

**COUNTY OF MILWAUKEE**  
INTEROFFICE COMMUNICATION

Date : June 23, 2017

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

From : Steven R. Kreklow, Director, Office of Performance, Strategy & Budget  
Scott Manske, Comptroller  
Kerry Mitchell, Chief Human Resources Officer  
Laurie Panella, Chief Information Officer

Subject: Report from The Executive Steering Committee on Enterprise Platform Modernization (Capital Project WO602) and request for authorization to enter into an agreement with Infor

**BACKGROUND**

In January, March and September of 2016, as well as January 2017, we have submitted reports to the County Board on an initiative to replace two of the mission-critical software systems within the County - the Finance and Human Resource Management systems. The Finance System, implemented in 1999, suffers from technical and functional limitations that put the County at risk. The Human Resource System has certain functional limitations, due to being configured around County processes from 2007. A Capital project - WO602 Enterprise Platform Modernization - was created not only to address the technical risks inherent with these legacy systems but also to analyze ways to optimize the current County business processes.

Through a competitive bidding process, Plante Moran was awarded a contract to begin the WO602-Enterprise Platform Modernization ERP feasibility study. Since September 2015, they have 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, a technical review of the systems that support these functions, and examination of the costs and benefits of the options available to the County. That phase was followed by a Requirements Definition so that the County could identify what it wants for both HR and Financial-related systems before receiving bids for a new system. 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.

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 Executive Steering Committee and working Project Steering Committee exist in oversight and management roles to ensure project controls, timelines, issues, and budgets are properly managed.

A representation of the steering committees is documented below.

### **Executive Steering Committee**

Steven Kreklow, Director, PSB  
Kerry Mitchell, CHRO  
Laurie Panella, CIO, DAS  
Scott Manske, Comptroller  
Michelle Nate, Deputy Comptroller

### **Project Steering Committee**

Paul McAllister, Application Architect, IMSD  
Michael Blickhahn, Dir of Comp/HRIS  
Mathew Hanchek, Dir of Benefits/HR Metrics  
Randy Oleszak, Fiscal Admin, BHD  
William Lethlean, Fiscal Admin, Sheriff  
Susan Drummond, Payroll Manager  
June Jackson, Fiscal Ops, HOC  
James Martin, Dir of Admin, MCDOT  
Michelle Nate, Deputy Comptroller

In October 2016, twelve vendor responses were received of which four did not meet the minimum requirements documented in the RFP and were deemed non-responsive. The remaining eight vendors provided solutions focused on addressing the majority of the County's functional and implementation requirements. 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 team 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, talent management, position tracking and procurement processes. Working with the Contract Procurement team, 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.

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

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

### **PROJECT STATUS**

A thorough due diligence assessment has been completed by The Executive Steering Committee with assistance from Plante Moran, and a vendor finalist has been selected to replace our current legacy Financial and Human Resource 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.

As part of the proposed Infor solution, separately licensed third-party vendors (subcontractors) have been identified and will be included in the contract to ensure all essential business processes defined in the scope of work are implemented. These vendors are MHC Document & Image Express, BSI Tax Factory, iNovah Revenue Management and Sympro. The project also had a Disadvantaged Business Enterprise (DBE) requirement. Comcentia, LLC, an IT Firm and certified DBE will partner with Infor or one of the above mentioned subcontractors on the project.

In the 2017 Capital Improvements Budget, \$8,034,125 was appropriated for construction and implementation on the project and \$16,392,375 was budgeted in the five year plan. The agreement with Infor and its subcontractors to implement the fully integrated ERP system will have a one-time cost in 2017 of approximately \$7,800,000.

The overall expectation is that Infor will help the County adhere to best practice processes and improve efficiency and effectiveness within the areas of Finance and Human Resource Management. Infor 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 Human Resource Management systems.

Contract negotiations with Infor and project preparation activities are expected to be completed before the end of 2017. We are working towards a January, 2018 kick-off. The overall project timeline is listed below:

2015	2016				2017				2018				2019			
Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Needs Assessment	RFP Development		Vendor Short List	Demos	Final Selection, Negotiation and Project Prep				Financials Implementation				HR Implementation			

- **Needs Assessment** – Evaluation and documentation of current state
- **RFP Development** – Documentation of future state requirements and development and publication of formal RFP
- **Vendor Selection and Negotiation** – Review and score proposals, conduct product demonstrations, and negotiate contract
  - Script Development: Documented detailed functional and non-functional scripts
  - Vendor Pre-Bid: Pre-bid conferences open to all vendors to ask questions related to the RFP
  - Proposals Due: Final date to have vendors send in their responses to the RFP
  - Vendor Demos: Scripted demonstrations of key functional processes for every HR and Finance process
  - Due Diligence: Formal background checking and customer referral validation
  - Final Selection: Objective scored results of all evaluations
  - Negotiations: Price, timeline, and content negotiations with selected vendor
  - Project Preparation: Formalizing and preparing for the Implementation
  - Start Project: Kick off date for the implementation
- **Implementation** – The installation, configuration, data conversion, interface development, testing, and training for the new ERP system

## **NEXT STEPS**

Having determined a vendor finalist that best meets the established goals of the project and the needs of the County, The Executive Steering Committee now seeks authority from the County Board to enter into an agreement with Infor to install and configure the new software, perform data conversion and interface development, and provide testing and training for the new ERP system. This contract amount will be \$7,800,000 in 2017 as well as \$1,200,000 for 2018 ongoing maintenance, for a total amount not to exceed \$9,000,000.

The five year plan for the project also includes funding for additional needs such as project management, change management, hardware, backfill for project team staffing, audit, and project contingency. The Executive Steering Committee will provide further updates and requests to the Board as these needs for the project emerge.

## **RECOMMENDATION**

It is respectfully requested that the County Board of Supervisors authorizes The Executive Steering Committee to negotiate and enter into a contract with Infor and its subcontractors to replace the County's current legacy Finance and Human Resource Management systems.

## **FISCAL IMPACT**

The contract agreement with Infor and its subcontractors is not to exceed an amount of \$9,000,000. A fiscal note form is attached.



Steven R. Kreklow, Project Sponsor  
Director of Performance, Strategy, and Budget, DAS

cc: County Executive Chris Abele  
Supervisor Theo Lipscomb, Chairman, County Board of Supervisors  
Sheldon Wasserman, Vice Chair, Finance and Audit Committee  
Raisa Koltun, Chief of Staff, County Executive  
Kelly Bablitch, Chief of Staff, County Board of Supervisors  
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