

# PDC

## PORTLAND DEVELOPMENT COMMISSION

**DATE:** November 10, 2009

**TO:** Board of Commissioners

**FROM:** Bruce A. Warner, Executive Director

**SUBJECT:** Report Number 09-127  
Contract with CIBER, Inc. for Enterprise Resource Planning (ERP)  
Implementation Phase II Project

### EXECUTIVE SUMMARY

#### BOARD ACTION REQUESTED

Adopt Resolution No. 6750

#### ACTION SUMMARY

This action will authorize the Executive Director to enter into a contract with CIBER, Inc. in support of the Enterprise Resource Planning (ERP) Implementation Phase II project for an amount not to exceed \$800,000 for the development of a Business Intelligence Strategy and implementation of the Lawson Time Management module (RFP #09-09). The contract is expected to finish on April 30, 2010.

This contract is necessary to complete these two components of the scoped efforts under the ERP Implementation Phase II project, as well as to continue forward with the agency's Enterprise Architecture (EA) Strategy and ERP Strategy.

The selection of CIBER, Inc. for the contract is a result of corresponding public solicitation processes. The agency has budgeted \$2,032,232 for FY09-10 for the effort, as indicated in Attachment A.

#### PUBLIC BENEFIT

This project helps the Portland Development Commission (PDC) meet its responsibilities to provide consolidated functionality within its Lawson ERP system as well as enabling the agency to provide the public with more timely, consistent, and reliable information.

By completing this project PDC will have a detailed strategy to move forward and implement an integrated Business Intelligence system which will provide the organization with accurate, timely and integrated financial and non financial information reporting.

Also, upon successful completion of this project, PDC will have an improved and integrated time management reporting system that will be easier to maintain and involve less risk than the current in-house Microsoft Access system. The Time Management module will connect directly with the Lawson ERP system and the PDC chart of accounts.

**This action will support the following PDC goals:**

- Sustainability and Social Equity
- Healthy Neighborhoods
- A Vibrant Central City
- Strong Economic Growth and Competitive Region
- Effective Stewardship over our Resources and Operations, and Employee Investment

**PUBLIC PARTICIPATION AND FEEDBACK**

Not Applicable

**COMPLIANCE WITH ADOPTED PLANS AND POLICIES**

This amendment supports the following Key Outcome in the PDC Strategic Plan:

*Our business policies, processes, and systems infrastructure ensure efficient and effective service delivery and decision making.*

**FINANCIAL IMPACT**

This is the first contract of the multi-year ERP Implementation Phase II project, in an amount not to exceed \$800,000 and lasting for a period not to exceed four (4) months. The contract will result in the development of a Business Intelligence Strategy for the agency and the implementation of the Lawson Time Management payroll time entry system as part of PDC's ERP system.

The total budget amount for ERP Implementation Phase II in the FY09-10 budget is \$2,032,232.

**RISK ASSESSMENT**

This contract under the ERP Implementation Phase II project is expected to provide an agency Business Intelligence Strategy as well as new functionality for time entry the agency. The maintenance and operational support needed for the Microsoft Access time sheet entry program is extensive and thus, does not allow IT and other resources to do other agency work.

The installation and use of new software can sometimes present a risk with regard to existing hardware and software. Incompatibilities between versions of application software and/or operating sometime might cause the software to not function properly. However, other organizations around the United States are currently using the application and it is a stable product and should present few if any problems. Additionally, the Lawson Time Management module has been certified by Lawson to be compatible with PDC's current computing environment.

The contractor, CIBER, is a Certified Lawson Partner, has experience implementing Lawson Time Management.

The contract with CIBER will be reviewed and approved as to form by the PDC General Counsel's office.

## **WORK LOAD IMPACT**

In order to achieve successful implementations and deployments of the new functionality under the ERP Implementation Phase II project, PDC has contracted for project management services to supervise the multiple contracts, of which this is one, under the project. Additionally, key PDC stakeholders and subject matter experts from within PDC departments will be both a part of the project team and integrated throughout the project at appropriate points. The entire project will be overseen and managed by the Project Management Office in the Central Services Department.

## **ALTERNATIVE ACTIONS**

PDC could continue to use the existing functionality of the in-house developed time sheet program and Microsoft Access Report Manager.

