

INTEROFFICE MEMORANDUM

June 10, 2013

MEMO TO: J. Russell Allen
City Manager

FROM: Ben Canada
Capital Improvement Program Manager

SUBJECT: Budget Note 40 – Project Budget for PeopleSoft Maintenance Upgrade

This memorandum responds to Council’s request for more information on the PeopleSoft Maintenance Upgrade, which is funded in the proposed five-year capital improvement program (CIP). Specifically, Council requested information on the project’s budget.

Two broad steps determine the funding schedule for all projects in the Technology CIP. First, project staff develop a timeline and determine when funding is needed. Second, based on the Information Resource Management Committee’s priorities, staff programs the available revenues to accommodate as many projects as possible. Funding for technology projects is generally spread over two or more years to accommodate more projects.

There is currently about \$509,000 available for the upgrade project, and the proposed CIP programs \$3 million over the next three fiscal years. This total budget of \$3.5 M is an estimate based on vendor responses to a request for information, as well as surveys of other organizations using the PeopleSoft system. During FY2014, staff will prioritize needs, refine the scope, and create a detailed project budget. The table below summarizes the work to be performed with the programmed funding. Any proposed changes to this project budget will be incorporated into future capital budgets and coordinated with other city technology projects.

	FY 2014 Planning and Readiness	FY 2015 Implementation	FY2016 Completion
Project Steps	<ul style="list-style-type: none"> • Hire project manager • Hire subject matter consultants needed for specific areas, such as human resources, inventory, and others • Analyze business processes for potential improvements • Prioritize needs • Refine scope • Train city staff 	<ul style="list-style-type: none"> • Upgrade individual pieces of the ERP, including Financials, Human Resources, Payroll, Budget 	<ul style="list-style-type: none"> • Complete upgrade and remaining tasks • Evaluate project strengths and weaknesses • Ensure all business processes accurately documented for future upgrade
Programmed Budget	\$1,508,975 (\$508,975 in existing budget, plus \$1,000,000 in FY14 CIP)	\$1,000,000	\$1,000,000

Attached is a “value proposition” paper staff created to summarize how the upgrade benefits the city.

PeopleSoft Center of Excellence PeopleSoft 9.2 Upgrade

The scope for this initiative is to upgrade the PeopleSoft Financials (FSCM), Human Resources and Payroll (HCM), Budgeting (EPM), and Portal to operate together at the PeopleSoft Version 9.2 level.

As described below, Version 9.2 provides extensive benefits to the City in terms of upgraded functionality, more efficient and effective features, and ease of maintenance. Moreover, the current extended maintenance support offered by Oracle on the City's existing Version 9.0 is scheduled to end in Fiscal Year 2015. The City's failure to upgrade our system by that time would likely result in higher costs for maintenance support as well as potentially exposing the City to risks associated with less active maintenance support from Oracle. Best practice technology support includes regular upgrades to ensure quality maintenance as well as to benefit from continued enhancements to the product.

Description of Version 9.2 Benefits:

Simplicity, Productivity, and Lower Total Cost of Ownership, as well as new application functionality, are the design principles introduced by Oracle in PeopleSoft 9.2. The Upgrade to Version 9.2 will allow the City to take advantage of these innovations, value-added features, and the ability to selectively apply enhancements or fixes from within maintenance releases.

Delivering greater simplicity will enable casual users to leverage the PeopleSoft applications more effectively, while remaining focused on their primary job function. New concepts such as those listed below allow users to quickly find the information they need and to act upon it:

- Activity Guides to help navigate the system
- Train Stop visualizations that layout steps in a process
- Related Actions which enable users to take actions relevant to the screen they are on
- Embedded Help to understand what needs to be done next
- A powerful Enterprise Search function

Self-service applications with intuitive process flows and an internet-like experience reduce end-user training needs and minimize help desk requests.

Oracle's Secure Enterprise Search will provide a Google-like search capability across multiple PeopleSoft menus for quick retrieval of data, providing an efficient approach to navigation and data entry actions. Stepping through a number of menus to find and act on data is no longer the only way to work.

Business users will improve productivity and run business transactions more efficiently using Work Centers which have the capability to focus on daily tasks from a single page. Work Centers combine transactions, analytics, workflow, notifications, and reports into a framework tailored for each type of user. Presenting work to be done for the more advanced users in a single view and eliminating the search for tasks that need attention will increase user job effectiveness.

Support for mobile devices, which includes any tablet or smartphone platform that supports HTML5, will allow City users to approve purchases or expenses while out of the office and to access information formatted specifically for mobile devices.

Real-time, multi-dimensional decision support analysis is available with Pivot Grids, providing users rapid access to information, and enabling them to quickly and easily view the detail behind data presented in a chart or grid, and to take necessary actions.

Introduced with Version 9.2, the PeopleSoft Update Manager is a revolutionary change in the delivery of software updates, fixes, and enhancements. This tool will reduce the time, effort, and cost of application maintenance. The City will now have the ability to select which fixes and features are beneficial and apply a custom change package. The cost and time required to stay current on the software has been significantly reduced.

With Version 9.2, other enhancements and improvements are introduced in Approval Workflow, Financial Audit Trail, Document Attachments, and Supplier Onboarding.

The PeopleSoft 9.2 Upgrade also positions the City to take advantage of new functionality as it is introduced. Additionally, the upgrade gives the City an up-to-date foundation upon which new PeopleSoft modules such as Project Costing and Grants can be implemented and with which upcoming enterprise applications such as Cityworks and Land Management can be integrated.