

TO:	CHAIR AND MEMBERS FINANCE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING ON FEBRUARY 6, 2012
FROM:	MARTIN HAYWARD CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	RFP11-47 JD EDWARDS ERP SYSTEM IMPLEMENTATION PARTNER

RECOMMENDATION

That on the recommendation of the City Treasurer, Chief Financial Officer:

- (a) the proposal submitted by Syntax Systems Limited, #105-95 Mural St., P.O. Box 16, Richmond Hill, ON L4B 3G2 for the provision of JD Edwards Implementation Partner Consulting Services in accordance RFP11-47, at total estimated cost of \$984,368 HST extra, **BE ACCEPTED**;
- (b) the financing for this purchase **BE APPROVED** in accordance with the "Sources of Financing Report" attached hereto as Appendix "A";
- (c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this purchase;
- (d) the approvals given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract for this purchase; and
- (e) the Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

BACKGROUND

Purpose

The City sought proposals from qualified implementation partners to assist with upgrading the City's JD Edwards Enterprise Resource Planning (ERP) system to a current release. The scope of the request for proposal included resources to provide project management, technical consulting, functional (business) consulting as well as training and other requirements of a major ERP system upgrade.

Purchasing Process

A formal Request for Proposal (RFP) was issued in November 2011 and four (4) submissions were received. One (1) was rejected for failing to meet the requirements at time of closing. The remaining three (3) proposals were evaluated by a team with representation from Human Resources, Technology Services, Purchasing, Finance and Facilities. The evaluation followed a three stage process, as follows:

- Stage 1: Technical Evaluation & Proponent Service Evaluation
- Stage 2: Presentation and Interview
- Stage 3: Financial Proposal Evaluation

The highest overall scoring proponent (Stages 1, 2 & 3), Syntax Systems Limited, is recommended for award. Syntax has provided similar services to many other organizations, including recent JD Edwards upgrades at the City of Brantford, Hydro Ottawa and Enersource Hydro Mississauga.

Financial Impact

Funding for this capital expenditure is provided in GG1050 – Corporate Systems update.

Discussion

The City is operating on a JD Edwards Enterprise Resource Planning (ERP) system which is a backbone for corporate operations and financial reporting. Currently there are over 425 named users of the system, and this number is anticipated to rise once the system is upgraded to a web based version. JD Edwards includes integrated Financials, Distribution & Logistics (Inventory & Purchasing), Enterprise Asset Management (Work Order, Assets & Maintenance), Budget and Workforce Management (Human Resources and Payroll). The system was first implemented in 1999, and was subsequently upgraded to version Xe in 2001. The City has remained current with technical updates since the initial installation of the software. However, since the last major upgrade in 2001, the software vendor has made numerous improvements and additions to the software which the City will be able to leverage once upgraded. Additionally, vendor support for version Xe expires in 2013 and therefore a major upgrade of the software is required.

Aside from maintaining support from the software vendor, which is particularly critical in the area of Payroll / Human Resources, some of the other benefits of upgrading include:

- Web based software – enhanced user experience and productivity
- Mobile apps – the ability to develop applications that run on devices such as iPads
- The opportunity to explore the abilities of BI Publisher which provides enhanced reporting, inquiry and formatting capabilities and also assists with move to ‘Open Data’
- The opportunity to prepare for and implement new functionality and systems such as HRIS & Asset Management
- The implementation of role based security which provides more flexibility while maintaining tight security

The selected proponent will begin work at the JD Edwards Upgrade Project offices, located at 220 Dundas Street, 6th Floor in early March. It is estimated that the upgrade project will be completed in October 2012. In order to meet this tight schedule, the City’s Technology Services Division has already begun a number of pre-project tasks related to IT infrastructure and quality assurance. This work significantly improves the likelihood of meeting the overall project timelines.

Acknowledgements

The RFP Evaluation Team consisting of Richard Pelletier, Ian Mackay, Jim Klingenberger, Julie Kovacs and Chris Ginty CPPB assisted with the creation of this report.

SUBMITTED BY:	CONCURRED BY:
DARREN HACK, PROJECT MANAGER – JD EDWARDS UPGRADE	MIKE TURNER, DEPUTY CITY TREASURER
RECOMMENDED BY:	
MARTIN HAYWARD, CITY TREASURER, CHIEF FINANCIAL OFFICER	

Attach: Appendix “A” – Sources of Financing

c. Deloitte Inc., AMX International