

**COUNTY OF MILWAUKEE**  
**INTEROFFICE COMMUNICATION**

Date : November 28, 2017

To : Supervisor Theodore Lipscomb, Sr., Chairman, County Board of Supervisors

From : Scott B. Manske, Milwaukee County Comptroller  
 Kerry Mitchell, Chief Human Resources Officer, Department of Human Resources  
 Laurie Panella, CIO, Department of Administrative Services, Information Management Services Division

Subject: Request from the Executive Steering Committee (ESC) on Enterprise Platform Modernization Project (Capital Project WO602) for authorization to enter into contracts with Infor, Inc.; MHC Software, Inc.; Emphasys Computer Solutions, Inc. (dba Emphasys Software); and N. Harris Computer Corporation. **(REVISED REPORT)**

**REQUEST**

The Comptroller, the Chief Human Resources Officer of the Department of Human Resources and the Chief Information Officer of the Department of Administrative Services – Information Management Services Division, respectfully request authorization to execute contracts with Infor, Inc.; MHC Software, Inc.; Emphasys Software; and N. Harris Computer Corporation for the implementation and licensing of certain software and hardware to replace Milwaukee County’s current legacy Financial and Human Resource (HR) Systems. The terms and fees of these contracts are as follows:

**Enterprise Resource Planning (ERP) Solution Implementation:**

VENDOR	CONTRACT	TERM	TOTAL FEES
Infor, Inc. *	Exhibit 4: Software Services Agreement	Execution date till implementation of ERP Solution is complete (Expected to be complete by February 2020)	N.A.
	Exhibit 2: Services Work Order	Execution date till implementation of ERP Solution is complete (Expected to be complete by February 2020)	\$6,854,897.00

(\*) Comcentia, LLC, a local, certified Targeted Business Enterprise, has been subcontracted by Infor to assist with the overall implementation of the new ERP solution. Comcentia’s total participation is targeted for 10% of the total fees payable under this Software Services Agreement to Infor.

**Hardware, Software License and Support Services:**

<b>VENDOR</b>	<b>CONTRACT</b>	<b>TERM</b>	<b>ONE-TIME FEES</b>	<b>ANNUAL FEE</b>	<b>COLA</b>
Infor	Master Agreement	Execution date till termination	N.A.	N.A.	N.A.
	Exhibit 3: Subscription License and Services Agreement	Execution date till December 2022 (Option to thereafter renew for seven consecutive annual terms)	N.A.	Year 1: \$491,000.00 Year 2: \$888,550.00 Year 3-5: \$978,550.00 Annual subscription fees	Annual fee increase 3% for Years 6 to 10
	Exhibit 5: Software License Agreement	Execution date till termination	\$19,665.00 (payable in year 2)	N.A.	N.A.
	Exhibit 6: Software Support Agreement	Execution date till Dec 2022 (Option to thereafter renew for seven consecutive annual terms)	N.A.	Year 2: \$2,950.00 Annual maintenance fees	Annual fee increase Year 3 onwards 3%
	Exhibit 7: Hardware Agreement	Execution date till termination	\$127,822.50 (payable in Year 2)	Annual fees for advanced equipment replacement \$19,173.37	Annual fee increase Year 3 onwards 3%

VENDOR	CONTRACT	TERM	ONE-TIME FEES	ANNUAL FEE	COLA
MHC Software, Inc.	Software License Agreement	Execution date till termination	\$82,435.00 One-time license fee	Year 1: \$17,538.30 Annual maintenance fees	Annual fee increase Year 2 onwards 3%
Emphasys Software	Software License and Service Agreement	Execution date till termination	\$83,000.00 One-time license fees	Year 1: \$16,600.00 Annual maintenance fees	Annual fee increase Year 2 onwards 3%
N. Harris Computer Corporation	Software License and Support Agreement	Execution date till termination	\$177,750.00 One-time license fees	Year 1: \$44,438.00 Annual maintenance fees	Annual fee increase Year 2 onwards 3%

The contracts included in this request (shown in table above) will require funding in Year 1 of \$7,934,319 and in Year 2 of \$972,433. These contracts also anticipate annual support, maintenance, and subscription license and services costs starting at \$1,084,699 in Year 3, which will require annual appropriation.

The contracts will commence immediately upon execution in December 2017.

## BACKGROUND

In January, March and September of 2016, as well as January, April, May and July of 2017, we have submitted reports to the County Board regarding an initiative to replace two of the mission-critical software systems within the County - the Finance and HR Management systems. The Finance System, established in 1999, suffers from technical and functional limitations that put the County at risk. The HR System has numerous functional limitations, due to being mapped to old County processes from 2007. A Capital project - WO602 Enterprise Platform Modernization - was created not only to address the technical risks but also to optimize the current business processes.

Through a competitive bidding process, Plante Moran was awarded a contract to begin the WO602-Enterprise Platform Modernization project. Since September 2015, Plante Moran has worked with County Departments and Divisions to complete a Needs Assessment, which was reported to the Board in January, 2016. The Needs Assessment

focused on the County's core financial and HR operations as well as a technical review of the systems that support these functions.

That phase was followed by a Requirements Definition so that the County could identify what we need for both HR and Financial-related systems, before receiving bids for a new system. All County departments were invited to participate in Requirements Definition and Proposal Evaluation activities and active participants included the offices of DAS, MCDOT, House of Corrections, Behavioral Health Division, Office of the Sheriff, Office of the Comptroller, Human Resources, IMSD, Parks, DHHS, District Attorney, Medical Examiner and Zoo. Individuals from each of these areas are currently participating on the project as Lead Subject Matter Experts.

