenges currently faced. The Report also presents recommendations for addressing these challenges, and assessment on the ability of existing stand-alone systems to effectively integrate into a financial information software solution

As the City moves forward in the project, next steps involve developing a detailed listing of functional and technical requirements required in a new system. These requirements will then be validated with City staff during Joint Requirements Planning work sessions, and incorporated into the Request for Proposal document that will be distributed to the vendor community. These next steps are summarized in the table below.

**Table 9.1: Next Steps in the Project**

| Project Deliverables |
| --- |
| **Task 2: Request for Proposal Document** |
| D3. Preliminary Functional and Technical Requirements |
| D4. Final Functional and Technical Requirements |
| D5. RFP Document |
| **Task 3: Evaluation and Selection of a Vendor** |
| D6. System Selection Assistance |
| **Task 5: Contract Negotiations** |
| D7. Contract Negotiations |

It is important that the City establish the proper expectations within all levels of the organization prior to initiating a financial information system implementation. Failure to set proper expectations and the lack of an adequate staffing and resource plan can negatively impact the project from the beginning and create project risks that adversely affect the project outcome.

# Appendix A: Project Participants

| No. | Name | Department/Division |
|-----|------|---------------------|
| | **Project Participants** | |
| 1 | Cindy Norris | Street/ Admin/Public Works |
| 2 | Chuck Weight | Finance/Admin Services |
| 3 | Stacia Burt | Police |
| 4 | Greg Goldman | Streets/Public Works |
| 5 | Ray Crane | Streets/Public Works |
| 6 | John Kottmann | Street/ Admin/Public Works |
| 7 | Jeff Calentine | Administration/Golf |
| 8 | Chris Solberg | Community Development |
| 9 | Sheila Lindberg | Finance/Admin Services |
| 10 | Angie Hultberg | Finance/Admin Services |
| 11 | Mandy Garrod | Human Resources/Admin Services |
| 12 | Karen Fagin | Human Resources/Admin Services |
| 13 | Kevin Pokorny | Admin Services |
| 14 | Ann Birch | Community Development |
| 15 | Pam Buethe | City Clerk/Admin Services |
| 16 | Scott Stopak | Recreation |
| 17 | Joe Soucie | Public Works |
| 18 | Rita Ramirez | Admin |
| 19 | Brian Lukasiewicz | Parks/Public Works |
| 20 | Jodi Norton | Library |
| 21 | Diane Grobeck | Community Development |
| 22 | Jeff Sinnett | Community Development |
| 23 | Jeff Siebels | Building Maintenance/Public Works |
| 24 | Ryan South | Recreation |
| 25 | Heather Fastenau | Admin Services |
| 26 | Jeanne Forsberg | Street/ Admin/Public Works |
| 27 | Sue Tangeman | Recreation |
| 28 | David Karlson | Recreation |
| 30 | Bob Lausten | Police |
| 31 | Denny Dinan | Golf |

| Project Participants | | |
|---|---|---|
| **No.** | **Name** | **Department/Division** |
| 32 | Brad Baber | Community Development |
| 33 | Court Barber | Community Development |
| 34 | Bryan Waugh | Police |
| 35 | Colin Ruppert | Police |
| 36 | Pat Archibald | Building Maintenance/Public Works |
| 37 | Richard Carstensen | Recreation |

