El Dorado County

ERP System Implementation
Project Charter

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1 INTRODUCTION

1.1 BACKGROUND

El Dorado County has been in need of replacing the payroll/financial since about 2005. With the backing of the Board of Supervisors and the support of the Executive Sponsor Team, El Dorado County has been provided with a number of new opportunities to grow and develop. While much of the guidelines and government accounting rules dictate the way in which El Dorado County operates, the introduction of a new Enterprise Resource Planning (ERP) system will allow new innovative ways to expedite processes, provide transparency, and improve efficiencies.

For the past 15 months, El Dorado County has done its due diligent in selecting an ERP vendor. Subject Matter Experts (SME) throughout the County have sat through demonstrations from multiple vendors. On April 3, 2012, the Board of Supervisors gave approval to release a Request for Proposal (RFP) for an ERP solution and on April 4, 2012, the County released the RFP. The RF? closed May 21, 2012 with 11 vendors submitting proposals. The RFP Selection Committee consisting of eight members conducted a detailed analysis of the 11 proposals. On June 8, 2012, the selection committee voted to move three vendor proposals to phase three in accordance with the RFP. On August 8, 2012, the Selection Committee met and voted to move 2 vendors to Level 4 of the RFP process based on; SME input, public sector experience, demonstrations, implementation strategies, and cost. After discovery sessions and final demonstrations by the final two vendors, El Dorado County entered into contract negotiations with Tyler Technologies. On March 26, 2013, El Dorado County signed a contract with Tyler Technologies as a partner to implement a new ERP solution.

1.2 PROJECT GOAL AND OBJECTIVES

1.2.1 PROJECT GOAL

The project goal is the implementation of an ERP system that will replace the County's current Financial, Payroll, Human Resources systems.

1.2.2 PROJECT OBJECTIVES

Within the overall goal as stated above, the following objectives have been identified:

1. Modify existing County workflow to incorporate the implementation of a new ERP solution, ensuring continuity among all departments within the County to achieve workflow efficiency, consistency, and transparency.
2. Implement business intelligence tools to support data driven decision making;
3. Continuously improve El Dorado County's business processes;
4. Reduce the number of shadow systems developed and maintained by individual departments;
5. Lower IT costs and other operating expenses throughout the County.

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1.2.3 BUSINESS DRIVERS

Business drivers representing user expectations of the ERP system are summarized as follows:

1. Offer easy-to-use reporting and interactive query tools to facilitate the management of information, including decision-support, managerial, costing and commitment information.

2. Optimize the fully integrated ERP system to:
   - Facilitate the sharing of information between the closely intertwined operational areas (e.g., Financial, Human Resources, and Payroll)
   - Provide integration capabilities between the core ERP system and other third party system solutions (e.g., Envision, M204, NeoGov, etc.)
   - Support the capturing of data at point-of-entry to minimize data duplication and redundancy

3. Improve operational efficiency through:
   - Self-Service options for all county employees and vendors;
   - More integrated workflow (i.e., End-to-End);
   - Automated processes, reducing error-prone manual processes;
   - Less paperwork or paper flows;
   - Use of best practices.

4. Provide the capability to enforce varying acceptable levels of security over data, functions and processes within the system.

5. Provide flexibility allowing El Dorado County to easily modify or develop functionalities to correspond with changing conditions, for example, changes in GASB requirements and MOU changes with bargaining units.

1.3 PROJECT SCOPE

The following represents the recommended project scope:

Replacement of:

1. Financials

2. Payroll

3. HR Management

4. Contract Management

5. County-wide cashiering system

6. Business Licenses

Detailed components of the Project Scope are contained within the Project Plan and functional requirements.

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1.4   APPROACH

The overall project approach is summarized as follows:

1.   Executive Sponsor Committee will provide overall project direction and resolve strategic issues.

2.   The Project Manager will meet regularly with the Executive Sponsor Committee to monitor project progress, review project deliverables, approve work products, resolve project delays and remove project barriers.

3.   The Project Manager will assign project tasks to the responsible work group(s) or functional leader, with established target dates and deliverables. Each work group will be comprised of respective functional leaders and department SME.

1.5 DELIVERABLES

The major deliverables for the ERP System Implementation Project includes:

1.   **System Implementation.** Successfully implement the MUNIS solution as prescribed in the project scope.

2.   **Business Process Improvement.** Develop business processes to optimize the system functionality while improving County efficiency and control.

3.   **Training.** Facilitate knowledge transfer to the designated super users (train the trainer) so they can be better equipped to:
     a. Provide application support
     b. Conduct acceptance testing of upgrades or new releases
     c. Provide on-going training of new users or refresher training of existing novice users.

