



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

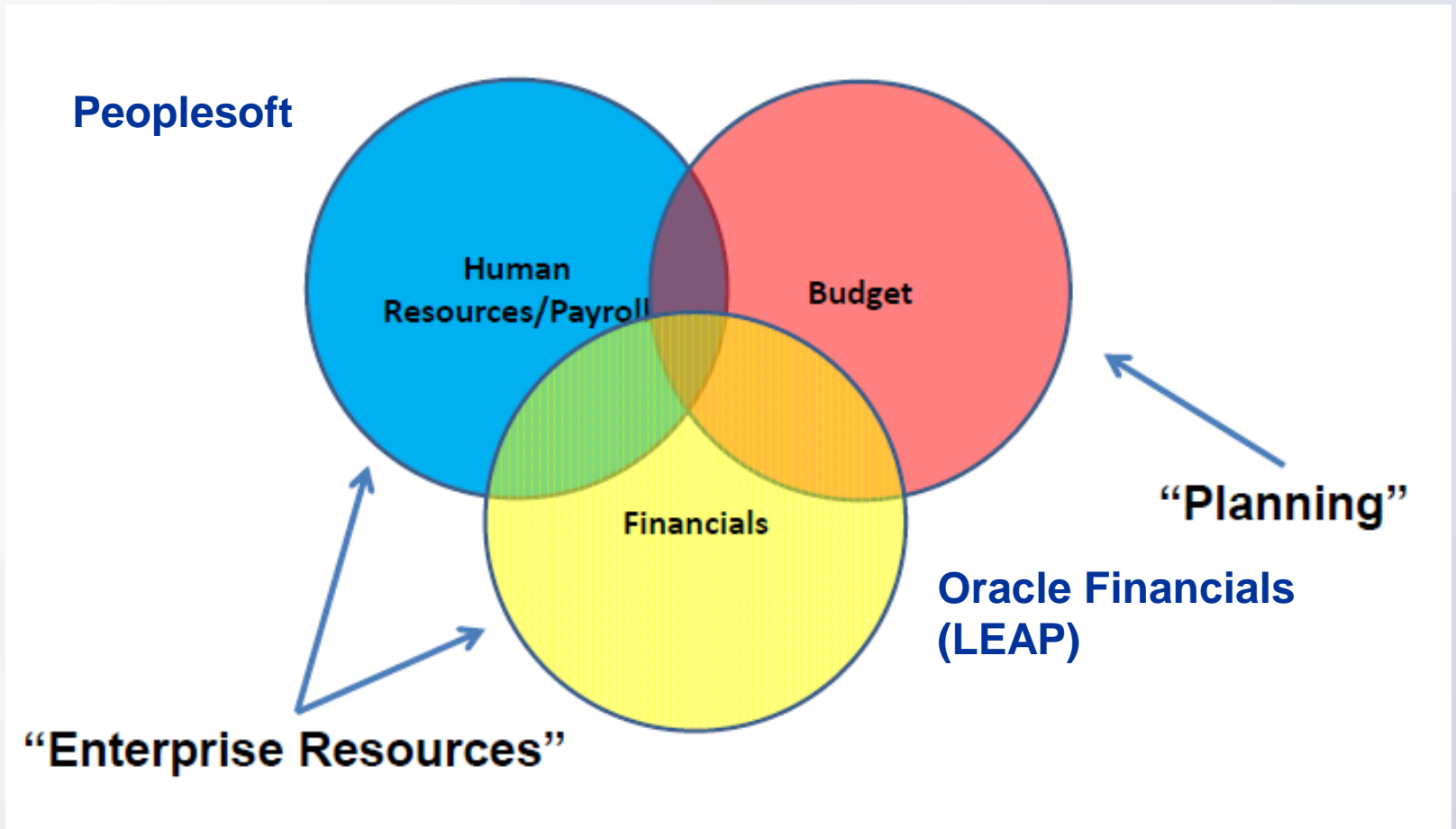
Problem



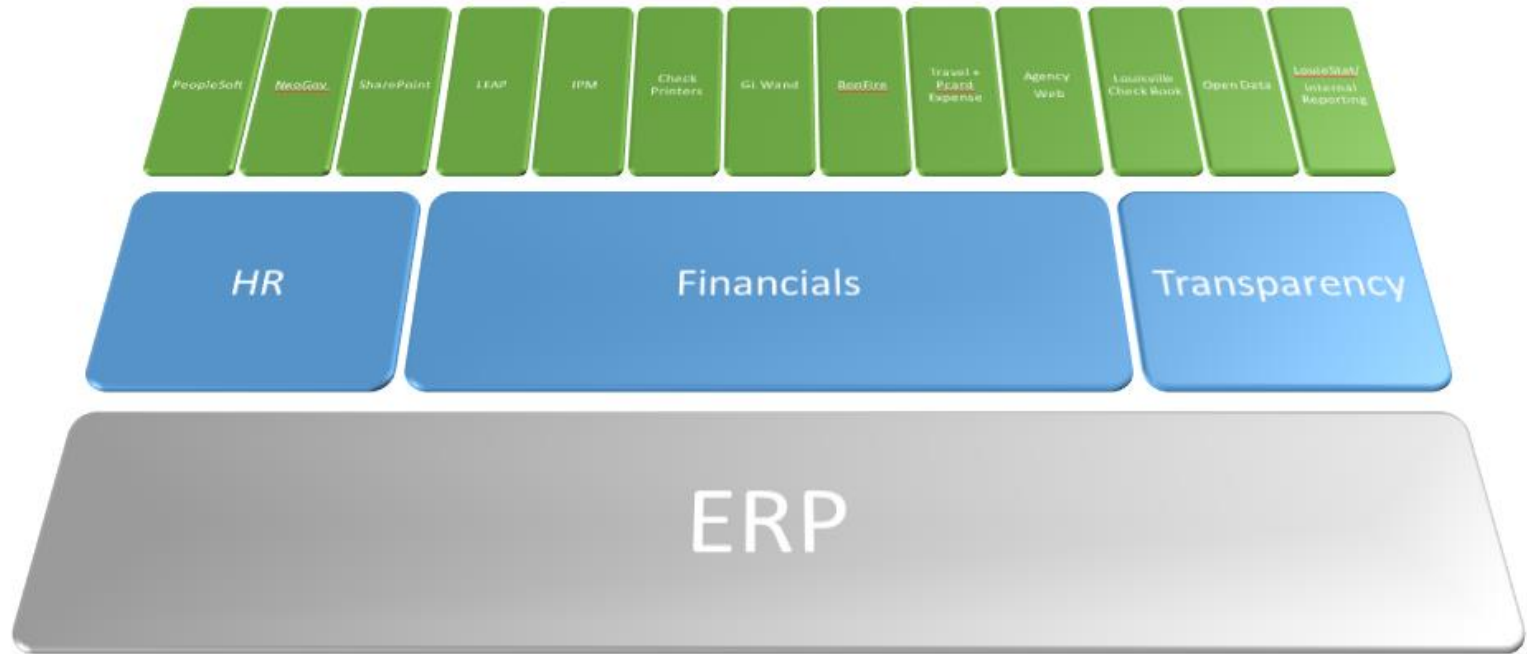
Current System:

