Consolidated Review of Software Requirements

City of Loveland

JULY 25, 2017

BILL WESTBROOK • IT DIRECTOR
BRENT WORTHINGTON • FINANCE DIRECTOR
BRETT LIMBAUGH • DEVELOPMENT SERVICES DIRECTOR
JULIA HOLLAND • HUMAN RESOURCES DIRECTOR

Attachment 2
AGENDA
Council Study Session – July 25, 2018

- Introduction – Westbrook
- Customer Information System – Worthington
- Development Services – Limbaugh
- Human Resources Information System – Holland
- Summary - Westbrook
At the January 2017 Advance, City Council requested a future study session to:

- Discuss requested information management systems including:
  - Development Services
  - Human Resources
  - Utility Billing (CIS)
- Possible integrations
- Strategic plan identification
- Identify cost benefits and service improvements of new systems
- Funding requirements
Information Technology Strategic Plan - 2014
- Conduct needs assessments for Department specific application upgrades or replacements
- Lack of functionality the Customer Information System has created:
  - manual processes
  - limited improvements to business processes
  - Limited internal and public access to information
  - Time entry process is largely manual and paper-based

Water & Power Utilities Information Technology Roadmap – 2016
- Replace HTE CIS with a current state-of-the-art solution
## ACQUISITION COSTS

<table>
<thead>
<tr>
<th>Application</th>
<th>Original Vendor</th>
<th>Original Purchase Cost</th>
<th>Original Purchase Date</th>
<th>Current Vendor</th>
<th>Current Purchase Cost</th>
<th>Current Purchase Date</th>
<th>Annual Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Permits &amp; Planning</td>
<td>H.T.E.</td>
<td>$20,000</td>
<td>1989</td>
<td>Harris ERP / Innoprise</td>
<td>Licenses included with support</td>
<td>2010</td>
<td>$30,350</td>
</tr>
<tr>
<td>Payroll/ Personnel</td>
<td>H.T.E.</td>
<td>$12,500</td>
<td>1989</td>
<td>Harris ERP / Innoprise</td>
<td>Licenses included with support</td>
<td>2014</td>
<td>$16,774</td>
</tr>
<tr>
<td>HR Applicant Tracking</td>
<td>NEOGOV</td>
<td>$5,000</td>
<td>2010</td>
<td>NEOGOV (INSIGHT)</td>
<td>Licenses included with support</td>
<td>2017</td>
<td>$10,988</td>
</tr>
<tr>
<td>HR Performance Evaluation</td>
<td>NEOGOV</td>
<td>$5,000</td>
<td>2012</td>
<td>NEOGOV (PERFORM)</td>
<td>Licenses included with support</td>
<td>2017</td>
<td>$12,595</td>
</tr>
<tr>
<td>COL – University LMS</td>
<td>BizLibrary</td>
<td>$27,585</td>
<td>2014</td>
<td>BizLibrary</td>
<td>Licenses Included with support</td>
<td>2017</td>
<td>$30,527</td>
</tr>
</tbody>
</table>

Attachment 2
Currently use SunGard H.T.E., implemented in 1989

It will provide:

- An improved communication and management application
- Increased customer satisfaction
- Increased employee productivity and efficiency
- Production of all utility bills
- Capture of all payments
<table>
<thead>
<tr>
<th>Utility</th>
<th>Estes Park</th>
<th>Fort Collins</th>
<th>Longmont</th>
<th>Loveland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Wastewater</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Water</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Solid Waste – Refuse</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Solid Waste – Recycling</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Solid Waste – Yard Waste</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Storm Drainage</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Mosquito Control</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Street Maintenance</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

- Estes Park – staying with H.T.E.
- Fort Collins – uses Hansen hosted by PRPA, issuing an RFP with a target date of the end of 2018, estimated cost of $6.8 million and an additional 8 FTEs for backfilling of positions for the implementation cycle
- Longmont – uses Hansen hosted by PRPA (a more current version than Fort Collins), issuing an RFP in early 2019, estimated cost of $6 million
- Loveland – RFP was issued on July 11, 2017 with deadline of September 14th, estimated cost of $6.027 million
Reasons for CIS Replacement

