



Legislation Text

File #: 11492, **Version:** 1

Fiscal Note

Funds are available for phase 1 replacement within the 2008 Capital Budget in the following account: CE34.58015.810561. Total actual costs are not to exceed \$249,000 for consulting services related to selecting a new enterprise financial system.

Title

Authorizing the Mayor and the City Clerk to award and execute a contract with Virchow Krause & Company, LLP for consulting services for a Citywide enterprise financial system.

Body

Background:

Currently, the City's financial system is approaching 13 years of age, and is in need of replacement due to increased financial reporting regulations requiring more timely information, and numerous governmental accounting pronouncements adopted during the past several years. Additionally, the City has stand-alone subsystems and shadow systems that are not presently integrated or interfaced with the current financial system. These separate systems result in duplication of business processes and labor-intensive data entry by City staff.

Furthermore, newer functionality and technology is also available to more effectively and efficiently manage the City's financial data, to enhance productivity, to provide better resource management results and information sharing, to strengthen internal control procedures, to modernize business practices, and to improve customer responsiveness.

An inter-agency project management team of eight representing the Comptroller's office, Information Technology, and Human Resources formed in January of this year to begin planning and preparing for the enterprise financial system replacement. The team agreed that the most important first step was to determine operational needs and wants from a new enterprise financial system rather than immediately focus on implementation or current industry software. Secondly, the project management team determined that, given the magnitude and scope of the implementation phases, consultant assistance would be critical to the success of the project and would bring valuable experience and expertise that City staff may not have in the following areas:

- Conducting a comprehensive City-wide needs assessment,
- Neutralizing internal issues and difference between various agencies,
- Minimizing and mitigating risk,
- Understanding business requirements and clarifying where practices may run counter to best practices,
- Developing RFP requirements,
- Project management,
- Reviewing and evaluating system proposals from suppliers,
- Conducting supplier screening,
- Coaching City staff with demonstration data and scripts
- Participating in supplier demonstrations
- Responding to supplier questions
- Guiding final contract negotiations,
- Assisting City staff to identify an enterprise financial system that may require minimal configurations,

Resolution:

WHEREAS, on February 14, 2008, City Purchasing issued RFP 7902-0-2008/SK for financial and human resources software consulting services; and

WHEREAS, ten written proposals were received, reviewed, and evaluated in accordance with Section 4.26 of the Madison General Ordinances; and

WHEREAS, an evaluation team of 6 conducted on-site interviews with the top three scoring firms and considered consulting expertise, availability and qualifications of assigned staff, references, approach to project work, sample system RFP, cost of services, and local purchasing preference; and

WHEREAS, the project manager also conducted written reference checks with the top three scoring firms; and

WHEREAS, Virchow Krause & Company, LLP was the only firm registered on the City's website as a local firm and the 5% scoring preference elevated them into first place; and

WHEREAS, based upon the scoring criteria considering all of the above factors, the evaluation team recommended that it was in the best interests of the City to award the contract for financial and human resources software consulting services to Virchow Krause & Company, LLP; and

WHEREAS, phase 1 for an enterprise financial system replacement is authorized within the 2008 capital budget, project number 810561 for \$2,000,000, with a need for phase 2 continued system implementation in subsequent years;

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Clerk are authorized to execute a contract with Virchow Krause & Company, LLP for the proposed services described above, at a cost not to exceed \$249,000; and

BE IT FURTHER RESOLVED, that the City Comptroller is authorized to internally borrow to finance these expenditures.