



GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

AGENDA DATE: April 24, 2024

AGENDA ITEM: Consider approving a public sector (master) agreement with Oracle NetSuite for Government for the joint purchase of an ERP cloud-based software system and authorize the General Manager to sign agreement.

PREPARED BY: Jean Lane, Business Services Manager

BACKGROUND:

GRPU currently uses Great Plains (GP) Dynamics for accounting software and Cogsdale for customer service management (utility billing), construction management, and work management (service orders) which integrate into GP Dynamics. GRPU has used this software for the past decade and though this software is operational, many features are very “clunky”. GRPU team members have found workarounds, often outside of the software in other products such as MS Excel to complete their work.

GRPU was given notice in late 2021 that GP Dynamics would only be supported for five additional years. A joint City/GRPU ERP team was formed with a primary purpose to replace both the city and GRPU ERP core software.

March 2022 the joint ERP replacement team defined steps necessary to move forward. Barb Baird, City Finance Director and Jean Lane, Business Services Manager recommended hiring an external consultant for professional services to guide and assist the City/GRPU ERP team and in April 2022 a contract was approved to Government Finance Officers Association (GFOA) for professional services for three tasks (1) project planning and management; (2) process analysis/plan of action; and (3) RFP development. GFOA would be contracted in 2023 to assist with the final two tasks (4) system and vendor selection; and (5) contract negotiations.

A joint RFP was released January 6, 2023, and four vendors responded to the RFP. City and GRPU identified important functional themes for the ERP software as: (1) transparency in customer interactions; (2) self-service portals for customers (employees); (3) interface with key other established City & GRPU software (Golf Course, utility billing, Laserfiche, AMI, GIS, etc.); (4) automation of critical processes; (5) easy to use, and (6) increased reliability of data.

The evaluation team (6 City and 10 GRPU members) invited software vendors to the demonstration and discovery evaluation stages.

After the evaluation stage SpryPoint Services Inc. was determined to be the top vendor for the GRPU replacement of Cogsdale software with utility billing (SpryCIS), customer portal (SpryEngage), integrated field services (SpryMobile) and interval data management (SpryIDM). GRPU approved contracts with SpryPoint Services Inc. in February 2024.

After the demonstration, discovery, and references stage, there was no top vendor for the core ERP software. It was determined the top two current ERP software vendors lacked in some major features required by the joint ERP team. In late September 2023, it was decided to go back into the market and target only financial software vendors with a focused financial only RFP.

The joint ERP team received 10 vendor responses, in October 2023, to the RFP. After additional review two vendors were asked to respond to a full RFP process including demonstrations, discovery, and reference checks. Both vendors use NetSuite for Government as their core financial software. After the evaluation stage, the core ERP team recommended Oracle NetSuite for Government as the vendor for both the City and GRPU.

Upon further financial review and identified efficiencies in operations it was recommended by the joint ERP sponsors to purchase one cloud-based subscription license from Oracle with the City as the parent and GRPU as the child. The City Council will consider approving a public service (master) agreement and a five-year cloud service subscription agreement and the GRPU Commission will consider approving a public service (master) agreement only with Oracle.

For a parent-child license relationship to be effective the ERP joint sponsors determined a written agreement was needed to clearly identify roles and responsibilities. The first step of this written agreement is an MOU to commit to the development of this written agreement between the City and GRPU within six months. The MOU is a separate agenda item for your consideration. All agreements for the City and GRPU have been review by GRPU legal team.

The cost of this ERP project for GRPU is \$508,068. One-time costs to convert data, develop reports, system processes configured, training, testing, cutover, and stabilization of production and travel cost \$365,137 plus \$142,931 for five-years subscription fees. First year costs total \$393,723 with \$365,137 for implementation plus \$28,586 for GRPU share of the year-one single license fee.

The grand total of the GRPU ERP (including utility billing) software for implementation plus year-one license fees is \$867,923. Future annual license fees for ERP (including utility billing) are approximately \$88,586 which is less than GRPU current ERP software system annual costs.

The method of funding the GRPU ERP software project will be equipment certificates (debt) issued, later in 2024, by the City of Grand Rapids jointly for the City and GRPU costs.

RECOMMENDATION:

Approve a public sector (master) agreement with Oracle NetSuite for Government for the joint purchase of an ERP cloud-based software system and authorize the General Manager to sign agreement.