



# E-merge Update for Metro Council

---

OFFICE OF MANAGEMENT & BUDGET  
HUMAN RESOURCES  
OFFICE OF CIVIC INNOVATION & TECHNOLOGY

June 2022



# Project Budget Appropriation

---

|              |              |
|--------------|--------------|
| ■ FY19       | \$300,000    |
| ■ FY20       | \$3,000,000  |
| ■ FY21       | \$5,000,000  |
| ■ FY22       | \$9,000,000  |
| ■ FY23 (ask) | \$6,900,000  |
| Total        | \$24,200,000 |

# Project Milestones

---

- Prep – January 2018
- RFP – July - September 2019
- Vendor Demos – October – December 2019
- Contract Signed –April 2020
- Project Kick Off – May 18, 2020
- Architecture Sign Off – February 2021
- End To End Testing Sign Off – February 2022
- Payroll Parallel Testing – May 2022
- Go Live – October 3, 2022

# Executive Summary

## Purpose



To be able to support all Louisville Metro services and programs by providing best in class accounting and human resource information for management and reporting through a single Enterprise Resource Planning system

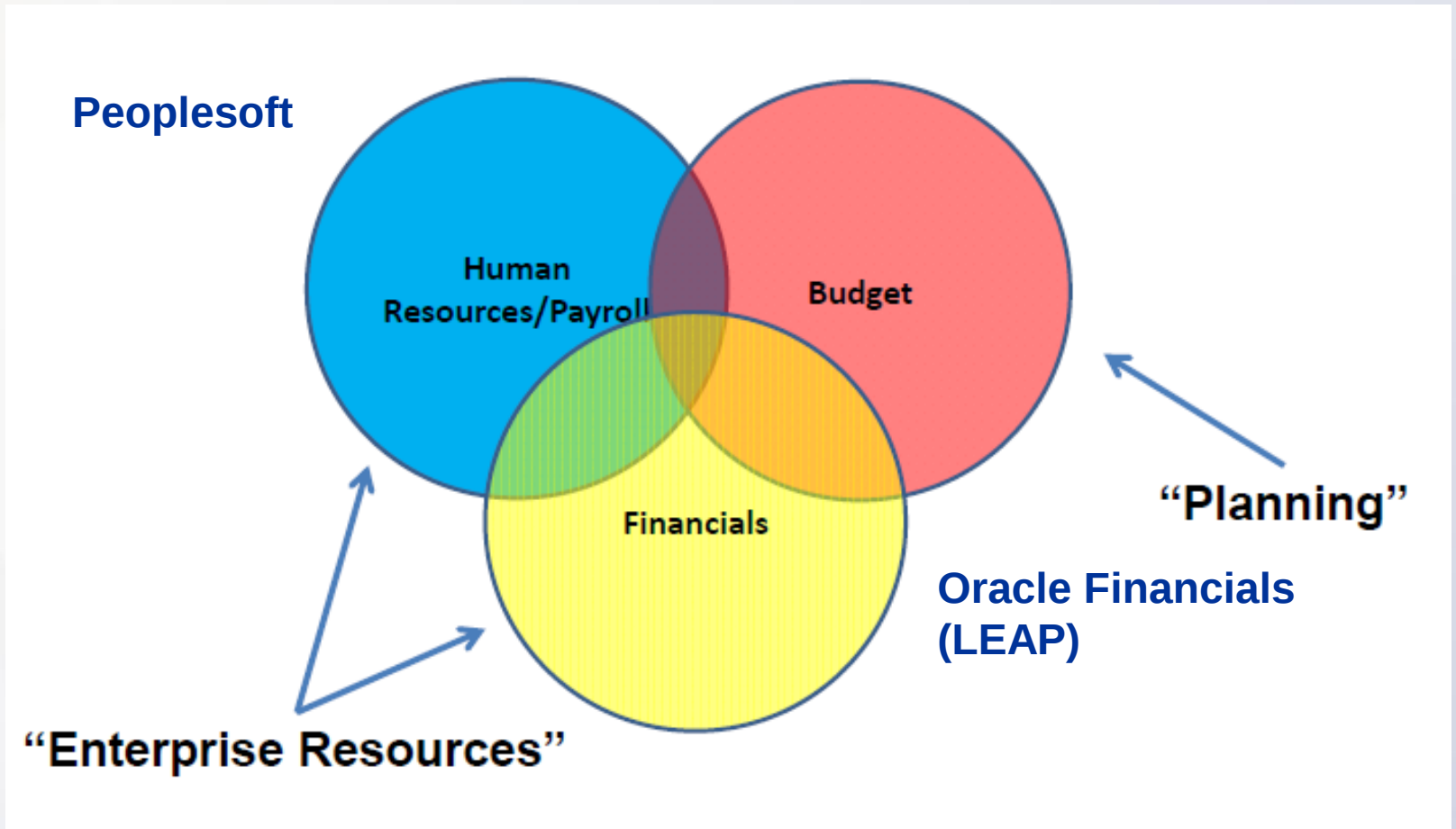
## Problem



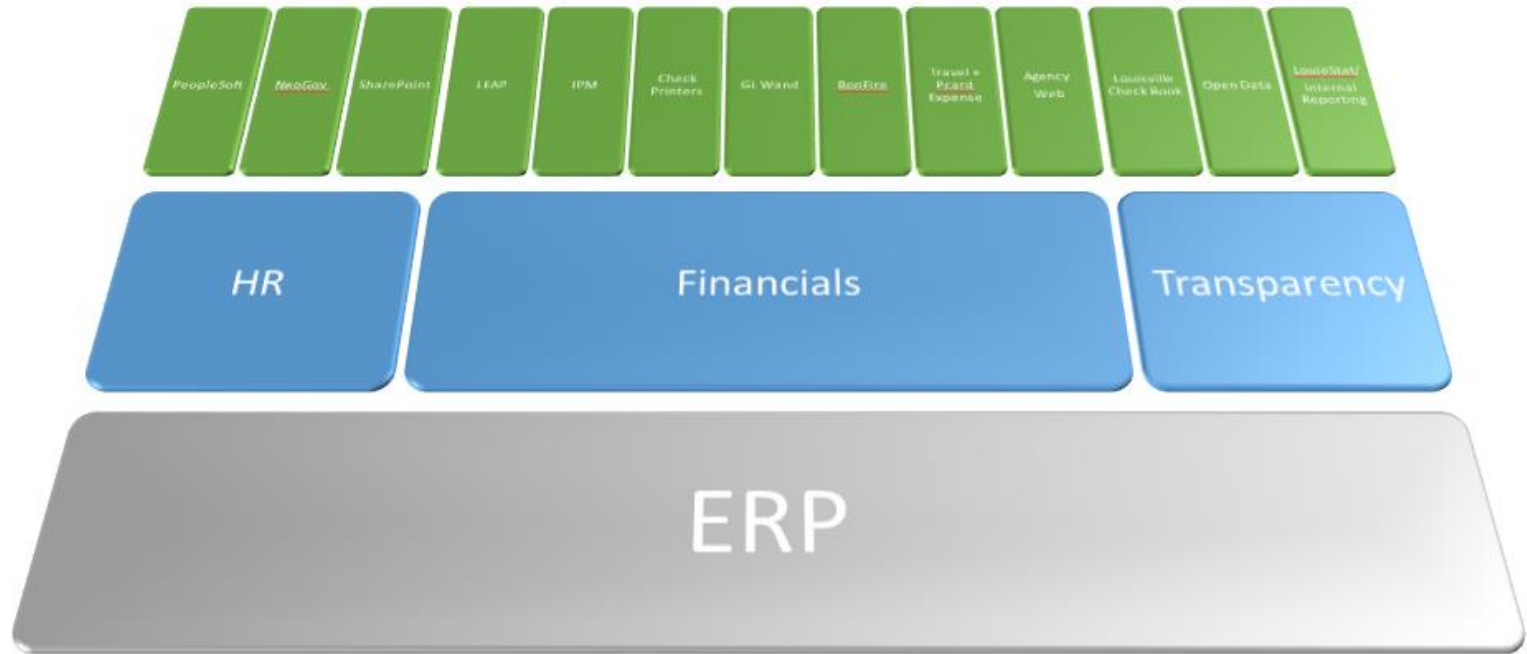
### Current System:

