



City of Long Beach
Working Together to Serve

Memorandum

Date: November 13, 2017

To: Patrick H. West, City Manager *T.M.*

From: John Gross, Director of Financial Management
Bryan Sastokas, Director of Technology and Innovation *BMS*

For: Mayor and Members of the City Council

Subject: **Update on LB COAST**

This memorandum updates the City Council on the City's progress on modernizing the City's critical Financial and HR systems, which utilize 1970's technology and practices, through the implementation of a new Enterprise Resource Planning (ERP) system called LB COAST (Long Beach City Operations and Strategic Technologies). LB COAST will eliminate the significant risk of failure of the existing old systems and will also allow the City to migrate away from using an outdated mainframe computer. The new system represents a multi-generational leap for the City and will bring many improvements including advances in efficiency, transparency, and controls.

In October 2016, after an extensive assessment process, the City selected Tyler Technologies to provide the new ERP system. The \$30 million in funding for LB COAST was approved by the City Council as part of the FY 14 Adopted Budget. The implementation of LB COAST is the largest technology project the City has undertaken.

Much progress has been made since formal staffing of LB COAST began early this year. Phase I – the City's financial systems is well underway and a formal "kick-off" event for Phase II, HR/Payroll occurred this week.

To help ensure that LB COAST stays on track, the City uses an independent Quality Assurance (QA) consultant to monitor and assess the project. The QA consultant has found challenges to address. Those challenges generally confirmed issues that the Project management was seeing and addressing. Appropriate adjustments to the Project are being made. A high-level summary of key accomplishments, challenges, and solutions is attached.

Additional updates will be provided in the future. If you have any questions, please contact John Gross at 8-6427, or Bryan Sastokas at 8-6234.

K:\EXEC\TFF & MEMOS\2017 TFF & MEMOS\SOFT COPIES\TFF ON LB COAST UPDATE.DOCX

ATTACHMENT

CC: CHARLES PARKIN, CITY ATTORNEY
LAURA L. DOUD, CITY AUDITOR
TOM MODICA, ASSISTANT CITY MANAGER
KEVIN J. JACKSON, DEPUTY CITY MANAGER
REBECCA G. GARNER, ASSISTANT TO THE CITY MANAGER

**LB COAST
Accomplishments, Challenges, and Solutions**

The following is a summary of some of the accomplishments, challenges, and solutions associated with the LB COAST Project.

Accomplishments

There have been, and continue to be, much good progress and many accomplishments. Some of these accomplishments are listed below:

- City staff was assigned to the Project and moved from daily operations. Temporary staffing backfill was provided for some of the staff. Project specialists were also hired for the duration of the project.
- Much progress has been made in developing the new Chart of Accounts. A good Chart of Accounts is considered the most important aspect of any Financial/HR/Payroll project.
- Much progress has been made on designing and configuring the financial parts of the system, and the tentative configurations are now going through preliminary testing.
- The hardware configurations, the interfaces, and the conversions are all being developed.
- The City has installed and configured the software in a test environment. The latest version of the application software is currently being installed.
- A new phase of the Project began this week - the implementation of the HR/Payroll portion of the project.

Challenges

It is not unusual for a large technology project to have issues, and, as might be expected, the Project has some issues. The issues are being addressed, and some of them are listed below. The challenges and solutions (described later in this attachment) are consistent with the observations and recommendations of the QA consultant.

- Staffing the Project has been and continues to be a substantive problem. The highly competitive labor market did not provide the technical staff needed.
- Departments have difficulty providing staff due to the extremely high workload, the lean nature (a "thin bench") of administrative staffing, and the many vacancies throughout the City. Other City priorities including numerous requests for information, numerous technology initiatives as well as the need to prepare for the new Civic Center have also adversely impacted the ability to staff the project as needed.
- Tyler Technologies' (the software vendor and implementer) support for the Project has not been what was anticipated. That has contributed to the challenges.

- The existing City hardware and existing data communications capabilities between city buildings turned out not to be adequate to support the implementation of the Project.

Solutions

The Project Team has been working on and implementing solutions to the challenges. Some of the solutions implemented or in the process of implementation are listed below.

- City staffing on the Project is being supplemented in a variety of ways, including temporary hires, permanent hires, and contractual assistance. Permanent hires are likely to be absorbed into permanent departmental positions when the Project is over because of normal vacancies and future retirements.
- The City will be discussing with Tyler Technologies their management and approach to the Project. The City Project Team believes there is room for improvement.
- Project hardware and data communication needs are included in the Technology Infrastructure Critical Needs request that is being considered by the City Council on November 14, 2017.
- The Project Team will work to further raise awareness of the critical nature of the Project its status as a top City Council priority. This should help minimize diversion of efforts to other projects and priorities.
- The Project Team is considering adjusting Project schedules where appropriate.
- The Project Team is evaluating the Project budget and incorporating the impact of both the many positive events and the challenges. At this point, the Project is within budget.