



Legislation Details (With Text)

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**Title:** Status Update on SAP Enterprise Management System to include Re-implementation of Financial Management System (FMIS), Customer Care System (CCS) and Enterprise Asset Management modules (EAM) (B)

\*\*This item is informational.\*\*

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
12/14/2017	1	Utility Advisory Board		

**Status Update on SAP Enterprise Management System to include Re-implementation of Financial Management System (FMIS), Customer Care System (CCS) and Enterprise Asset Management modules (EAM) (B)**

**\*\*This item is informational.\*\***

In July 2016, the City Commission approved three phases of the SAP Enterprise Resource Project. Phase I - \$10.7M for FMIS, Phase II -\$10M for CCS, and Phase III- \$10 M for EAM projects = 30.7M (not included was the necessary SAP platform updates). During Phase I, GRU implemented the Financial Management System (FMIS) and went 'live' in the new system on April 3, 2017. The last part of the FMIS project was the budget and planning functionality which went 'live' on December 4, 2017. The financial system is functioning as designed, GRU budgets are loaded in the system, and we are currently stabilizing the system. However, due to resource constraints and a re-prioritization of personnel toward purchasing GREC, some of the treasury and accounting work effort extended past 'go-live' and required additional consulting services. This work is being completed now.

In addition there were services and configuration required to ensure the foundation of the financial management system would integrate with the other phases of the SAP project. These additional costs were charged to the project (against the entire requested amount of 30.7M) yet benefited the entire ERP project. These include Open Text - a document management system at \$353,000; project systems - a tool for managing projects at \$150,000; and additional hardware and software configuration support Basis support \$162,000. In addition, other items that span all three phases were addition licenses (Redwood, single sign-on FIORI and Uperform) \$176,000 - totaling \$841,000.

Additional Costs Spanning the entire SAP implementation	Costs incurred in Phase I
Open Text	\$353,000

Project Systems	\$150,000
Additional hardware and software support	\$176,000
Basis Support	\$162,000
Total	\$841,000

Breakdown	Cost
Original Request	10.8M
Additional spanning tasks	841K
***Consultant resources to overcome internal staffing level shortfalls	1.6M
Total project to date	13.2M

GRU has designed and implemented an organizational structure, chart of accounts, and cost flow that will support the integration of CCS and EAM. New treasury and budgeting modules were implemented that will allow better forecasting and planning. Implementation of the treasury module is over 90% complete and re-modeling the budget to actual report is 85% complete.

**Lessons learned:**

The project has not been without its challenges which have led to valuable lessons learned. The largest of which is the importance to filling require staff levels. Without proper staffing (number of available FTEs) to allow dedicated GRU staff to be assigned to the SAP project (100% of the time), deadlines and project goals became at risk. To mitigate, GRU had to augmented staff with SAP and project management consultants. Without this augmentation / infusion of consultant’s deadlines and outcomes delivered during the April 3 or December 4<sup>th</sup> “go-live” periods would have been impossible. The result was costs over-runs for phase I. The issues surrounding the procurement and filling of required FTEs also created additional stress to our existing staff. To correct this issue we must ensure that human resources is aware of the FTE requirements for phases II&III, the costs and risks associated with not filling these FTE positions and the impact to the outcomes associated with the SAP project.

**Future Items:**

- System version upgrade and patch management
- AMS - application management services
- GRC - Governance, Risk and Compliance

Funds for the initial phases of this project are available in the FY18 and FY19 budgets and will be requested in FY 20 budgets, subject to the final appropriation of funds.

Hear a status update from staff on the overall OneSAP Enterprise Resource Planning (ERP) program.