## Appendix B: Web-Based Survey Responses

**User Survey Respondents (29 total):**

2.  **Please select the role that best describes your participation in your respective business areas:**
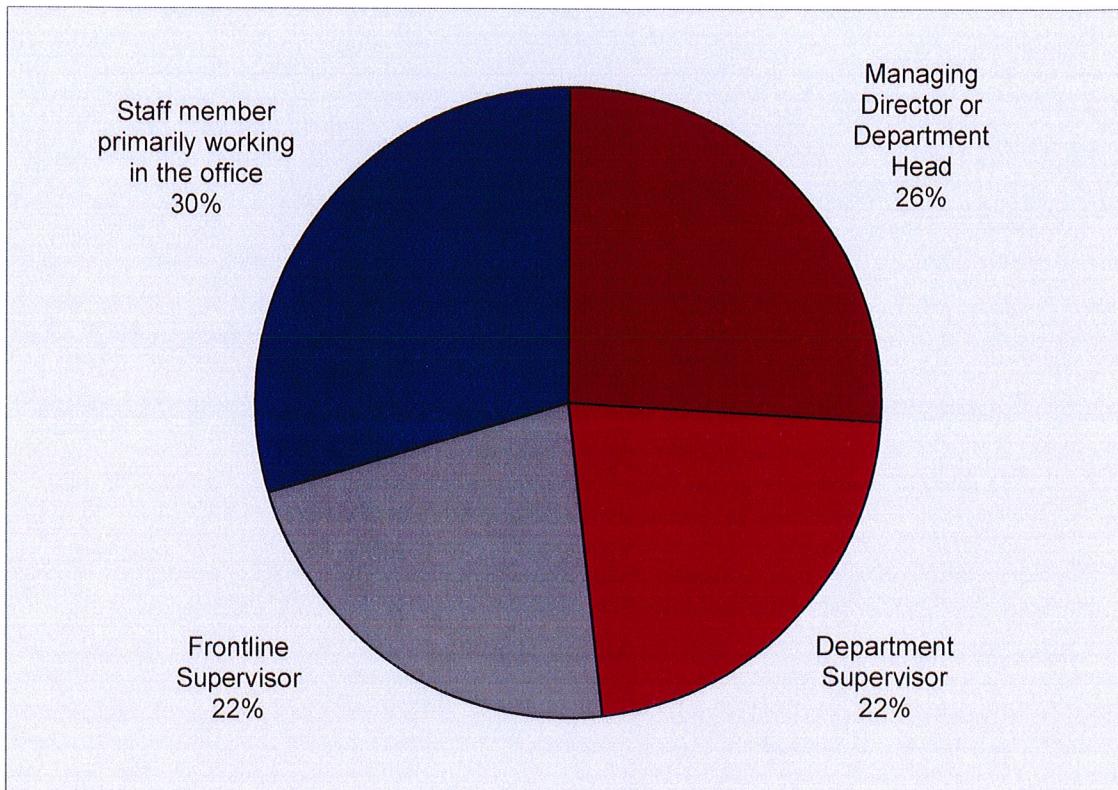
**3.** **Please select the module that you work with or are responsible for/interact with (choose all that apply):**
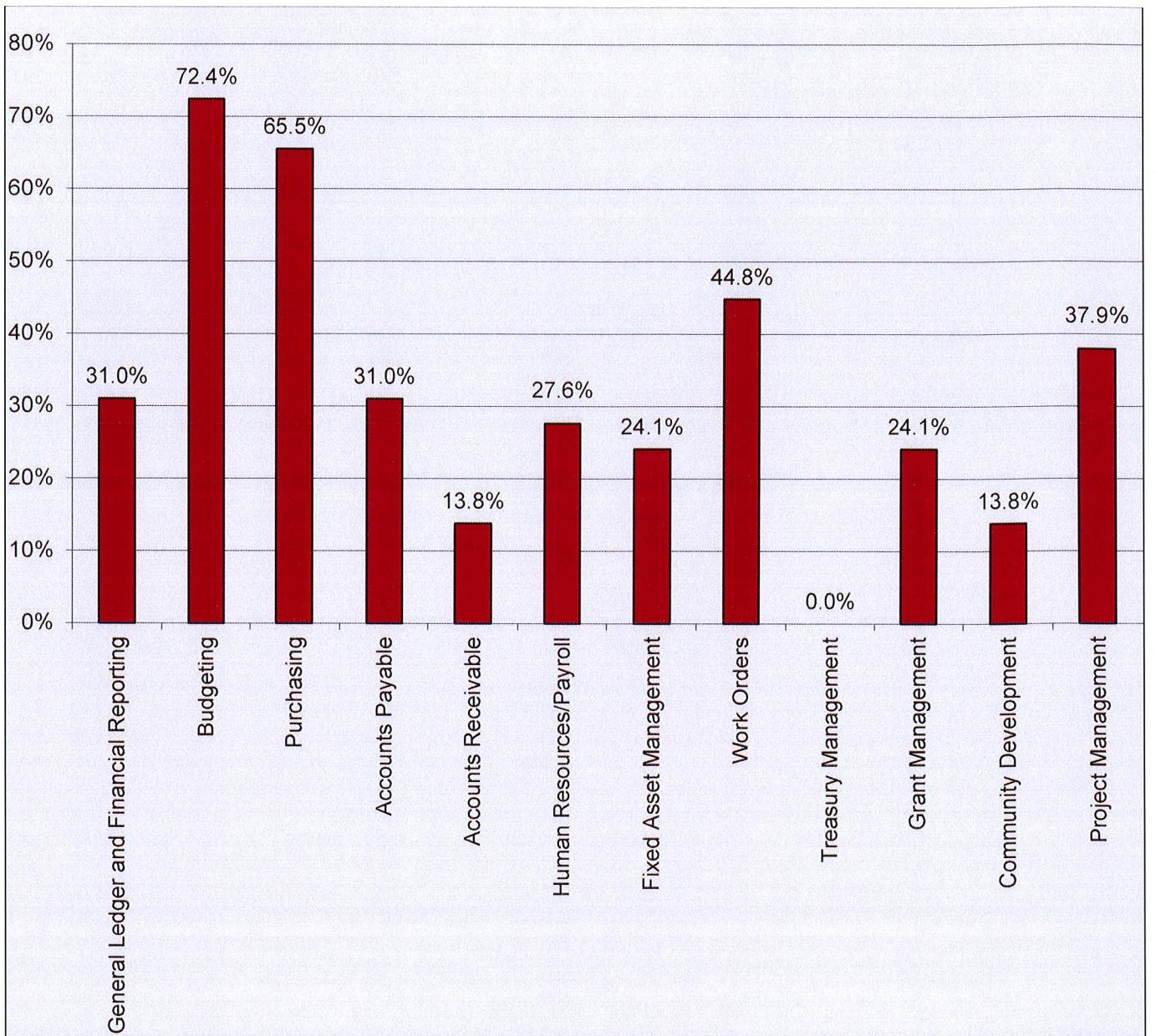
9. **Are you using MS Excel spreadsheets, external databases, or paper-based and manual processes to track information related to your business area?**