- 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

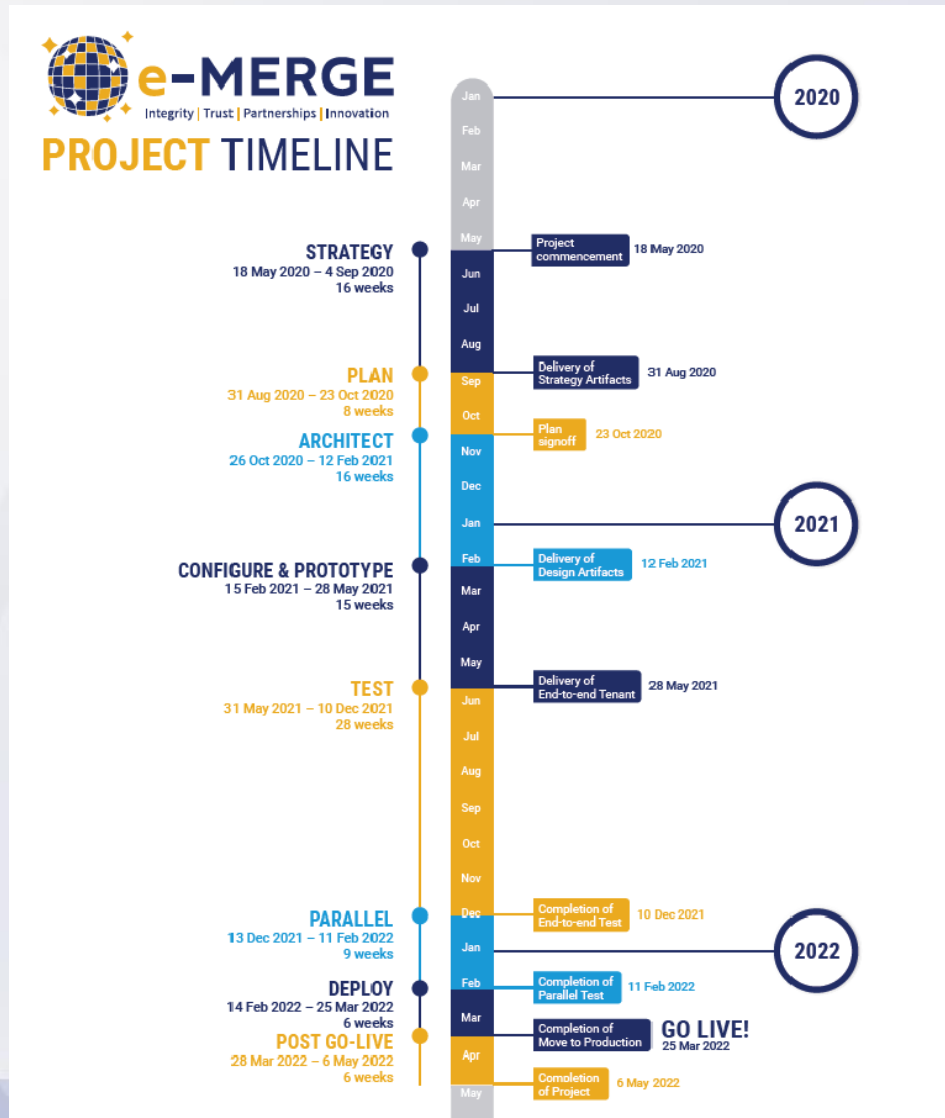
- Baltimore
- Denver
- Orlando
- Philadelphia
- Seattle