- Fragmented among several different information systems
- Multiple systems are no longer supported by original software company
- Difficult to interface old systems with newer technology
- Manual processes in place to make up for lack of functionality
- Increased technology risk due to age of software and components

# Current State ERP



# Current System Design



- Two main systems: Peoplesoft HR, Oracle Financials (LEAP)
- More than a dozen third party software systems to support functionality
- Systems supported by OMB, DoIT, HR, and 3 other third party vendors

# Background

- Peoplesoft – implemented 1999, 2 major upgrades, support ended January 2018
- Oracle Financials (LEAP) – implemented 2004, \$5 million initial implementation cost, 1 major upgrade, support ended December 2015
- FY18 = \$849 million annual budget, now = \$1.4 Billion
- July 2017 = 6,412 Employees, now = 5,500
- FY18 = 19,000 active vendors...7,000 paid each year, now more unique vendors due to federal stimulus programs
- FY18 = nearly 100,000 invoices paid each year, now = 130,000+
- FY18 = 54,000 checks issued yearly, 52,000 through the end of May
- FY18 = 1378 PCard transactions, \$450k, FY22 = 26,650 PCard transactions, \$8M
- 48,000 lines in Chart of Accounts

# GFOA Survey

Is it really possible for government to satisfy its customers?

**79%**

**customers want better service**

believe government can improve service

**77%**

**lack of trust and accountability**

believe better service leads to improved trust and accountability

**50%**

**customer satisfaction is an afterthought**

have no process to re-engage with customers if an issue isn't resolved

**50%**

**governments waste money**

say governments waste 50% of taxes collected

# Functionality We Struggle With

---

- Amazon/Facebook effect
- Business Intelligence - real time dashboards and analytics for decision making
- Statistical information to give data context
- Performance monitoring and management
- Transparency of information
- Transparency of process
- Modern methods of payment
- Onboarding of employees
- Manual processes that should be standard functionality – example: wage progression for unions
- Interfacing with newer systems

# Major Challenges



## Technology Challenges

- Non-supported software
- Outdated hardware
- Interfaces with other systems are cumbersome
- Difficult to promote transparency



## Business Process Challenges

- Business processes cause duplicative work
- Limitations of current technology cause users to extract data and manipulate for analysis
- Analyzing complex data from multiple data sets and systems is time consuming and slows down decision making



## Resource Challenges

- Limited qualified technical resources
- Reliance on third party vendors for support
- Maintaining status quo for systems is labor intensive and costly

# Current State vs Future State

| Current State                                                    | Future State                                                              |
|------------------------------------------------------------------|---------------------------------------------------------------------------|
| Multiple systems for information                                 | Single system for financial and human resources information and reporting |
| Manual work arounds for processes                                | Integrated functionality                                                  |
| Duplication of data entry as data is moved from system to system | Reduces need for redundant data entry processing                          |
| Limited real-time information                                    | Business Intelligence dashboards                                          |
| Technology risk resides with Metro                               | Technology risk transferred to vendor                                     |
| Upgrades & hardware supported by Metro                           | Upgrades & hardware supported by vendor                                   |

# ERP Replacement-Limited Options



**“70%”**

of organizations want to standardize on a single ERP system.”

