

Enterprise Resource Planning (ERP) Modernization Program

ERP Steering Committee

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Every organization depends on a core system to pay employees, manage finances, and keep operations running. That system is called Enterprise Resource Planning (ERP). It brings together functions like finance, payroll, HR, and purchasing into one place so the organization can operate efficiently, control costs, and effectively manage and govern its operations.

Current State

- 27-year-old legacy ERP platform
- Runs payroll, finance, purchasing and human resources administration
- 50+ separate applications to fill gaps
- Disconnected systems and manual processes
- Limited native backup and disaster recovery
- High risk to payroll and financial operations

Future State

- Modern, cloud-based ERP used by leading cities
- Integrated system for workforce and finance administration
- Automated, efficient, and standardized processes
- AI capabilities
- Built-in backup and disaster recovery
- Reliable, secure, and scalable

The current ERP represents a material operational risk to the City

ERP Current State By the Numbers

Oracle JDE has run the City's Finances and HR processes since 1999. This is what the City depends on today.

\$219.3M

Payroll processed annually

4,063 employees paid:
City, PFA, Library, DDA & GERP

\$617.1M

Vendor payments annually

36,185 payments covering 62,226 invoices

3,560

Active staff using the system

Accounting, expenses, payroll, benefits, tax documents, and time tracking

51

Funds managed

40 City funds + 11 component and fiduciary

4,890

Tax documents filed

W-2s, 1099-Rs, 1099-MISC, and 1099-NEC

30,600

Staff hours lost per year

Estimated 20% of Finance, HR and budget staff time spent on workarounds

~50

Bolt-on tools

Added because JDE cannot fully support all essential services

The system that runs our payroll, pays our vendors, and tracks our finances is nearly 30 years old, end of life.

Vendor Support

- The City relies on a third-party vendor for maintenance
- The shrinking talent pool for legacy JDE skills increases costs and response times annually

Security & Compliance

- Legacy architecture cannot meet our standards.
- Security configuration is complex manual intensive
- Limited native support for modern identity standards

Knowledge & Talent Risk

- Critical system knowledge is concentrated in long-tenured staff approaching retirement
- Custom interfaces, reports, and workarounds are undocumented. Each departure creates operational vulnerability

Operational Fragility

- The ecosystem of bolt-on systems and custom integrations creates cascading failure risk
- A change in one component can ripple across payroll, accounts payable, general ledger, and reporting in unpredictable ways

These risks create a compounding operational vulnerability that grows with each passing year

History Preparation and Partnerships

- The City has recognized the importance of ERP for several years and taken various steps to prepare for execution in early 2027

2024	2025	2026
Barry Dunn Analysis	Deep Dive of Current Systems	Robust and Mature Project Budget Analysis
Info-Tech Workshop	Project Manager Hired	GFOA Partnership

- We are partnering with the Government Finance Officers Association (GFOA) for requirement finalization and advice for the Request for Proposal (RFP) evaluation and selection process and contract negotiations with selected solution provider

- Interviews have been conducted with other public sector organizations who have recently done ERP transformations

Arvada	Denver	Lakewood	Boulder
CSU	Jefferson County	Littleton	Aurora

- Lessons Learned from other complex City projects (Vertex One, FC Clear, Open)
- Assignment of reserves in 2022 and 2025 to start building funding

Business Case: Why Now

Every year we wait, the risk grows, the cost grows, and the people who keep this running get closer to retirement.

1. A legacy system that is approaching 30 years old

We pay a third-party vendor to keep it running, as it is end of life. The people who still know this technology get harder to find every year, which means support gets more expensive.

If our vendor cannot help us, there is no one else to call.

2. If it fails, there is no systematic backup recovery

There is no warm backup, no disaster recovery, and no failover. If the system goes down, payroll stops for staff, vendor payments stop, and Finance cannot produce reports. Recovery could take several days or weeks.

A failure today could mean missed payroll for 4,000+ staff.

3. It cannot meet today's security and compliance standards

JDE does not meet modern compliance frameworks, including comprehensive audit logging

Every change must be logged and audited by hand.