Local Companies

- UofL
- Baptist Health
- Norton Healthcare
- Papa Johns

Original Project Timeline

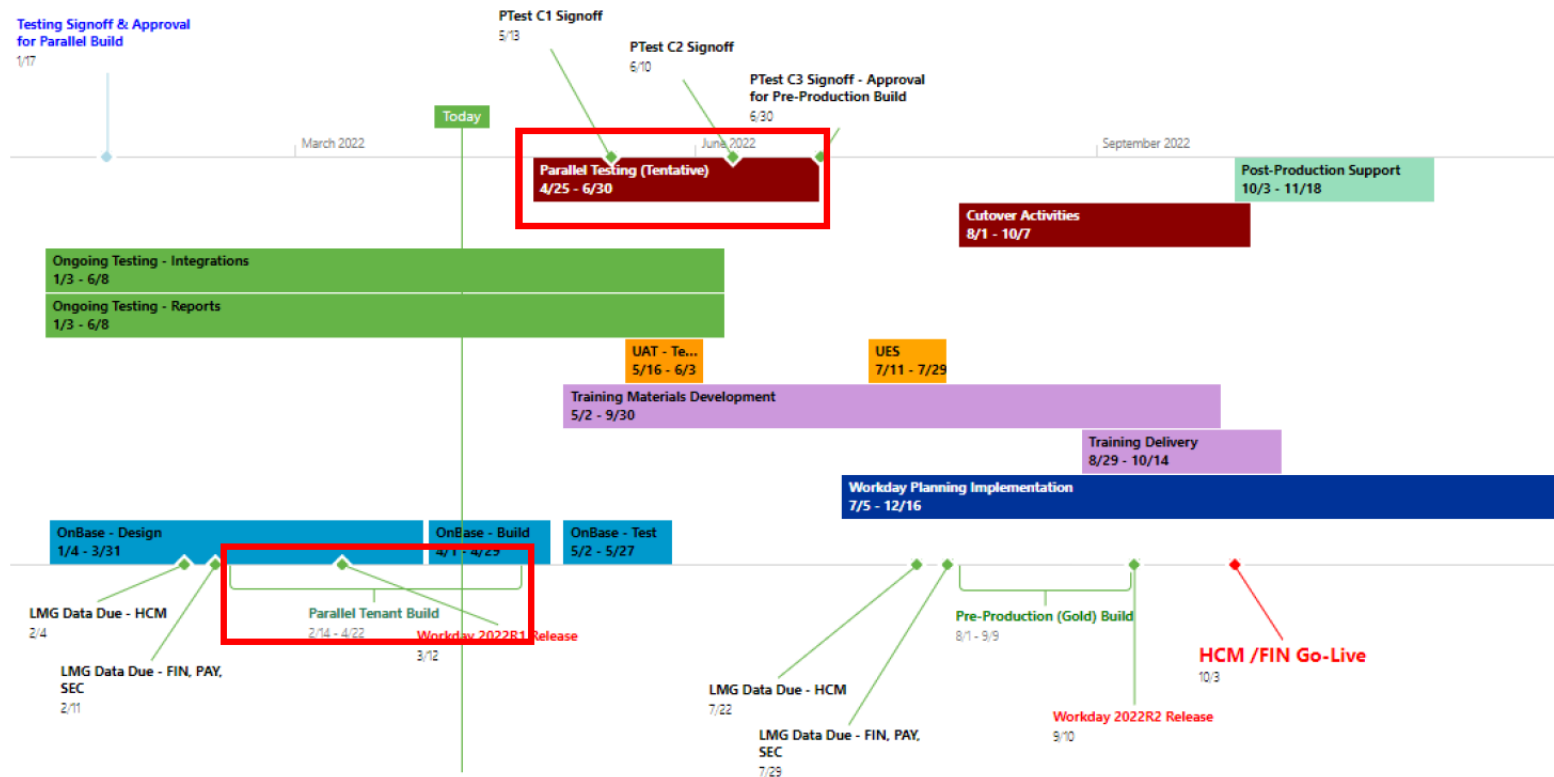
Original Go Live Date – March 28, 2022



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">• CIT facilitates most system change/enhancement/new functionality request prioritization and implementation to meet operational needs and support new programs• Some system setup/maintenance and reporting in HRIS and FIS• Common/routine system transactions performed throughout functions	<ul style="list-style-type: none">• 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)	<ul