## DO NOTHING Complexity Gets Worse

- Limited enterprise visibility
- Time consuming data reconciliation
- Costly obsolete systems
- Expensive integrations
- Growth worsens the problem



## STANDARDIZE on **Single On-Premise** ERP system

- Expensive license fees
- Costly implementation
- High maintenance costs
- Costly hardware and IT staff
- Infrequent upgrades

Source: Gartner, “Understanding the Deployment Options for a Two-Tier ERP Strategy, 2013

# Others Using Workday

---

## **Municipal Governments**

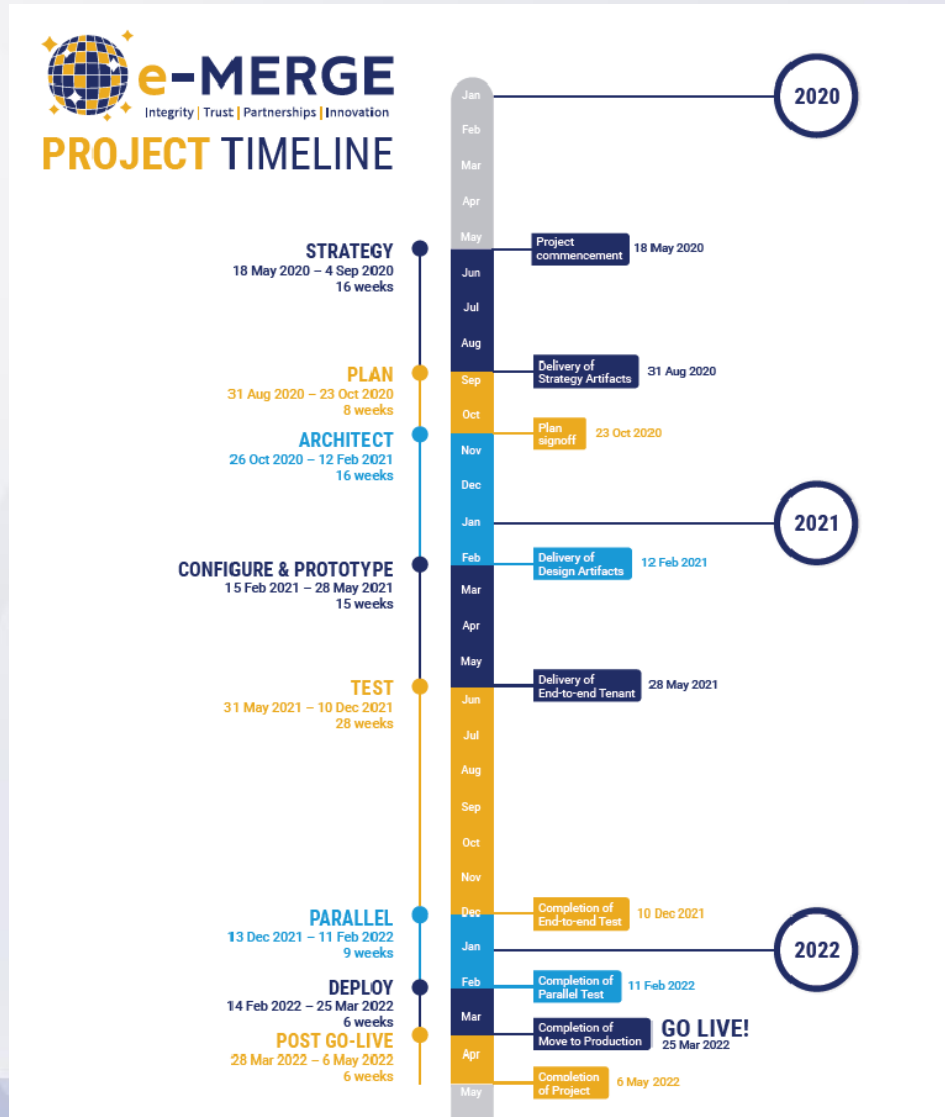
- Baltimore
- Denver
- Orlando
- Philadelphia
- Seattle

