



Financial and Human Resource System Modernization

Innovation and Technology
Subcommittee

February 13, 2023 | 3:30 p.m.
| City Hall 5th Floor Large

It's 2023 Outside of Work.

What year is it inside?

Navigator - eating - COC HR / Benefits

Functions Documents

People:

Enter personal and assignment information

- + People
- + FastPath
- + Recruitment
- + Career Management
- + Work Structures
- + Payroll
- + Total Compensation
- + View
- + Processes and Reports
- + Transaction Maintenance
- + Mass Information eXchange: MIX
- + Other Definitions
- + Security
- + Payroll
- + Affordable Care Act
- + COC Citywide Reports

Top Ten List

1. Combined Person & Assignment Form WF=
2. Terminate Employment
3. Enter Assignment
4. Pay Method
5. Salary History
6. Element Entries
7. Enrollment Results
8. Requests: Submit
9. Non-Flex Program Enrollment

People

Name

Last

First

Title

Gender Unknown ...

Action

Person Type for Action

Person Types

Identification

Social Security

Further Name Other Benefits

Age

Status

Nationality

Disabled

Latest Start Date

Special Info Others...

Find Person

Full Name

Social Security

Search by number

Type Employee

Number

Clear New Find

Oracle EBS
end of life
Dec 31, 2033

1999

A close-up photograph of several aloe vera leaves, showing their characteristic serrated edges and green color. The leaves are arranged vertically, creating a sense of depth and texture. The word "Agenda" is overlaid on the left side of the image in a bold, blue, sans-serif font.

Agenda

- History
- Oracle E-Business Suite
- Upgrades & Efforts
- Challenges
- Benefits Administration & Wellness Portal
- Recommendation
- Why Now?
- Replacement Timeline & Cost Estimate
- Q&A

Background



Then (1999)

- Employee Population: 1186 FTE
 - Large/robust system for city size to support growth
 - Bought more than needed at the time to prepare for the future and enable the city to grow
- Technology Standards
 - Security - on-prem applications
 - Customizations – maintenance and upgrades complex (increased cost of support)
 - Modifications require redeployment
 - Business reliant on IT
- Business Standards
 - Pushing paper was the norm
 - Inflexibility – keeping up with mandates and legal requirements

Now (2023)

- Employee Population: 1767 FTE
 - Outgrown the application's usefulness
- Technology Standards
 - Security – cloud solutions
 - Move at the speed of business
 - Accessibility – mobile; anytime/anywhere
 - Mobility – desktop to laptop
 - Business reliant on business
- Business Standards
 - Pandemic has changed how we do business
 - Nature of work has changed substantially
 - Increased expectation to work where you are
 - Quick, accessible information
 - Attract and Retain Talent difficult with outdated technology

Overseen by the Oracle Steering Committee

Asset Management
Banking (JP Morgan Chase)
Budget Software System
Building Permits
Business Registration
Criminal Justice Information Services
Email
Energy Tracking
Invoices
Job Applications and Recruitment
Landlord Payment
Payment Processing
Pension Plan ASRS
Pension Plan EORP
Pension Plan PSPRS
Printing Services
Registration & Reservation Application
Timekeeping
Utility Billing
Workplace Giving



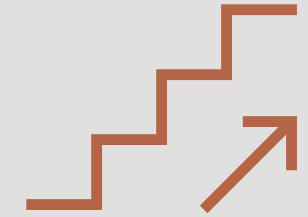
Banking (JP Morgan Chase)
Budget Software System
COBRA
Compensation Management
Deferred Compensation 457(b)
Electronic Data Management System
Email
Employee Dental Insurance
Employee Life Insurance
Employee Medical Insurance
Employee Vision Insurance
Employment Verification
Family and Medical Leave (FMLA) Administration
Flexible Spending Account (FSA) Administration
Health Savings Account (HSA) Administration
Job Applications and Recruitment
Retirement Health Savings Plan (RHSP)
Short Term Disability Administration
Talent Management System
Timekeeping
Wellness
Worker's Compensation

>>> **Imports**

- Human Resources
- Self Service
 - Standard Benefits

Exports >>>

Upgrades and Maintenance



Major Upgrades

- 2009: i11
- 2011: r12
 - Citywide effort and an enormous undertaking for IT and departments
 - Added three modules: iExpense, iProcurement, Projects & Training
 - Removed customizations
- 2021: 12.2.9
 - Back-end system upgrade for supportability; no new business functionality
- 2022: 12.10.10 (latest EBS version)
 - City on latest version; no new business functionality