No, 10.3%

Yes, 89.7%
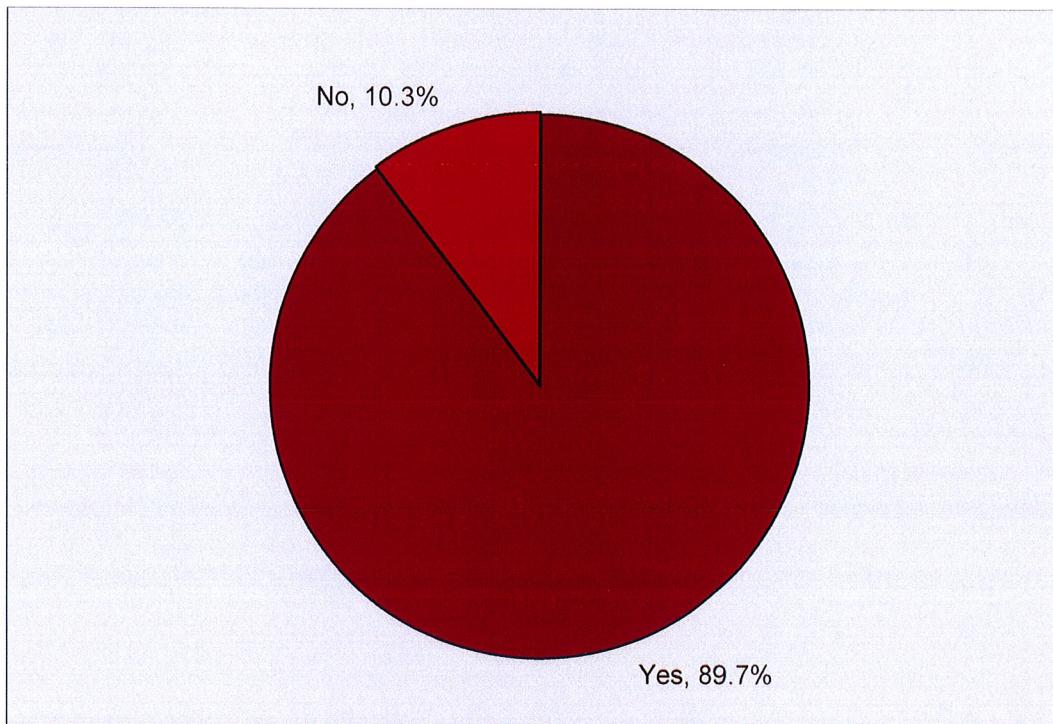
## Appendix C: Application Inventory