Additionally, an ESC and working Project Steering Committee were formed to provide oversight and management roles to ensure project controls, timelines, issues, and budgets are properly managed.

The next step was a Request for Proposal (RFP) development phase, so that the County could receive bids from financial and human resource software vendors. Working with Milwaukee County's Procurement Division, Plante Moran facilitated the RFP development, and a RFP # 98160018 was released by Milwaukee County on August 10, 2016. The proposal due date was September 26, 2016.

The Project Steering Team reviewed the RFP responses and narrowed the list of finalists down to three vendors who were brought in to demonstrate their product offering using a controlled and quality process.

Each vendor spent four full days demonstrating every script according to a predefined schedule. These scripts represented business processes that were not only compliant with County regulations, but written with future state best practices in mind across financial, position management, and procurement processes. Working with the Procurement Division, the sessions were managed so that no single vendor had a process advantage over another. Attendees included key users within each functional area who closely followed the sessions, taking notes and asking questions that furthered their understanding of a new solution. To date, more than 200 County employees have participated in this process and provided input.

A vendor finalist was then to be selected based on the following ranked criteria:

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| 1. Functionality                                   | 40% |
| 2. Initial investment and ongoing cost             | 25% |
| 3. Implementation approach                         | 20% |
| 4. Ongoing vendor support                          | 05% |
| 5. Technical capabilities                          | 05% |
| 6. Ability to deliver out of the box functionality | 05% |

## PROJECT STATUS

A thorough due diligence assessment has been completed by the ESC with assistance from Plante Moran, and a vendor finalist has been selected to replace our current legacy Financial and HR systems. Based on proposals and vendor demonstrations, due diligence documents, reference checks conducted and scores on evaluation criteria, the committee has determined Infor to be the clear winner of the proposal process.

Infor is one of the five largest software and solution providers in the world and employs thousands of technical experts across the globe who will now be available to the County as it begins kick-off and implementation of the new Finance and HR Management systems. The expectation is that Infor will help the County adhere to best practice processes and improve efficiency and effectiveness within these operational areas.

Infor, in their proposal, has partnered with three vendors (MHC Software, Inc., Emphasys Software; and N. Harris Software Corporation to provide the full suite of applications to meet the County's Financial and HR needs. The suite of 3<sup>rd</sup> party applications and their purpose are as follows:

<b>Vendor</b>	<b>Application</b>	<b>Purpose</b>
MHC Software, Inc.	Document Express	Forms Processing
N. Harris Computer Corporation	iNovah	Cash Receipting
Emphasys Software	Sympro	Debt and Investment Management

In July 2017, the Finance and Audit Committee and County Board (File 17-507) authorized the ESC to negotiate with Infor and its partnering vendors and required that the ESC return to the Committee with the final negotiated contract(s) for review and approval.

The ESC now seeks authority from the County Board to enter into contracts with Infor and the above-mentioned vendors for the implementation and licensing of certain software and hardware for the new ERP system. The project will begin with the implementation of the Finance modules and will be followed by the HR module.

The ESC will provide further updates as these phases of the project progress.

## OVERALL COST

The overall project cost is expected to be \$22 million. Costs include implementation of the Financial and HR suite of applications, development, integration, data conversion, decommissioning of legacy systems, contingency, and annual license as well as back-fill of County project personal and technology support services.

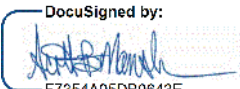
This project will provide savings resulting from eliminating hardware, software and maintenance costs currently required to operate the existing Financial, Payroll and HR Systems. The \$22 million investment is estimated to be recovered after five years (2023).

## RECOMMENDATION

The Comptroller, the Chief Human Resources Officer of the Department of Human Resources and the Chief Information Officer of the Department of Administrative Services – Information Management Services Division respectfully request the authority to execute contracts with Infor, MHC Software, Inc., Emphasys Software and N. Harris Software Corporation for implementation services as well as annual licensing and ongoing support and maintenance in order to replace the County's current legacy Finance and HR Management systems.

## FISCAL IMPACT

A fiscal note is attached.

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Scott B. Manske  
Milwaukee County Comptroller

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Laurie Panella, CIO  
Department of Administrative Services  
Information Mgmt. Services Division

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Kerry Mitchell, Chief Human Resource Officer  
Department of Human Resources

cc: County Executive Chris Abele  
Supervisor Peggy West, Chairperson, Finance and Audit Committee  
Sheldon Wasserman, Vice Chairperson, Finance and Audit Committee  
Raisa Koltun, Chief of Staff, County Executive  
Kelly Bablitch, Chief of Staff, County Board of Supervisors  
Teig Whaley-Smith, Director, Department of Administrative Services  
Steve Cady, Research & Policy Director, Comptroller's Office  
Janelle Jensen, Legislative Services Division Manager, Office of the County Clerk  
Michelle Nate, Deputy Comptroller  
Lacey Oldenburg, Project Management Office Director, IMSD  
Pamela Bryant, Capital Finance Manager, Comptroller's Office  
Justin Rodriguez, Budget and Management Coordinator, Comptroller's Office  
Vince Masterson, Capital Budget Coordinator, Performance, Strategy, and Budget  
Mike Riffel, Project Manager, Plante Moran