- Current billing software is "green screen"
- Support is no longer available from H.T.E.
- IBM support will end within three to four years
- Provide staff an application that is flexible to meet the City’s customer service needs
- Eliminate manual workarounds
- Provide customers the ability to:
  - Choose electronic billing
  - Make real time payments via ACH, debit card, and/or credit card
  - Use a self-service portal for payments, inquiries, connect/disconnect
Reasons for CIS Replacement

- Better offerings for renewable energy and efficiency programs
- Increased integration and interfaces with existing City applications
- Allow for reporting by user, decrease dependence on UB or IT
- Straightforward approach to budget billing
- User friendly for both the dedicated and occasional user
- Needed CSR tools for billing analysis
- Ability to customize all bills (paper or electronic)
Risk of NOT Replacing CIS

- Sudden inability to produce bills due to unsupported software and outdated hardware (System Crash)
- Manual processes must continue
- Limited ability to interface and use more modern software
- Limited two-way customer communication tools (texting, email, web-portal, social media, chatting, etc.)
- Electronic bill presentment will not be available; electronic bill pay limited
- Inability to support future advanced metering initiatives
Funding Status

- **CIS**
  - $6,047,250 - 2018 budget consideration
  - Funded 99% by the Enterprise Utility funds
  - Water & Power’s fiscal impact will be reviewed with future cost of service studies:
    - 2018 for Water/Wastewater
    - 2019 for Power
  - Solid Waste anticipates a small increase per household in addition to their already planned base rate increase for 2018
  - Stormwater, Street Maintenance, and Mosquito Control do not anticipate rate increases
Questions?
Request for Building Permit and Planning Application Software

AGENDA:

• Development Center primary functions & existing software.
• Identified gaps of existing software.
• Best practices and expectations.
• Cost, Funding Source, and Timing.
Development Center Primary Functions and Existing Software

Multi-departmental review agency for building, engineering and planning documents. Includes representatives from several City Departments and Divisions:

- Development Services Department: Building, Current Planning, Community & Strategic Planning
- Economic Development Department
- Public Works: Engineering, Transportation
- Fire Authority
- Water & Power Department
- Parks Department

Coordinate the review, revision, and approval documents using Innoprise software as the primary database for tracking items through the development review process.

Time is money.
Benjamin Franklin
Top 6 Innoprise Inefficiencies for the Development Center

1. Does not store all of our project information within it and requires multiple data bases.

2. Not linked to GIS, Municipal Code or Larimer County Assessor records.

3. Does not generate reports and is difficult for staff and public to use

4. Contractors must use Citizen Access to check permit and inspection status

5. Requires duplicate entries and does not auto-populate data entry fields

6. Does not allow multiple inspections to be scheduled nor individual Code enforcement issues to cleared once abated

Attachment 2
Best Practices and Expectations

Consolidation of property record information into a single database.

Simplification of general research for staff and for open records request processes.

Automation of permit and Application Submittal and payment.

Ability to schedule multiple inspections within a single screen using pull down menus

Just in time updates for permits, Building inspection results, and code enforcement actions.

Elimination of duplicate data entry and automatic data field entries.

Report Generation and “Dash Board” items for Budgeting and Transparency.

Property record and GIS Mapping linkages.

Property record and municipal code linkages.

Citizen Expectations in the Web Based world.
Cost, Funding Source, and Timing

Request funding for 2018 budget.

RFP process to select qualified vendor.
Price varies between vendors $265K - $550K plus 10% annual maintenance

Initial funding source is the General Fund

Backfill to General Fund and ongoing maintenance funding from new permits

Implementation process would require 12 – 18 months
Questions?
Human Resource Management System
Savings, Service, and Strategy
Objective

Implement an integrated human resource management system (HRMS) to reduce costs, leverage current resources (staff, time, and money) and improve service.