Business Cycle Maintenance

Patches & Upgrades

Annual patch cycles

Year End/Open Enrollment

Efforts to make the most out of the system

Fix what can be fixed

3rd party solutions

Oracle Contractors

Purchasing additional licenses

Upgrades and workarounds cannot meet city needs

Oracle Upgrades

Oracle EBS On-Prem to Oracle Cloud

- Move existing Oracle EBS from on-premise application to Oracle Cloud Infrastructure (OCI)

Engagement: 12 months

Cost: Est. \$2.6+- million plus annual support costs

Oracle EBS to Oracle Fusion on OCI

- Implement Oracle Fusion for HR & Financials
- Inclusion of Fusion SaaS, OCI for data retention, OCI integration and analytics, 2+ years of Oracle support, training and other internal costs

Engagement: 18 months

Cost: Est. \$10+ million plus annual support costs



Challenges

Shortcomings of Current ERP

- ① Inability to Move at the Speed of Business
- ② Immobility & Limited End User Accessibility
- ③ Lack of Oracle Support
- ④ Resource Limitations
- ⑤ Outdated Technology
- ⑥ System Limitations
- ⑦ Reporting Complexities

A photograph of three women in an office environment. One woman is seated at a desk with a laptop, while two others stand behind her, looking at the screen. The word 'Challenges' is overlaid in large blue text on the bottom left of the image.

Challenges

Shortcomings of Current ERP

① Inability to Move at the Speed of Business

The need for organizational speed has never been greater. Digital technology should help manage infrastructure and processes however Oracle has proven to be a hindrance and remains inflexible to the city's changing needs and the future of work.

Examples:

- FLSA – Federal Labor Law changes
- Change Leave Schedules
- Update allowances
- Observing a new holiday
- Two Week Payroll Cycle
- MOU Negotiations & Changes

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Challenges

Shortcomings of Current ERP

② Immobility & Limited end user accessibility

This enterprise resource application is currently on premises making it in-accessible to employees outside of the network or VPN access.

No out of network browser access or mobile access.

Completely Inaccessible to:

- Employee Out of Office
- Employees on any type of leave including military leave or FMLA
- Retirees
- Surviving family members of employees who passed in duty,
- COBRA participants

Not intuitive or user friendly for employees, supervisors or administrators.



Challenges

Shortcomings of Current ERP

3 Lack of Oracle support

Oracle requires extensive technical support to maintain existing configurations.

There is concern with Oracle supporting the product as implemented in Chandler.

Oracle support services have recently reduced their support hours slowing the response time.

Requires contracted services to continue to support existing configurations.



Challenges

Shortcomings of Current ERP

④ Resource limitations

Internal and external resource limitations make it challenging to maintain existing processes and limit the ability to implement enhancements or improvements.

- Annual business cycles patching is time intensive
- Internally, the same business teams are stretched across multiple projects while supporting daily activity
- Contracted services are becoming difficult to find and more expensive

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Challenges

Shortcomings of Current ERP

5 Outdated technology

Maintaining an outdated system has resulted in manual efforts, additional systems and workarounds.

There are several projects currently underway to fix what can be fixed totaling approximately \$1.5 million.

- Report Security
- Position Control
- Budget System Replacement
- Compensation Management
- HR Production Support
 - Support Open Enrollment and Standard Benefit limitations
 - Support the required system changes needed due to the Classification and Compensation Study

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Challenges

Shortcomings of Current ERP

6 System limitations

Oracle EBS was originally configured for City of Chandler's use in 1999 with customizations to support existing business processes.

Third party applications have been purchased and implemented to supplement system limitations.

- Time and Attendance – Intellitime & TeleStaff
- Talent Management - LEAF
- Recruitment - NeoGov
- Wellness Portal - Cerner
- Reporting - Oracle Business Intelligence
- Payroll Reporting - KBase



Challenges

Shortcomings of Current ERP

6 System limitations

Today, there is missing functionality, components still not configured correctly and a need for business process change. \$2.2 million in projects have been identified to address specific issues a new ERP solution could resolve collectively.

- Benefits Administration
- Accounts Payable Portal
- iReceivables
- Oracle Mobility
- Tax and License Data Repository
- Utility Services Data Repository
- Citywide Central Cashiering
- Replace 3rd Party Payment Processor

Not intuitive or user friendly.



Challenges

Shortcomings of Current ERP

7 Reporting complexities

The inability to produce accurate, timely, and useful reports is a detriment to the organization.