## **Local Companies**

- UofL
- Baptist Health
- Norton Healthcare
- Papa Johns

# Original Project Timeline

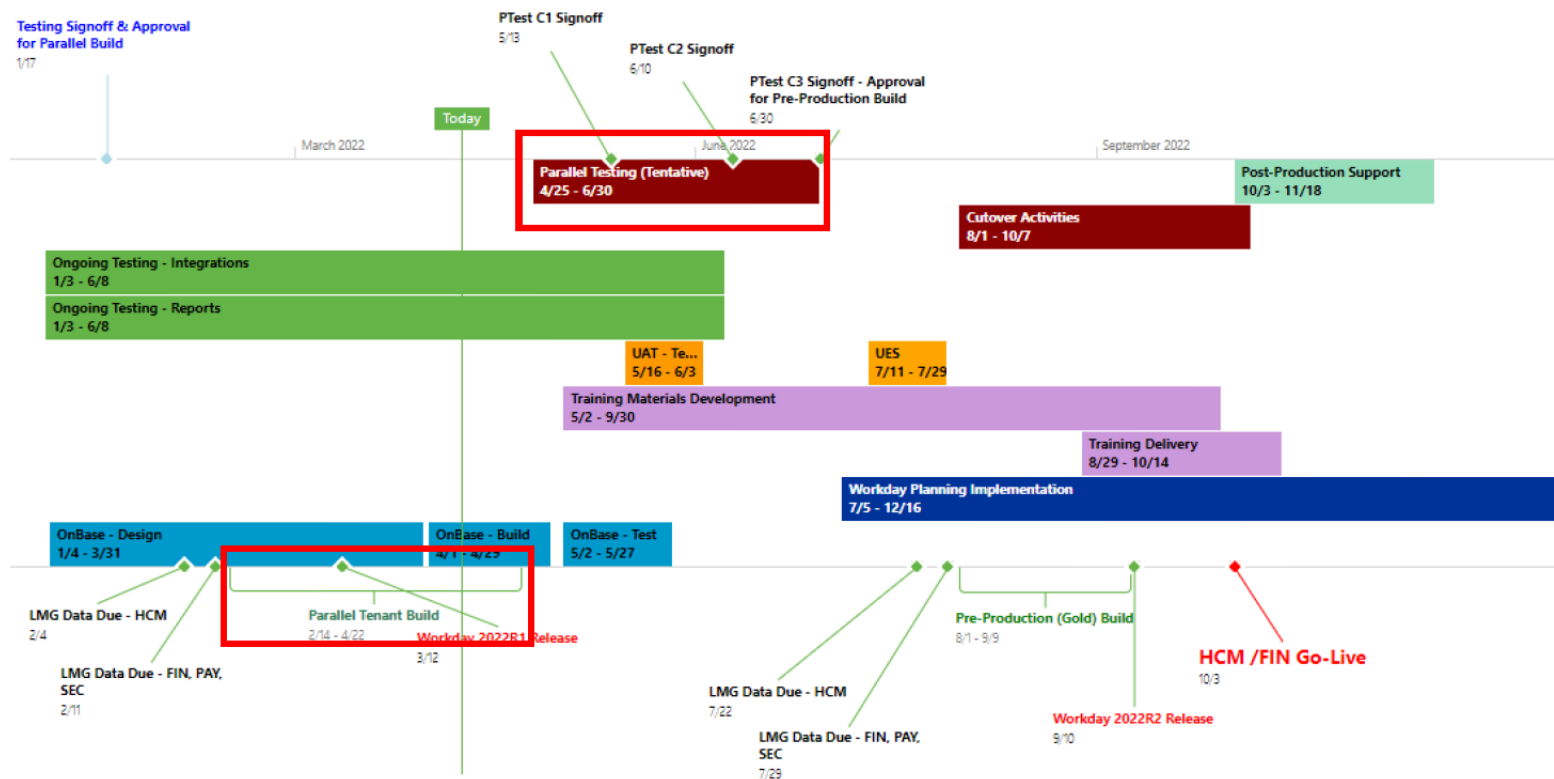
Original Go Live Date – March 28, 2022



# Adjusted Project Timeline

New Go Live Date – October 3, 2022

## Updated Timeline



# Cost

---

Total Implementation cost to date \$16,055,058

Annual Workday Subscription Cost

FY23 - FY29 \$1,850,926 + 5% escalation

FY30 (10 months) \$1,415,770



# Personnel Needs

---



# System Support Recommendation

## Summary of Workday Support Recommendation

| Current State                                                                                                                                                                                                                                                                                                                                                     | Recommendations                                                                                                                                                                                                                                             | Why                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• CIT facilitates most system change/enhancement/new functionality request prioritization and implementation to meet operational needs and support new programs</li><li>• Some system setup/maintenance and reporting in HRIS and FIS</li><li>• Common/routine system transactions performed throughout functions</li></ul> | <ul style="list-style-type: none"><li>• Centralize Workday setup, configuration, some