- Human Resource Management System (HRMS) is an integrated system used to gather, store, analyze and distribute information regarding an organization’s human capital:
  - Reduce administrative processing costs
  - Increase efficiencies, productivity and data integrity
  - Provide employee and manager self-service capability
  - Improve value-added knowledge from analytics
  - Support the organizations needs and strategy resulting in higher level service internally and externally
Existing Technology

- Separate and autonomous systems
  - Innoprise (Payroll)
  - H.T.E./AS400 (Historic personnel information)
  - Hummingbird (Records retention)
  - Employee Navigator (Limited benefits portal)
  - Neogov – Insight (Applicant tracking)
  - Neogov – PE (Performance evaluation/management)
  - BizLibrary/COL-University (Learning management system)
Current Technology Challenges

- Lack of integrated systems
  - Manual processes and duplicate entry (often quadruple entry)
  - Payroll (paper driven process for personnel changes)
  - Time management (paper time sheets and manual hours entry)
  - On-boarding (manual and paper driven)
- Service gaps and quality issues
  - Lack of capabilities – personnel history, portals, etc.
  - Inefficient time management process
  - Data and process integrity
  - Incompatible and at times no data feeds available
  - Internal audit and controls – position control and automated workflow to reduce staff time and errors
  - Employee and manager self-service
  - Compliance reporting and data analytics

Attachment 2
Adoption by Industry - Public Administration
- 89% Administrative (Core HRMS/Payroll/Benefits)
- 63% Service Delivery (Self Service/Portals)
- 62% & 47 % Talent & Workforce Management (Recruitment/Selection/Development/Succession)

Adoption by Size – Small (<2,500)
- 88% Administrative
- 62% Service Delivery
- 56% & 43% Talent & Workforce Management

Benchmark data shows many organizations with just over 50 employees have plans to implement an HRMS in the next 12 months

Adoption by Peers
- Larimer County – ADP transitioning to UltiPro
- Fort Collins – JDE Payroll & Cornerstone
- Broomfield – Oracle
- Longmont – Munis (ERP/HRIS) go-live 01/2018

Options

- **RFP**
  - Resources and time (18 month process)
  - Design considerations
    - Software as a service
    - On-premise (purchase and install)
    - Hosted or application service provider
- **Leverage existing RFP conducted by Larimer County**
  - Aligned industry, workforce and business processes
  - Currently implementing preferred vendor with high level of success and service
  - Compliant with purchasing policy and support of purchasing office provided action within 12 months of County decision/contract (deadline: March 2018)
- **Continue using current system**
  - Inhibits effectiveness and efficiencies of employees and managers
  - Creates additional expenses and risk due to challenges and lack of data integration/feeds, reporting, etc.

Attachment 2
Recommendation

- Implement an integrated human resource management system using the County RFP
  - Increased efficiency and productivity
    - More transactions with fewer resources
    - Reallocate resources to mitigate staffing deficiencies and focus on strategic goals
  - Increased effectiveness
    - More accurate information and simplification of processes
    - Data integrity and accessibility provides real information to make more informed decisions
    - Enhances services for employees, managers, applicants and business partners

