MEMORANDUM

July 8, 2010

TO: Management and Fiscal Policy Committee

FROM: Dr. Costis Toregas, Council IT Adviser

SUBJECT: Report on ERP Launch

Expected to attend:

Mike Ferrara, Executive Director of Enterprise Projects, Office of the CAO
Steven Emanuel, Chief Information Officer, DTS
Wayne Johnson, ERP Functional Project Manager
Karen Plucinski, Change Management Manager

Summary of staff recommendations to the MFP Committee:

1. **Accept** report from Executive regarding ERP launch details.
2. **Schedule another worksession in six months to review the progress of ERP** and provide policy input into its use as a policy-support tool for the Council.

ERP Launch

The Enterprise Resource Planning (ERP) system is one of the three current components of the Technology Modernization (TechMod) effort. Funded at the $85 million level, TechMod represents one of the most comprehensive changes in County management capabilities, and is intended to modernize – some would say revolutionize - the way the County performs finance, procurement, and Human Resource Management functions.

After many months of development, the ERP was officially launched on July 6, 2010. Unlike many other leading edge counties that face runaway costs and are constantly extending completion schedules to implement similar complex projects, the Montgomery County effort is on time and within budget - quite an accomplishment!
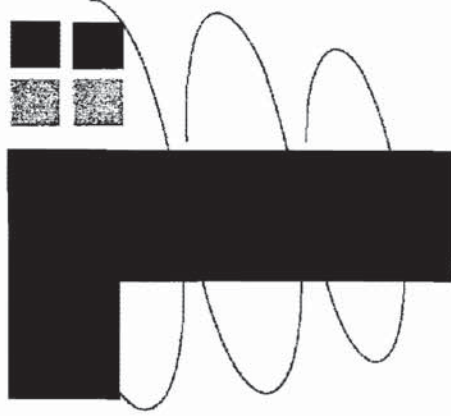
Representatives from the Executive branch will review the material provided on ©1-3 and be able to answer questions as to current status and planned new capabilities of the system.

Questions for the Committee to consider

The ERP deployment has two dimensions: the technology implementation effort and the actual management use, which should result in streamlined and, hopefully, more economical and productive government operations. The Committee may want to raise the following questions regarding the project and its current status:

> ➢ Once fully implemented, how will project responsibility be allocated between software maintenance, data base administration and ownership, and new applications development? And will that be done through the construct of TechMod, or some other, non-CIP project approach?
> ➢ ERP can be the foundation of many other modernization efforts. Are there new projects under consideration at this point? And is there a financial impact of these considerations on the TechMod budget allocation?
> ➢ The Tax Assessment module is an important and foundational component of our financial system that has been deferred so far in terms of its inclusion in ERP; what are the plans for addressing this modernization?
> ➢ Will the change in indirect cost charges to CIP projects recently implemented have an impact on the ERP deployment schedule?
> ➢ Montgomery County Public Schools implemented a similar ERP system, using the same software foundation. Will the Council and its Committees now be able to enjoy better reports from MCPS if detailed data can be shared across the two systems?
> ➢ When will Councilmembers and staff be given training in the use of ERP reports and database queries for management purposes - in other words, be in a position to generate financial reports by department, project, or other attribute on an ad-hoc basis and from the desktops of trained analysts?

ERP Implementation Phases

July 6, 2010

MCG

https://portal.mcgov.org/transformmcg

TransformMCG
Innovative and More Responsive & Accountable
Montgomery County Government

- Functionality implemented July 6, 2010:

  - **General Ledger (GL):** Houses summary expenditure/revenue data

  - **Projects and Grants (PnG):** Maintains capital and operating projects and operating grant information

  - **Purchasing:** Create Requisitions and Purchase Orders

  - **Accounts Payable (AP):** Make Payments

  - **Accounts Receivable (AR):** Track outstanding payments owed to the County (new functionality)

  - **Fixed Assets (FA):** Maintains data related to fixed assets (e.g. original cost, depreciation)

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12

Phase - IA — Core Financials & Procurement

Phase - IB — Finance SS / Human Resources & Payroll, HR Self Service

Phase - IC — Budget Preparation

Phase - IIA — Enterprise Asset Mgmt, Inventory

Phase - IIB — Learning Mgmt

- Subsequent Phases:
  - Financials Self-Service – Go Live Jan 2011
  - Human Resources and Payroll - Go Live Jan 2011
  - Budget Preparation – Go Live July 2011
  - Enterprise Asset Management (provides Work Order functionality) and Inventory – Go Live Jan 2012
  - Learning Management (provides training registration) – Go Live July 2012

Transform

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