| No | Application | Department |
|----|-------------|------------|
| **Application Inventory** | | |
| 1 | Summit (Data-Tech) | All Departments |
| 2 | Plan-It | Admin Services |
| 3 | Payroll Maxx | All Departments |
| 4 | Success Factors | All Departments |
| 5 | NeoGov | Human Resources |
| 6 | Blue Prince | Community Development |
| 7 | Palm Tech | Community Development |
| 8 | Gasboy | Public Works |
| 9 | RTA | Public Works |
| 10 | Micro Paver | Public Works |
| 11 | LandPort | All Departments |
| 12 | CivicPlus | All Departments  (City website) |
| 13 | ActiveNET | Recreation |
| 14 | Microsoft Office | All Departments |

## PROJECT MEMORANDUM

| | |
|---|---|
| **TO:** | Financial Information Software Vendors |
| **FROM:** | Jon Grace, BerryDunn |
| **SUBJECT:** | Request for Information |
| **DATE:** | June 26, 2014 |

Berry Dunn McNeil & Parker (BerryDunn) has been engaged by the City of La Vista, Nebraska to assist them in analyzing their options for potentially implementing a Financial Information Software System. At this stage in the project, we are developing a Needs Assessment Report document that will compare a variety of options for the future system(s) environment. As part of this phase of the project, we are contacting the vendor community to understand the availability of modules, functionality and the related timeline and cost with implementing a new system(s). Information collected from this RFI will inform the City's planning process for the future Request for Proposal.

To assist you in completing the RFI worksheet, we have provided the following metrics:

- Population: 17,884
- Total budget for FY2014: $26 million
- Number of current system licenses: 20
- Number of current system users: 75
- Number of City employees: 140.68 FTE (109 full-time and 31.68 part-time/seasonal)

The enclosed MS Excel workbook contains three worksheets where we are requesting information related to the availability of modules, availability of functionality, implementation timeline, and cost:

1. Availability of modules (Tab 1): Please respond to the list of the City's desired modules using the indicators included in this tab.
2. Implementation timeline (Tab 2): Please provide your recommended phasing for the modules you provide and the related timeline for each phase. If you recommend overlapping phases, please identify this.
3. Cost (Tab 3): Please provide a low and high cost estimate for the modules you provide for the cost areas included in this tab. Please provide estimates by <u>individual module</u>. We understand that the costs presented are for planning purposes only and will not be binding in any way.

In order to meet the City's requested timeline we are asking that responses be returned no later than close of business on Monday, July 7, 2014 and we would appreciate them sooner, if possible. Please send the completed documents to Jon Grace at jgrace@berrydunn.com. If questions arise while completing the document please contact Jon via e-mail or phone at 207-541-2260.

The City requests all communication to be done through BerryDunn and vendors not contact the City directly. Thank you in advance for your assistance with this important project.