Attachment 2
## Total Cost of Ownership (Using County RFP)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th></th>
<th>Annualized PEPM*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORE HR/Payroll</td>
<td>$ 82,350.00</td>
<td>$ 197,640.00</td>
<td></td>
<td>$ 280,990.00</td>
</tr>
<tr>
<td>Time Management</td>
<td>$ 27,450.00</td>
<td>$ 65,880.00</td>
<td></td>
<td>$ 93,330.00</td>
</tr>
<tr>
<td>Talent Acquisition</td>
<td>$ 18,300.00</td>
<td>$ 43,920.00</td>
<td></td>
<td>$ 62,220.00</td>
</tr>
<tr>
<td>Performance Management</td>
<td>$ 18,300.00</td>
<td></td>
<td></td>
<td>$ 18,300.00</td>
</tr>
<tr>
<td>Compensation</td>
<td>$ 18,300.00</td>
<td></td>
<td></td>
<td>$ 18,300.00</td>
</tr>
<tr>
<td>LMS</td>
<td>$ 22,875.00</td>
<td></td>
<td></td>
<td>$ 22,875.00</td>
</tr>
<tr>
<td><strong>2018 Total</strong></td>
<td><strong>$ 187,575</strong></td>
<td><strong>$ 307,440.00</strong></td>
<td></td>
<td>$ 495,015.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance Management</td>
<td>$ 43,920.00</td>
<td></td>
<td></td>
<td>$ 43,920.00</td>
</tr>
<tr>
<td>Compensation</td>
<td>$ 21,960.00</td>
<td></td>
<td></td>
<td>$ 21,960.00</td>
</tr>
<tr>
<td>LMS</td>
<td>$ 43,920.00</td>
<td></td>
<td></td>
<td>$ 43,920.00</td>
</tr>
<tr>
<td><strong>2019 Total</strong></td>
<td><strong>$ 109,800.00</strong></td>
<td><strong>$ 109,800.00</strong></td>
<td></td>
<td>$ 219,600.00</td>
</tr>
</tbody>
</table>

Total Cost of Ownership: $ 604,815.00

Recurring/Annual Costs: $ 417,240.00

Less current systems: $ (70,883.00)

*Total Recurring/Annual Costs: $ 346,357.00

*Estimate based on current PEPM (per employee per month rate)
Total Savings
Direct & Indirect Benefits

- Direct benefits or hard dollar savings
  - Elimination of annual costs of current software systems
  - Cost avoidance of hiring additional FTE in human resources
  - Reduction in costs associated with not printing materials
  - Reduction in payroll error rate

- Indirect benefit or soft dollar savings
  - Increased human resources productivity
  - Increased payroll productivity
  - Decreased time creating reports
  - Reduced time for on-boarding
  - Reduced time and productivity for IT staff
## Return on Investment

### Benefit-Cost Analysis

<table>
<thead>
<tr>
<th></th>
<th>Pre-start</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual return on investment</strong>*</td>
<td></td>
<td>165%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Payback period (Months)</strong></td>
<td></td>
<td>5.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Annual Benefits/Savings</strong></td>
<td><strong>Direct</strong></td>
<td>0</td>
<td>486,690</td>
<td>486,690</td>
<td>486,690</td>
</tr>
<tr>
<td></td>
<td><strong>Indirect</strong></td>
<td>0</td>
<td>204,112</td>
<td>204,112</td>
<td>204,112</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>0</td>
<td>690,802</td>
<td>690,802</td>
<td>690,802 $2,072,406</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>HRM System Costs</strong></th>
<th>Pre-start</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Software</strong></td>
<td>$187,575</td>
<td>$307,440</td>
<td>$417,240</td>
<td>$417,240</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$187,575</td>
<td>$307,440</td>
<td>$417,240</td>
<td>$417,240</td>
</tr>
</tbody>
</table>

| **Total Savings/Benefits** | $742,911 |

---

***Annual benefits minus expensed costs over three years divided by initial cost/investment

**Time from the point the project is deployed until the cumulative net monthly benefits equal the initial investment.
Questions & Discussion
SUMMARY
Consolidated Review of Software Requirements

Customer Information System
- Request for Proposal issued July 11th
- Response due September 14th
- Evaluation and contract negotiation through remainder of 2017
- With budget approval implementation would start second quarter of 2018
- Funding will be requested in the 2018 proposed budget

Development Services – Limbaugh
- Functional requirements definition
- Issue Request for Proposal
- Receive proposals, evaluate, award, implement
- Request is listed on the “horizons list” and therefore is presently unfunded

Attachment 2
SUMMARY
Consolidated Review of Software Requirements

- Human Resources Information System
  - Opportunity to piggy-back onto recent request for proposal and contract award conducted by Larimer County which has a limited window of opportunity
  - If that opportunity cannot be used, then are looking a complete request for proposal process based on defined functional requirements.
  - Request is listed on the “horizons list” and therefore is presently unfunded

Attachment 2
ADDITIONAL QUESTIONS?