



**BERTHA W. HENRY**, County Administrator  
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## MEMORANDUM

**DATE:** February 5, 2010  
**TO:** Broward County Board of County Commissioners  
**FROM:** Bertha Henry, County Administrator  
**SUBJECT:** Enterprise Resource Planning (ERP) Business Case Report

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Attached, for your information, is the Business Case report for acquiring and implementing an ERP system in Broward County. Implementing an ERP is a multi-year undertaking that would allow us to gradually modernize and integrate numerous independent and aging business systems throughout the County. This will greatly increase the transparency and efficiency of our operations, allow us to meet critical business needs, and allow us to better serve our citizens. Equally important is that ERPs typically serve as a catalyst to drive process improvement throughout the organization and provide a powerful tool to substantially redesign how we do business.

In order to make a high-end estimate of multi-year costs, we identified the full range of County business operations that could be supported by an ERP. These include finance, purchasing, human resources, time and attendance, payroll, fixed assets, grants and project management as well as facilities, fleet, utility billing and traffic engineering. Spread over multiple years, the estimated cost to address this maximum set of functions is \$48.5 million including hardware, software, implementation services, application support and maintenance, project management, change management, training, and expenses. Self-supporting funds, such as the airport and water and wastewater funds, would share approximately 50% of the cost depending on the modules that are selected for implementation. As the final cost estimate will depend on the number of business areas that are cost effective to implement, I am not asking for funding support at this time. This recommendation would be made based on the specific proposals and costs that are received and accepted in response to the formal solicitation, the priority of systems to be implemented, and the potential impact to recent investments in new systems such as the harbor master system.

We have eliminated over 1,300 positions in the past three years. This reduction is impacting our ability to deliver and respond timely. Also, the success of our current systems is heavily dependent on staff knowledge of ever changing policies and procedures. As that knowledge base is reduced through staff downsizing or retirements, the effectiveness of our operations is further jeopardized. There is a need to re-tool our business operations and build knowledge into our systems so that in the future, our staff resources can be directed to the delivery of direct services.

ERPs now have mainstream acceptance in the public sector. They are no longer virgin territory, and major governments have these systems in place or are implementing them. In Broward County, ERPs are installed in the Broward Sheriff's Office and the Broward School District. Nationally, successful public sector installations are complete or well underway in large, complex jurisdictions such as the City of Houston, Montgomery County, Maryland and King County, Washington. In Florida, ERP systems are used in the City of Miami, the Palm Beach County Clerk and Comptroller, South Florida Water Management District, and Florida Department of Management Services. Throughout the country, ERPs also are operating in federal agencies, state governments and large public school systems. Recent additions to the ERP community are Pima County (Tucson) AZ and Pinellas County FL, which formalized decisions to implement ERP systems in January 2010.

We are going to spend money on business technology whether we keep our old systems or move to a modern one. It is essential that we maximize the return on every dollar we spend on technology. It is staff's recommendation that the Board issue a solicitation for software and implementation services in order to discover what variations of ERP and what pricing are available to the County. Issuing a solicitation allows us to obtain the next major increment of information and analyze our options. We will still have Go/No Go decision points.

The solicitation will encourage software vendors to partner with multiple implementers to submit proposals so we have an opportunity to evaluate different approaches and experience in implementing the same software. For this reason, the solicitation is being drafted to require proposals from teams of software vendors and implementer firms. The team approach also provides the county with a means to ensure upfront agreement between the software firm and implementer(s) as to how our functional requirements would be met. How our requirements are met is a major determinant of cost. Having vendor/implementer agreement on this as part of proposals gives us the best possible cost and approach information prior to selecting software and implementers.

Staff has worked with our consultant to develop a strategy on how we would implement an ERP to ensure success. Key elements to date include the following:

- We have positioned the project at the top of the organization and developed a governance structure and approach to ensure the necessary level of commitment and support.

- We hired an experienced Third Party Assurance provider to serve as the County's project manager.
- Our implementation is phased so that we can design, test, implement and adjust to new systems incrementally.
- Change management, risk management and training approaches have been developed to address known critical success factors.
- Staffing strategies have been developed to maximize our likelihood of success and minimize the impact on day-to-day operations.

Our report presents an aggressive schedule for implementation that did not anticipate the extent of budget reductions that we had to make in FY2010. With specific proposals and pricing in hand, we can determine the range of costs to accomplish various levels of integration. We will analyze this information and recommend which functions we want to implement over what period of time based on cost and expected benefits.

I look forward to discussing this important project with you and will schedule time to brief you on the report.

**BWH/jg/ds**

**Attachment**

**cc: Jeffrey Newton, County Attorney  
Evan Lukic, County Auditor  
Pamela L. Madison, Interim Deputy County Administrator  
Department/Office Directors  
Jeff Mowry, CIO/Director, Enterprise Technology Services  
JoAnne Greiser, ERP Director**