Poor reporting leads to less productivity, poor decision making, and missed opportunities.

The inability to access real-time data leads to decision making based on knowledge and not true data or leaves departments without the information needed for better decision making.

Benefits Admin & Wellness Portal

A background image showing two dogs on a leash. In the foreground, a black, scruffy-haired dog is walking towards the camera with its mouth open. Behind it, a white dog is also walking. The background is slightly blurred, showing a person's legs and feet in the distance.

**Oracle Standard
Benefits out of
support**

**Cerner Wellness
end of life 2023**

Comprehensive Benefits Program

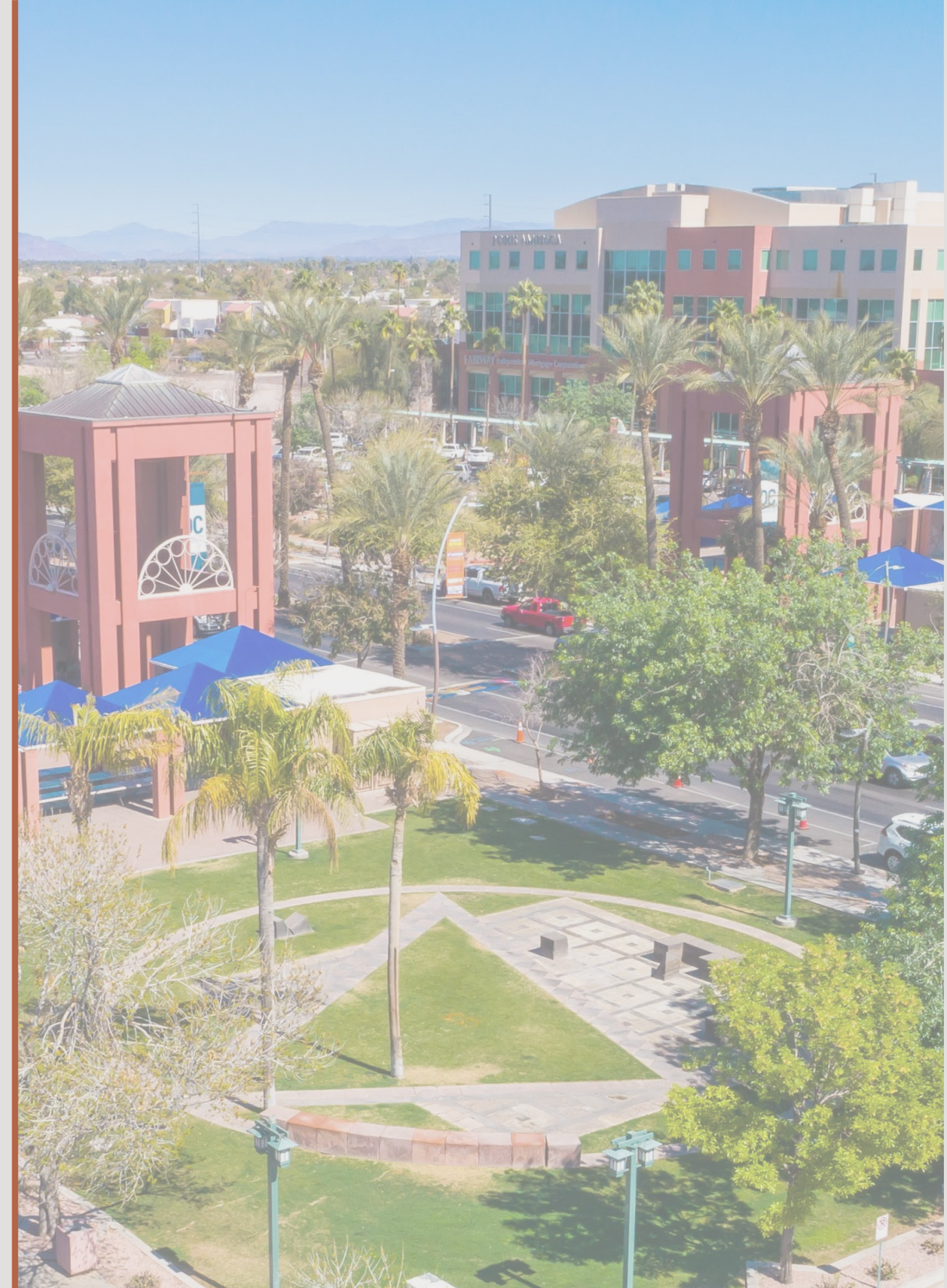
Chandler's Investment

- \$24 million in annual costs for the medical plan
- \$2 million in annual costs for the dental plan

All employee related benefits including retirement, life Insurance, health savings accounts, etc.