style="list-style-type: none">• 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• Stronger ability to leverage touchpoints across the function• Greater oversight, alignment, and standardization• Ease of governance & decision making• Increased flexibility, efficiency, and effectiveness of resources - maximum knowledge sharing, workload balancing, and career pathing (often equates to a smaller team)

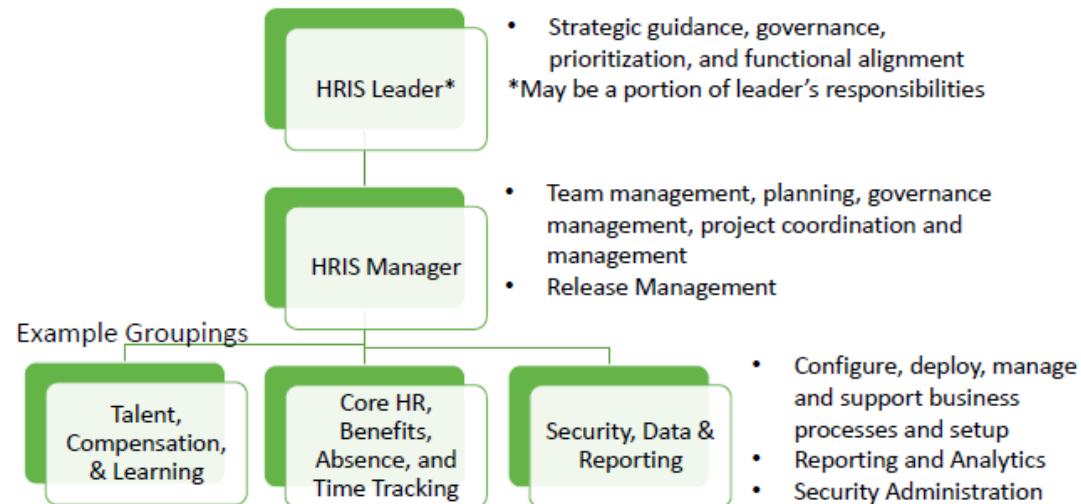
According to survey results published by Workday in 2020, 86% of Government responders utilize a support model that is either Centralized or Centralized plus Shared Services.