1.6   CONSTRAINTS AND LIMITATIONS

The following risk factors may impose significant constraints and limitations on the direction and activities to be undertaken and may affect the ultimate timing and final delivery of the project:

> **Expectations** If not properly managed the expectations could create significant barriers to the successful implementation of the project.
>
> **Project Scope**. The scope and size of the project represents significant risk exposures.
>
> **Timeline**. The tight time schedule may present significant challenges to provide an end-to-end solution in the initial implementation phases.
>
> **Workload**. The demand on key personnel within each department may pose significant risk given that the project schedule may conflict with peak workload periods.
>
> **Training**. Training of the County staff requires significant time and resource commitments.
>
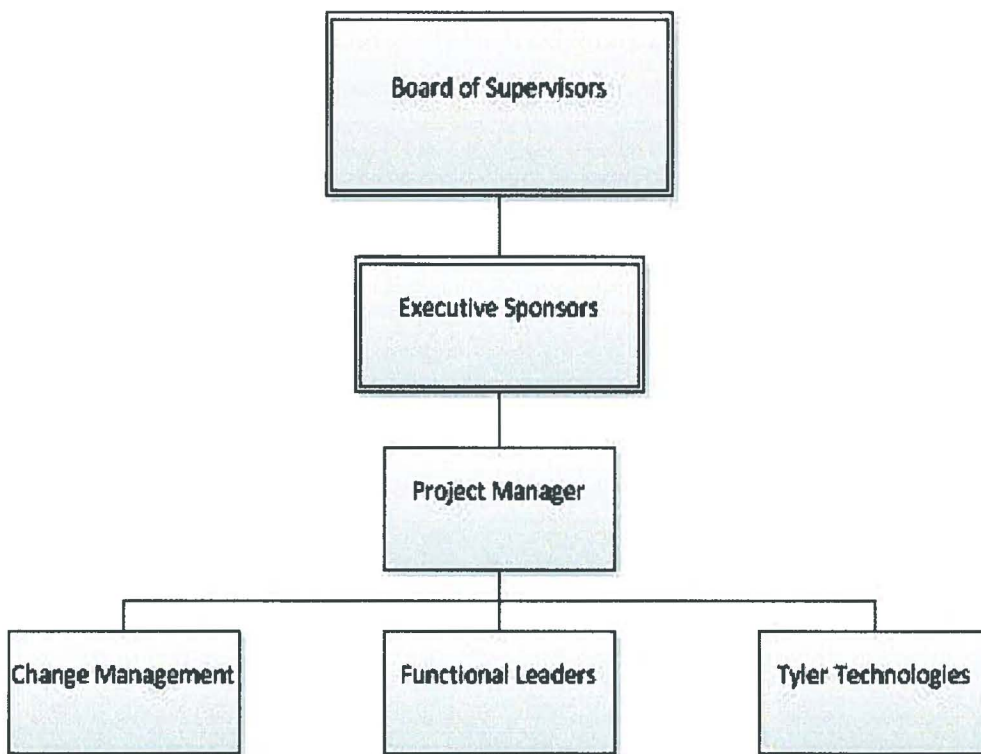> **Cost**. Significant political risks if the project runs over budget.

Risk is defined as any factor that may potentially interfere with successful completion of the project. Risks are inherent in any project; therefore, it is important for El Dorado County to develop risk mitigation strategies that would serve to minimize the organization's exposures to any of the risk factors.

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2   PROJECT STRUCTURE

2.1   PROJECT ORGANIZATION

2.1.1   PROJECT STRUCTURE

The following is the project organization designed to support the implementation of the ERP System.

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                    │ Board of Supervisors│
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                    ┌──────────┴──────────┐
                    │ Executive Sponsors  │
                    └──────────┬──────────┘
                               │
                    ┌──────────┴──────────┐
                    │   Project Manager   │
                    └──────────┬──────────┘
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   ┌────────┴────────┐ ┌───────┴────────┐ ┌────────┴─────────┐
   │Change Management│ │Functional Leaders│ │Tyler Technologies│
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2.1.2 ROLES AND RESPONSIBILITIES

The following section describes the roles and responsibilities of each key individual or group within the project organization.

Executive Sponsor:

- Provide strategic direction for the project.
- Obtain funding approval for the project.
- Review project expenses.
- Ensure on-going commitment throughout the project.
- Work with the Project Manager to facilitate timely decisions.

Project Manager:

- Establish the overall direction of the project.
- Ensure the availability of appropriate resources.
- Provide decision support.
- Provide management support to the project team.
- With Tyler, develop, implement, maintain, and update the master Project Plan.
- Monitor project tasks to ensure the timely delivery of work products.
- Project management activities include: (1) Project Control, (2) Project Planning, (3) Status Reporting, (4) Issue Management, (5) Change Management, (6) Risk Management, and (7) Quality Management.

Tyler Technologies:

- Tyler Technologies will work with the Project Manager to ensure the successful implementation of the ERP System suite of applications.
- Participate in the project management process.
- Assist the County with the review and analysis of business processes and the identifying/resolving of system and/or process issues.
- Provide advice and direction on system set-up.
- Provide functional users with formal training of pertinent functions before performing User acceptance testing and before the scheduled "Go Live" of each application module.
- Provide super users (Train the trainers) with advanced training to facilitate knowledge transfer process.