Employees' Needs

- Simple enrollment process to take advantage of the city's investments
- Allow employees the opportunity to consult with their family and make decisions together
- Automate processes that should be automated by industry standards
- Mitigate errors when maintaining critical coverage for all benefits.
- Retirees unable to access system; all actions are completed manually



Recommendation

The Oracle Steering Committee recommends the City of Chandler begin the Enterprise Resource Planning (ERP) Replacement Analysis to invest in a new solution.

The goal is to deliver an employee focused experience to the workforce, providing services and insights to accelerate work that are easy, personal, accessible, reliable and evolving.

Easy

Seamless
experience
across systems

Personal

Designed from
the employee
perspective

Accessible

Content,
knowledge,
data highly
available

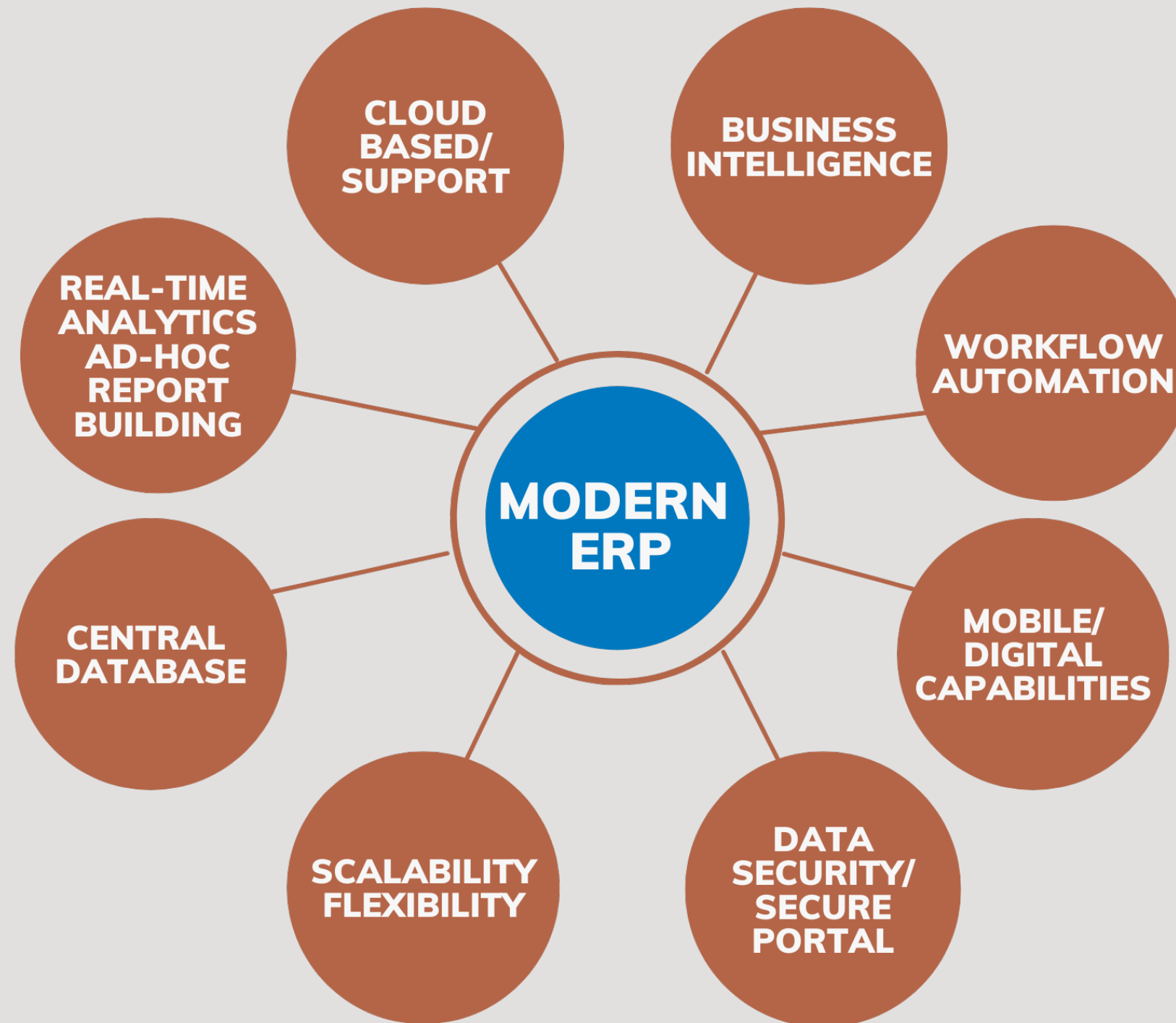
Reliable

Expertise at
any scale

Evolving

Mindset of
continuous
improvement

Features of Modern ERP Systems



Today, a holistic and digital workforce experience sets innovative organizations apart.