4. Over 50 disparate systems provide ERP services

A modern ERP system can reduce these systems reducing workload, consolidating costs, and improving efficiencies while providing a single source of truth in real-time

Current system is complex and cumbersome not aligned to city goals of simplicity through transformation

5. A small team keeps all this running

Approximately 75 staff in Finance, HR, and Service Areas manage approximate \$800 million in annual transactions on this system. The most experienced are approaching retirement. Many process managers have limited backup and support.

When they leave, that knowledge is gone. We cannot hire our way out of it.

Project Cost Estimates (in millions)

- **Total Estimated Project Cost for Project Duration: \$18.1 (Range of total project cost \$16.0 - \$20.0)**
 - \$5.5 – Implementor costs
 - \$5.2 – Existing staff in Finance/HR/IT over project timeframe
 - \$3.6 – Contracted staffing to backfill City staff contributing to the project
 - \$2.3 – Software as a service (SaaS) costs
 - \$0.7 – Data migration costs
 - \$0.4 – Legacy system integration costs
 - \$0.4 – Software solution provider start up costs

All variable costs in the estimate include 25% contingency - \$3.1 total

- **Total Estimated Additional Appropriation: \$12.9 million**
 - \$18.1 total project estimate less \$5.2 in existing staff costs over project timeframe
 - Primarily planned for programming of one-time reserves in the 2027/2028 Budget

Potential Contributors and Assigned Funding



City – General Fund (Ongoing Staffing & Reserves)

City – Benefits Fund (Ongoing Staffing & Reserves)

City – Data and Communications Fund (Ongoing Staffing)

City – Utility Funds (Reserves)

City – Other Governmental Funds (Reserves)

Poudre Fire Authority (PFA)

Poudre River Public Library District

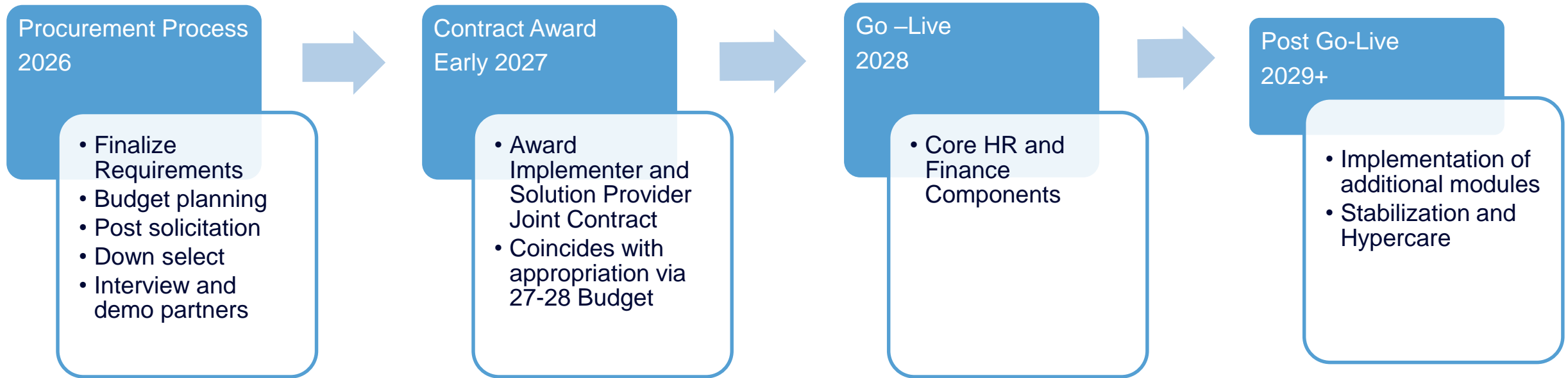
Downtown Development Authority (DDA)

Northern Front Range Metropolitan Planning Org (NFRMPO)

Current Reserve Assignments = \$3.8M

- General Fund: \$2.2M assigned in 2022
- Benefits Fund: \$1.6M assigned in 2025

Tentative Project Timeline





Questions?