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*



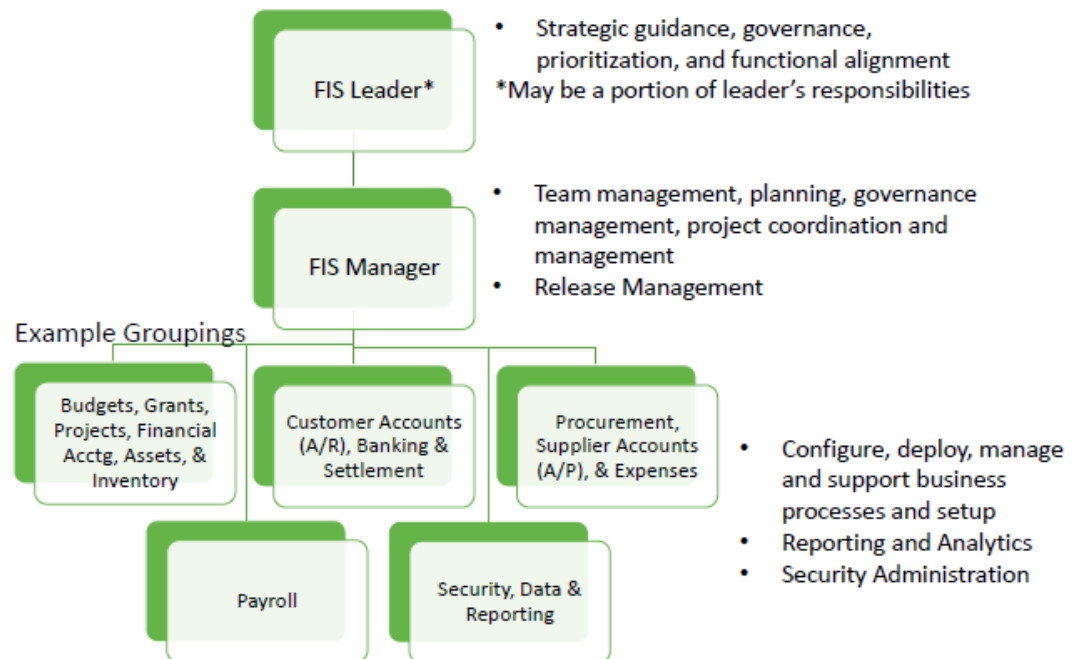
*We recommend that this be within HRIS because there is more security setup and maintenance within HR.

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

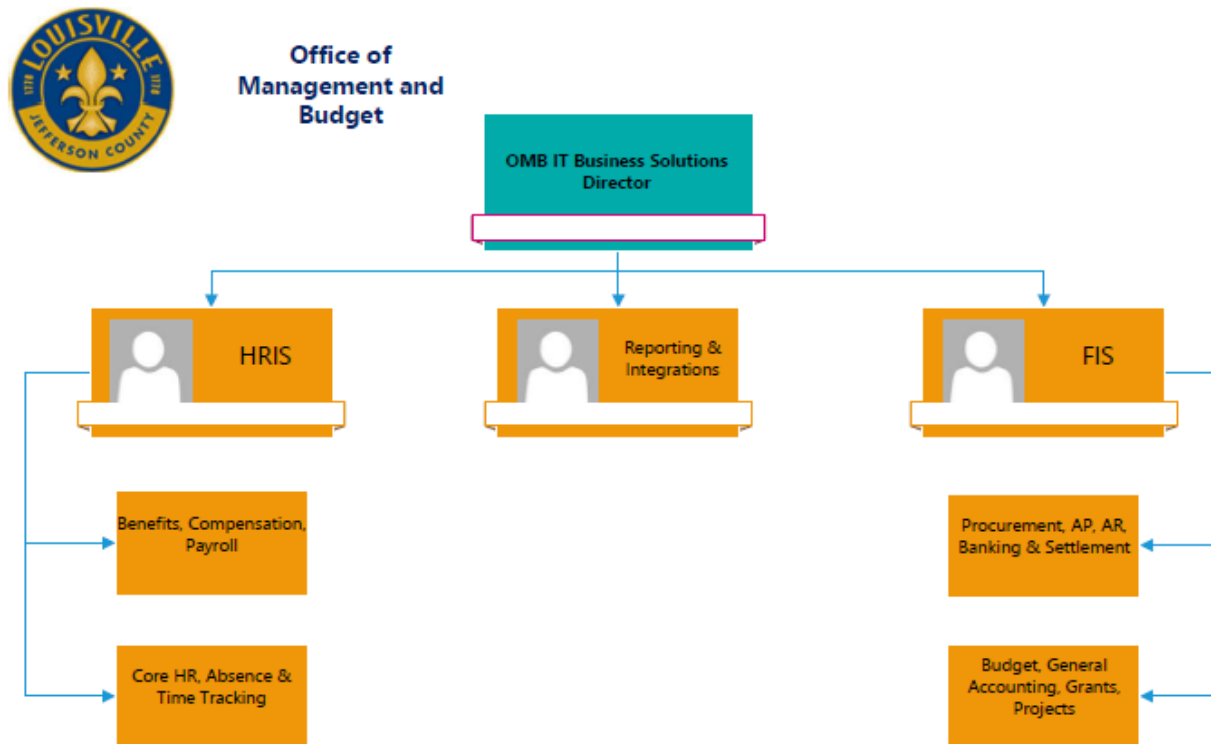


New Org Chart

8 total positions

6 new positions

2 existing positions



Other Personnel Needs

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

Questions