The City of Chandler has recognized the increasing gap between the experience employees expect and what they actually receive.

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“We need to think about the employee experience the way we think about the consumer experience. Information must be available as needed, people are efficiently guided to the right systems and departments, and employees can get relevant help at any time.”

– Josh Bersin, Global Industry Analyst

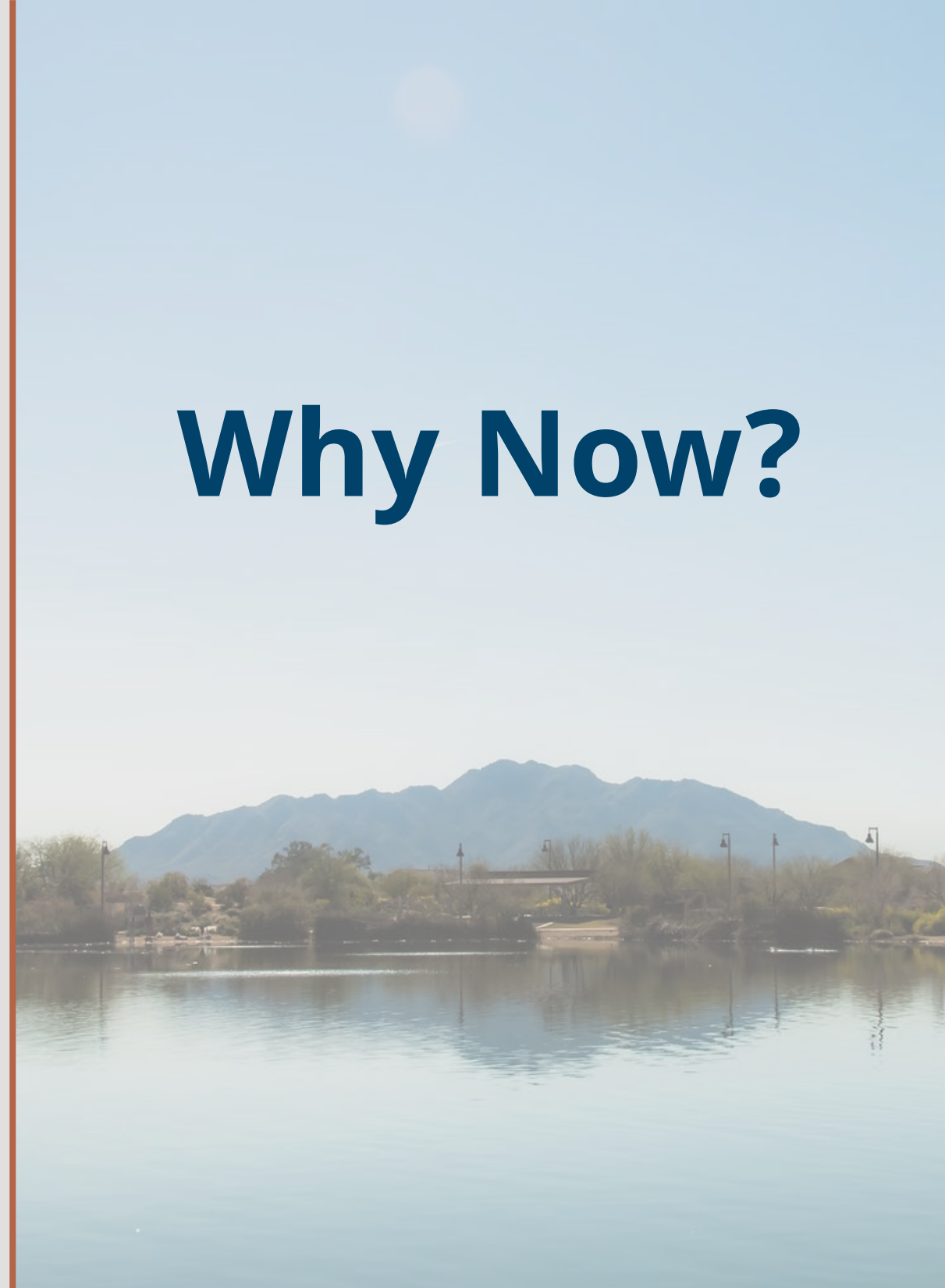