routine system transactions, and change facilitation for each function (HR and Finance) under their respective information systems organizations (HRIS/FIS)</li></ul> | <ul style="list-style-type: none"><li>• Majority of Workday support is functional rather than technical, allowing movement of work to functional resources with the functional awareness and expertise for increased efficiency and effectiveness</li><li>• Stronger ability to leverage touchpoints across the function</li><li>• Greater oversight, alignment, and standardization</li><li>• Ease of governance &amp; decision making</li><li>• Increased flexibility, efficiency, and effectiveness of resources - maximum knowledge sharing, workload balancing, and career pathing (often equates to a smaller team)</li></ul> |

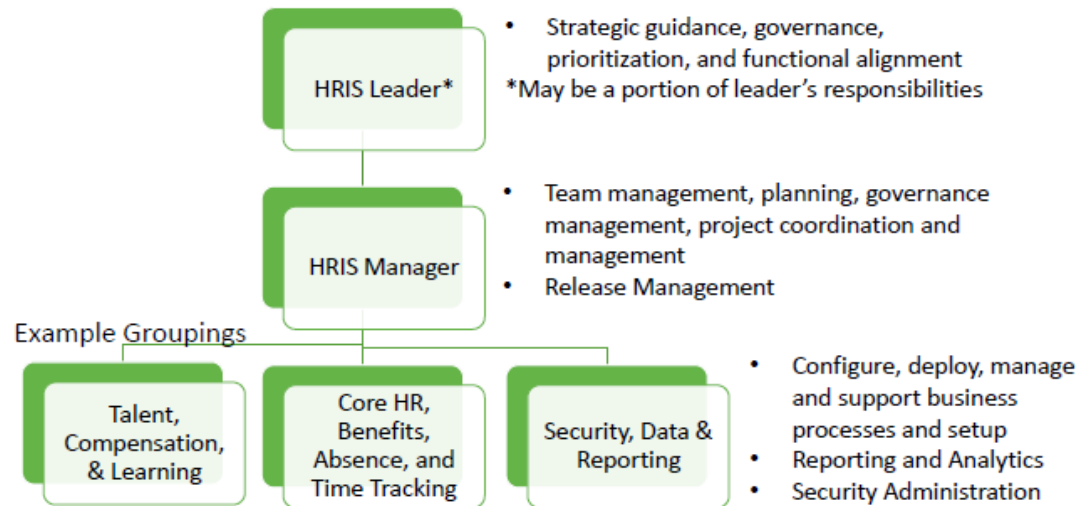
*According to survey results published by Workday in 2020, 86% of Government responders utilize a support model that is either Centralized or Centralized plus Shared Services.*

# HR Information Systems

## HR Information Systems Recommendation

### Expand/Re-allocate the HRIS Team

- HRIS will be responsible for supporting Workday for HR
- Recommended headcount is 4-6 FTE based on other Workday customers of similar size and implemented functionality
- Re-allocate positions and headcount in HRIS and broader HR that perform system administration tasks today to the applicable roles in the centralized HRIS organization
- Align support to groupings of functionality with back up and cross training
- Select one role to be the lead cross-functional security administrator to ensure a Metro-wide security design\*