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Functional Leader.

- Coordination of a team who will assist with the set-up of the individual module specific to his/her area of expertise. (e.g. Purchasing, Human Resources, Financial, etc.).
- As part of the communication plan, meeting minutes will be taken by the functional leader and provided to the Project Manager within three business days after the conclusion of the meeting.
- Referring to legislation, County policy, State and Federal requirements, bargaining unit agreements etc. related to his/her area of responsibility to incorporate into the set-up of the module.
- Participation in the development of any interface requirements.
- Assist with coordinating user acceptance testing for the application modules for which he/she is the functional leader. User acceptance testing includes developing test cases, testing application functions, comparing test results and resolving discrepancies.
- Coordinate/perform workflow analysis.
- Assist with the coordination of training for end users of specific application functions upon the deployment of the application.

2.2 PROJECT MANAGEMENT

2.2.1 STATUS REPORTING

The Project Manager will conduct weekly progress reviews and prepare monthly status reports for presentation to the Board of Supervisors. The progress reviews will cover technical, schedule related and resource aspects of the project. Status reports will focus on the accomplishments for the current month and the identification and resolution of project issues.

2.2.2 CHANGE MANAGEMENT

The Change Management Process provides a mechanism to manage request for changes to any project deliverables, including project scope and schedule. This process allows for change during the project's life cycle but always puts in the context of the latest project plan between the project team and management and, in the case of the contractors, as contractually agreed to. The following change control procedures consists of a series of steps that allows change to be identified, evaluated, priced and tracked through closure.

1. Change requests must be submitted, with a pre-designed change request form, to the Project Manager for review.

2. Once accepted as valid, the Project Manager must submit change requests to the Executive Sponsor Committee for approval.

3. The Project Manager must refine the project plan to incorporate tasks and activities resulting from any approved changes.

4. The designated Project Manager must record all change requests and update the Change Request Log to reflect the status of each change request.

5. The designated Project Manager must log any minor changes (i.e., low impact on costs or time schedule) and circulate them for information.

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2.3 PROJECT COMMUNICATION MANAGMENT

Project Communication Management includes processes required to ensure timely and appropriate delivery of project information. These communication processes provide essential links among people, ideas and information that are critical to the successful completion of the project. An updated project plan will be made available for view to all interested parties throughout the County.

Challenges

The complicated nature of an ERP System implementation suggests a high need for change management and constant, effective communication of project details and milestones. Communication channels must be established early and supported throughout the life of the project. The main challenges faced in creating an effective communications strategy are:

1. Maintaining communication with El Dorado County off-site departments

2. Ensure department heads stay positive and supportive

3. Getting and maintaining employee buy-in throughout all departments

4. Incorporating lessons learned from previous system implementations

5. Delivering and communicating early wins

2.4 PROJECT INVESTMENT

Project Budget

The implementation of a new ERP system has multiple cost requirements. On March 26, 2013, the Board of Supervisors approved a budget of 5.6 million dollars for the implementation of the ERP system. A summary of the project cost is in the chart below. Refer to the Tyler Technologies contract, Exhibit 1 Investment Summary, which provides a detailed cost breakdown of the implementation.

ERP Project Cost		
Description		**Total Cost**
Tyler Technologies "Not to Exceed" Implementation Contract		$2,613,377.00
Hardware	$60,000.00	
Data Center Server 2012 License and CAL	$7,500.00	
SQL 2012 License and CAL	$20,000.00	
Microsoft Web Connector	$1,400.00	
Backup / Disaster Recovery Software	$70,000.00	
Total Software / Hardware Cost		$158,900.00
Additional Resources (Limited Term Employees, Contracted employees, Stipends, other project costs)		$2,827,723.00
	Total Project Budget	**$5,600,000**

5 Year Cost of Ownership

Maintenance:

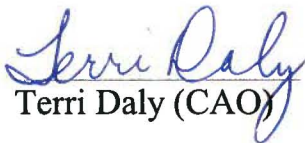| Estimated Five (5) Year Maintenance	MUNIS Software	3rd Party Maintenance
Year 1	$0.00	$9,250.00
Year 2	$198,721.00	$9,713.00
Year 3	$204,682.63	$10,198.00
Year 4	$210,823.11	$10,708.00
Year 5	$219,256.03	$11,243.00
Sub Total	$833,482.77	$51,112.00
Total for 5 Year		$884,594.77

Total 5-year cost of ownership hardware and software $3,656,871.77 (If Total Additional Resources are added $6,484,594.77)

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Approving Authorities

Chair of the Board of Supervisors

Ron Briggs (District 4)

Executive Sponsor Team

Terri Daly (CAO)   Joe Harn (Auditor)   Vern Pierson (District Attorney)