Taxpayer Perspective

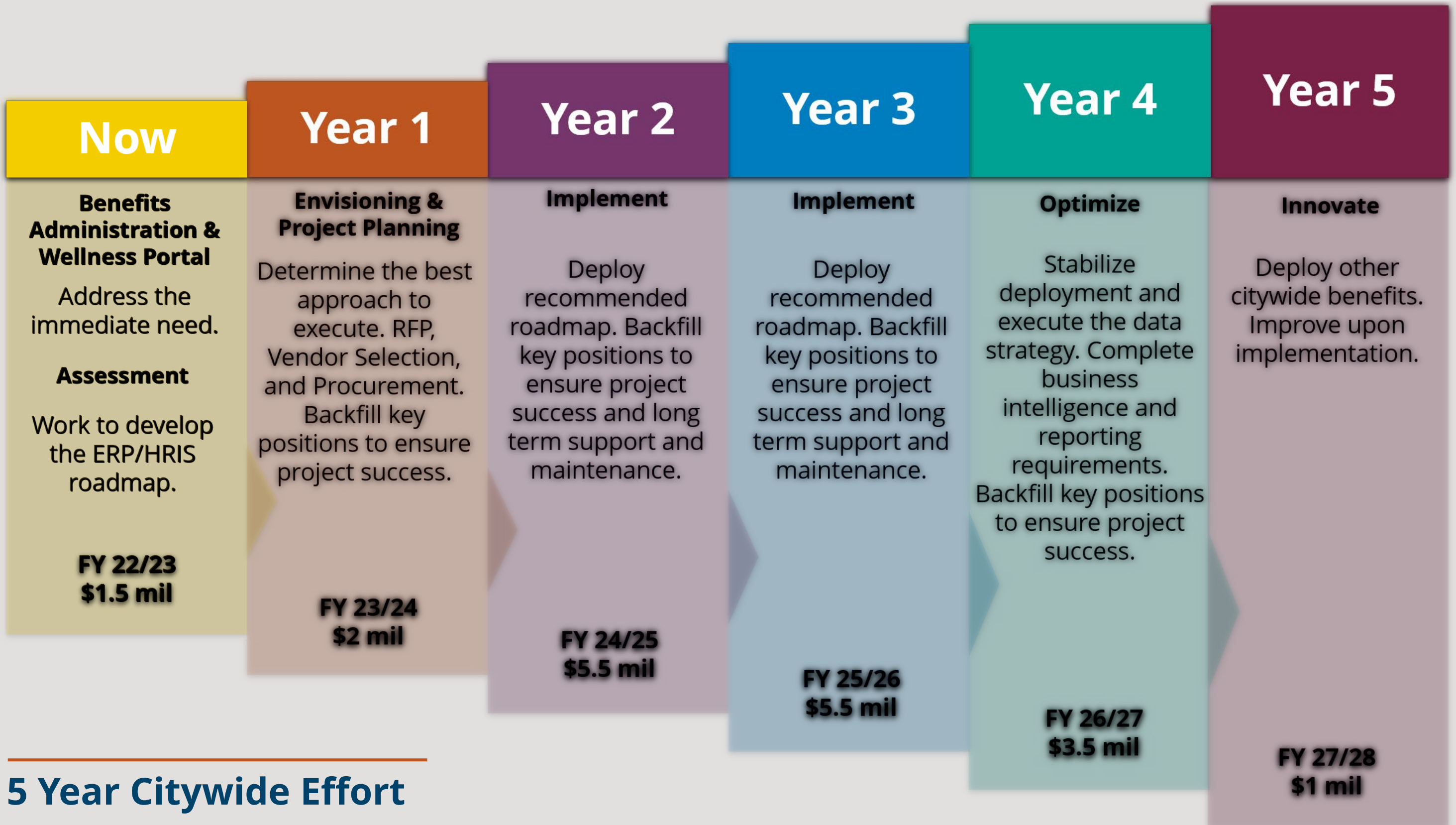
Updating our aging technology that cares for our financial and human resources, while increasing the customer experience will position us for ongoing innovation. It is the right thing to do since taxpayers entrust us to manage these resources.

Employee Perspective

There is a need to take care of the people who take care of our residents by providing seamless technology.

Why Now?





Questions?

Next Stop – the Future.