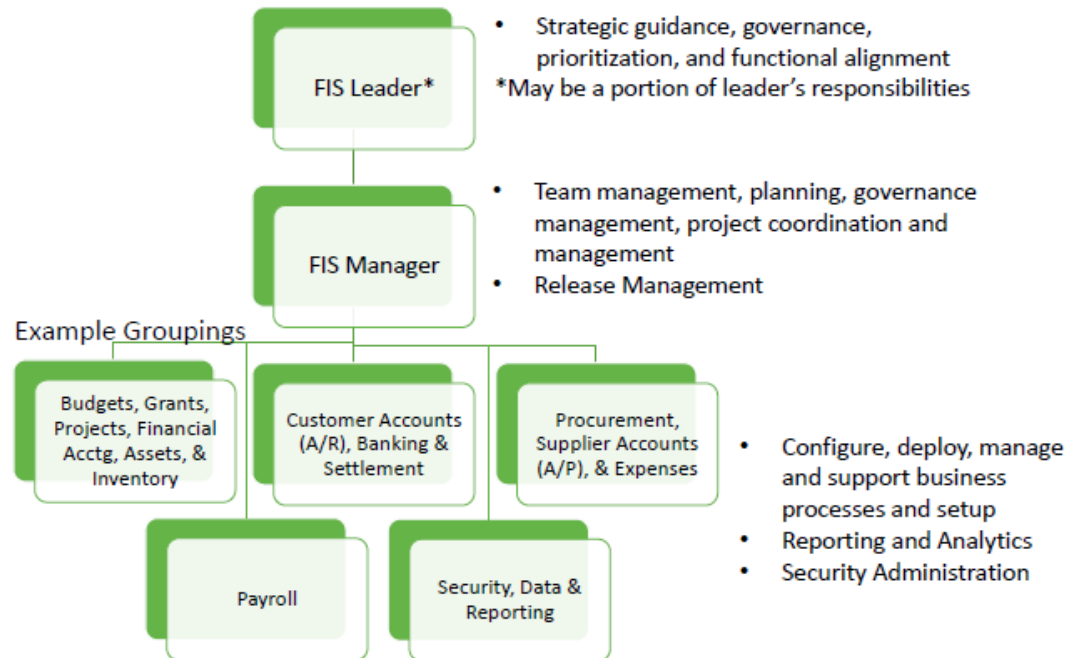
\*We recommend that this be within HRIS because there is more security setup and maintenance within HR.

# Financial Information Systems

## Financial Information Systems Recommendation

### Expand the FIS Team

- Responsible for supporting Workday for Finance
- Recommended headcount is 4-6 FTE based on other Workday customers of similar size and implemented functionality
- Re-allocate positions and headcount that perform system administration tasks in Finance today to the applicable roles in the centralized FIS organization
- Align support to groupings of functionality with back up and cross training
- Dedicate 1 role to reporting

