City of Burnaby

FINANCE AND CIVIC DEVELOPMENT COMMITTEE

HIS WORSHIP, THE MAYOR
AND COUNCILLORS

SUBJECT: 2011 BUSINESS SYSTEMS REPLACEMENT PROJECT

RECOMMENDATION:

1.   THAT Council bring down a Capital Reserves Expenditure Bylaw in the amount of $2,984,000 including 12% HST for the Business Systems Replacement Program.

REPORT

The Finance and Civic Development Committee, at its meeting held on 2011 March 24, received and adopted the *attached* report seeking funding approval for the City's Enterprise Business Application Systems implementation work. The work is provided for in the 2011 Provisional Budget.

Respectfully submitted,

Councillor D. Johnston
Chair

Councillor N. Volkow
Vice Chair

Councillor C. Jordan
Member

Copied to:	City Manager
	Deputy City Manager (C. Turpin)
	ERP Program Manager
	Chief Information Officer
	Director Finance
	City Solicitor

TO: CHAIR AND MEMBERS   **DATE:**   2011 March 17
         FINANCE AND CIVIC DEVELOPMENT
         COMMITTEE

FROM: DIRECTOR FINANCE   **FILE:**   1910 - 01
                                                                  Reference: *ERP Update*

SUBJECT: **2011 BUSINESS SYSTEMS REPLACEMENT PROJECT**

PURPOSE: To request capital funding in the amount of $2,984,000 for the City's Enterprise Business Application Systems implementation work.

RECOMMENDATION:

1. **THAT** Finance and Civic Development Committee request Council bring down a Capital Reserves Expenditure Bylaw in the amount of $2,984,000 including 12% HST for the Business Systems Replacement Program.

REPORT

1.0 BACKGROUND

The City has adopted SAP's Enterprise Business Application System to use a single technology for City core business applications. To continue to leverage this investment in 2011 a number of smaller business processes that will benefit from automation have been identified and a request for capital funding of this work is proposed.

2.0 2011 PROGRAM

It is proposed that the City's Business Systems Replacement Program have nine components, as discussed below:

     2.1 Engineering Facilities Management

This enables the allocation of budget and management of work performed on City buildings under the recently established Facilities Management division to ensure that assets and equipment in civic facilities are appropriately maintained and that the total cost of ownership can be accurately determined. Maintenance information will support condition assessments in

support of accounting practices for assets that are in service. For consistent reporting on City owned properties commonalities in terms of land and buildings with rental properties will be extended to civic buildings.

2.2 Parks Major Sport Fields

This enables the expansion of the Park's maintenance management capabilities to include sport fields so that staff can plan more effectively, schedule, track and systematically report on costs in the business unit.

2.3 Rental Properties and Revenue Processing

The remaining work will optimize the functionality and provide for online processing and retention of rental contracts and complete the integration with asset accounting for the related land and buildings. This will automate the updating of common data and improve usability of the system by enabling the electronic tracking of activities through the end to end business processes.

2.4 Business Intelligence Data Warehouse and Financial Reporting

With the implementation of revenue processing capabilities and the enablement of customer and property centric transaction processing and reporting it is necessary to access information from multiple viewpoints. This will require certain reports to be structured to be consistent with the additional information. In addition, the accumulation of data in the system resulting from transactions for processing assets, capital projects, properties and maintenance of facilities can now be represented in the Business Intelligence system for improved reporting. This enables the use of standard queries against the information thereby avoiding the need to build custom reports to meet business information needs.

2.5 Business Process and Data Modeling

This is for the purchase and implementation of software to document business processes and interrelationships of information. This supports the documentation of end-to-end business processes such as Procure to Pay. The new tools will assist streamlining and re-use of work effort on current and future system development activities.

2.6 HR Organization Structures

This enables improvement and expansion of the reporting structure to include supervisor relationships, develop printing capabilities, and streamline analysis of positions and FTE counts per business unit. An upgrade of the display capabilities along with the internal City Directory will provide improved options for reporting.

2.7   Purchasing System

This enables improvements to the procurement processes by enabling auxiliary staff to submit shopping carts, expand the use of web-enabled on-line vendor catalogues for improved accuracy in identifying purchase requirements and reduce in-house maintenance of catalogue information. Staff will have more time to focus on strategic sourcing by: automating the upload requirements for major contracts, providing auto-faxing of purchase orders, and the auto close-out of mass purchase orders after delivery to reduce year-end commitment management activities.

2.8   System Change Request and Control

This project provides for the tracking, approval and monitoring of all changes to business systems such as processing of payroll, procurement processing, reporting of financial results and general operational activities. By doing this there is more opportunity to minimize the impacts to business services and meet the audit requirements.

2.9   Annual System Upgrades

A number of systems upgrades are required annually to get improved functionality and to avoid additional maintenance support costs associated with outdated software. The improved functionality includes an upgrade to the web-enable online bill payment software identified for inclusion in the Virtual City Hall (VCH) project. A new look and feel for the portal will also be assessed for deployment subsequent to the initial rollout of the Virtual City Hall which is planned for this fall.

3.0   RECOMMENDATION

The work being proposed will contribute significantly to the business transformation initiative to modernize the City's business application systems and related business processes. It is recommended that a Capital Reserves Expenditure Bylaw in the amount of $2,984,000 be approved to provide funding for the projects described above. The funding estimate includes a 9% contingency amount and 12% HST. The work is provided for in the 2011 Provisional Budget.

Denise Jorgenson
DIRECTOR FINANCE

MS/DJ :ml

Copied to: City Manager
              Deputy City Manager (Chad Turpin)
              ERP Program Manager
              Chief Information Officer