The existing timesheet functionality in Microsoft Access has lasted well beyond its intended lifespan and requires extensive and constant maintenance. The existing reporting functionality, to be replaced with Business Intelligence, is inflexible and not integrated with the financial system.

## **CONCURRENCE**

This ERP Implementation Phase II project was identified by PDC leadership as a priority project in 2008 during the Budget Development process. PDC's internal Project Management Office Steering Committee and Executive Team have recognized this effort as a priority project.

## **BACKGROUND**

In July 2000, PDC implemented Lawson software components for General Ledger, Accounts Payable, Cash Ledger, Projects & Activities, Procurement, Payroll and Human Resources (to support of payroll only), enterprise-wide.

In December 2007, PDC Executive Management adopted an Enterprise Resource Planning (ERP) Strategy that was centered on the continued use and roll-out of additional Lawson functionality. As a result, PDC intends to invest in Lawson to meet the evolving business needs of PDC. The first project towards that end was the build-out of the Lawson Human Resources module which went live in August 2008. Additionally, unrelated to work around the Lawson Human Resources module, an Enterprise Architecture (an examination of all computer systems and data sources) was created to roadmap future business applications to meet PDC needs.

ERP systems attempt to integrate most of the operational support functions of an organization. Functions such as purchasing, accounts payable, general accounting, payroll, human resources and more are all part of an integrated system that shares common processing and data, and thus insuring greater accuracy and making it much easier to produce management information.

One of the results of Enterprise Architecture work was the need to pursue a Business Intelligence strategy. By ultimately implementing Business Intelligence, PDC would:

- Ensure greater reporting accuracy,
- Provide more timely data,
- Make it easier for those that need it to get needed management information, and
- Reduce the duplication of data located through the organization.

In May 2008, PDC Executive Management determined that its Lawson applications, system foundation, and user interface would be upgraded to the most recent version to ensure the integrity of the system and to establish a foundation to build out additional functionality. At the same time, PDC Executive Management also determined that its chart of accounts would be restructured in conjunction with the upgrade to sustain Lawson maintenance and reporting needs. After procuring external consulting services, the Lawson 9 Plus project kicked off in October 2008 and went live at the end of June 2009.

Currently, the PDC Lawson system interfaces with multiple other software systems, databases, and data warehouses in order to accommodate PDC business activities. PDC's second large project to implement its ERP Strategy is the Enterprise Resource Planning Implementation Phase II project that includes multiple components. This contract with CIBER is the first of several for this project.

These components include:

- Conducting an enterprise-wide assessment of how PDC can consolidate its financial systems
- Implementing the consolidation of PDC's financial systems
- Creating an agency Business Intelligence strategy
- Implementing the agency Business Intelligence strategy (as possible during the timeline of the project)
- Implementing Lawson Time Management to replace PDC's in-house developed Microsoft Access time entry program

The project is expected to finish on December 31, 2010.

The Portland Development Commission's Request for Proposals #09-09 for "Consulting Services" ("RFP") was issued by PDC Purchasing & Contract Services on August 13, 2009. In response to the solicitation, PDC received four responses by the deadline.

**Proposals Received:**

1. ABH Technologies, Inc.
2. CIBER, Inc.
3. Staser Consulting Group, LLC
4. Synthasys, LLC

Over a period of two weeks, all responses were evaluated by a seven member internal Evaluation Committee. Based on a thorough review of all proposals it was the consensus of the Evaluation Committee that CIBER Inc. offers PDC the best overall value, benefit, convenience and service.

**ATTACHMENTS:**

- A. ERP Implementation Phase II Project Budget

**ERP Implementation Phase II Project Budget**

<b>Projected Budget As of: 11/10/09</b>			
<b>ERP Phase II Implementation</b>	<b>FY 09/10</b>	<b>FY 10/11</b>	<b>Total</b>
Project Management Services	\$144,000	\$116,000	\$260,000
Business Intelligence Strategy	\$390,744		\$390,744
Lawson Time Management Implementation	\$267,488		\$267,488
Business Intelligence Implementation	\$500,000	\$600,000	\$1,100,000
Financial Consolidation Assessment	\$420,000		\$420,000
Financial Consolidation Implementation	\$310,000	\$1,284,000	\$1,594,000
<b>Total</b>	<b>\$2,032,232</b>	<b>\$2,000,000</b>	<b>\$4,032,232</b>