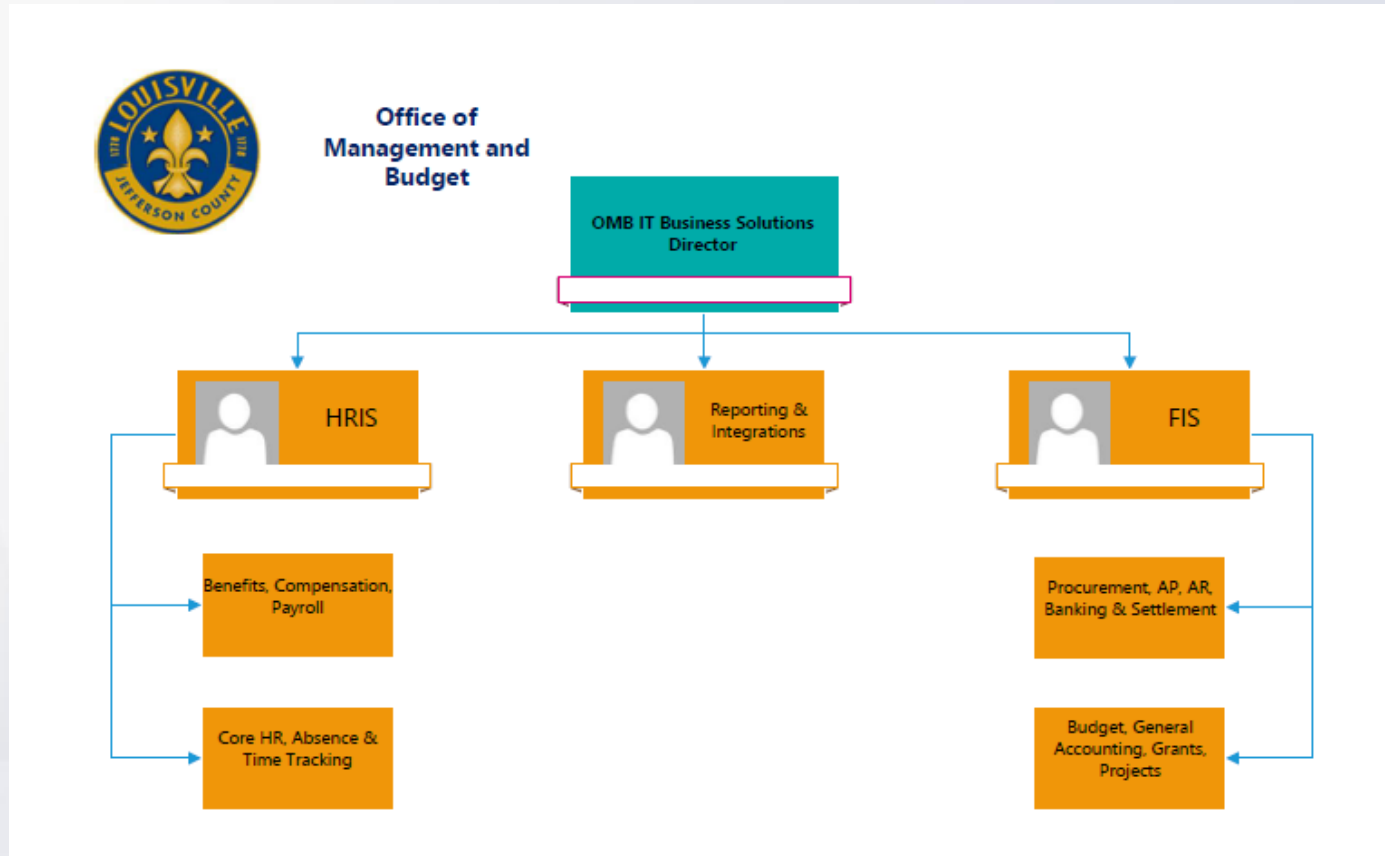


# New Org Chart

8 total positions

6 new positions

2 existing positions



# Other Personnel Needs

|                           | <u>Job Title</u>                                                           | <u>Division</u>                                             | <u>Justification</u>                                                                                                     |
|---------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| <b>Revenue Generating</b> | Health Billing Specialist<br>Accounts Receivable Clerk<br>Revenue Examiner | Health Billing<br>Accounts Receivable<br>Revenue Commission | Increased revenue - denial processing<br>Increased revenue - lien processing<br>Increased revenue - audit delinquent tax |
| <b>Increased Needs</b>    | Open Records Specialist                                                    | Open Records                                                | Increased volume of transactions                                                                                         |
| <b>New Requirements</b>   | Financial Reporting Coordinator                                            | Financial Reporting & Accounting                            | GASB 87 - Leases, GASB 91 - Conduit Debt                                                                                 |
| <b>To Advance Goals</b>   | Procurement Equity Analyst<br>Procurement Compliance Analyst               | Procurement<br>Procurement                                  | advance equity in procurement<br>contract compliance                                                                     |

# Questions

---

