


Date: January 30, 2023

To: Thomas B. Modica, City Manager 

From: Christopher Koontz, Director of Development Services 

Kevin Riper, Director of Financial Management 

Lea Eriksen, Director of Technology and Innovation 

Joe Ambrosini, Director of Human Resources 

For: Mayor and Members of the City Council

Subject: **Enterprise Land Management (ELM) System – A Major Technology Project**

City staff are moving forward as quickly as feasible on a major technology project to upgrade or replace the City of Long Beach's (City) current digital permitting and licensing system so that it better meets the City's needs and priorities. This type of computer system associated with permitting and land use is called an Enterprise Land Management (ELM) system. Infor, the ELM system currently used by the City, supports many City departments in their work with the public and stakeholders. The current ELM system (Infor) includes multiple licensing, permitting, billing, payment, and collection functions in the City Manager's Office, Development Services (Building, Planning, Code Enforcement), Financial Management (Business License and Commercial Services), Fire, Health and Human Services, Parks, Recreation and Marine, Police, and Public Works departments. The system has approximately 500 internal users, and manages approximately 80 unique permit and license types and 3,000 fees. There are 1.3 million total accounts/records. The system also includes automation of complex workflows and interfaces with numerous other systems and has multiple web portals for external customer access and internal City users.

The City is badly in need of improvements to the current ELM system, either through an upgrade or replacement. The City wants the upgrade/replacement to significantly improve permit turnaround times for the many city customers impacted by the system. In addition, significantly enhancing permitting options for customers, without having to come to City Hall is another important set of features that are intended to greatly improve the permitting services provided by the City. The City also expects that the system improvements will substantially improve internal linkages and coordination between departments that will also improve customer response time and quality of information to customer as well make significant improvements to internal operations and efficiencies.

This improved ELM system is expected to positively impact the City's residents and businesses for many years to come, significantly improve customer satisfaction, and provide for efficiencies and increased productivity. The improved system is also necessary to ensure compliance with changes in State law and specific deadlines for online permitting imposed under Assembly Bill (AB) 2234.

Computer systems that are very large and have an overall impact on a government or corporate enterprise such as the ELM system are generically called enterprise resource planning (ERP) systems. The City's other ERP system project that has been underway, is LB COAST Phase II (LB COAST). LB COAST will replace the City's legacy human resources, payroll, time-entry, and budget systems. An update on the LB COAST project was provided by way of memo to the Mayor and City Council on January 22, 2022. A City Manager Alert to the Mayor and City Council on June 7, 2022 provided a further update that an RFP for a consultant for LB COAST Phase II was soon to be released (it was released on July 8, 2022). However, it became evident that to ensure sufficient time and resources for a successful ELM system project, it is necessary to pause LB COAST and cancel the RFP for the LB COAST consultant until the ELM project is completed. The pause is necessary because it is unlikely that any city, including Long Beach, can successfully implement two concurrent major ERP projects with available resources. The LB COAST project will restart once the ELM project has been implemented.

The new timing for the LB COAST project will result in the City needing to rely on the existing legacy HR/payroll/time-entry and budget systems for five or more years. There will be costs and unavoidable risks to using these antiquated systems for this extended period and City staff will seek to minimize those risks and costs. The LB COAST project began in 2016 because the City's HR/payroll/time-entry and budget systems were substantially beyond end of life and the City was at risk of not being able to maintain these critical systems, and at some point payroll might fail or new regulatory payroll requirements could not be met. As time has passed, the situation has gotten worse as key staff operating the legacy systems have retired and the vendor's maintenance support for the key HR/payroll systems is ending early this year. City management is exploring ways to keep these systems running for the next five years and will soon decide on the best approach to maintaining and stabilizing these systems with as low a risk as practical. City management is also looking at mini-projects, time and resources permitting, to address a few of the key problems and antiquated processes during the interim period until LB COAST can be completed. One of the mini-projects already underway is looking at the manual time-entry process (green sheets) to determine and implement the improvements that can be made during the interim period.

A Request for Proposals (RFP) for the ELM system project is expected to be issued in the coming weeks to move forward with a new or upgraded ELM system. Funding for the ELM system project will come primarily from permit fees collected in the Development Services Fund. The funds remaining from the LB COAST project will be used to help stabilize and maintain the legacy HR/payroll/time-entry systems. When the LB COAST project restarts, it is anticipated its implementation will be funded through the issuance of debt. In the interim, City staff will explore opportunities to improve the efficiency of the system processes, including time-entry, and to ensure readiness for the LB COAST restart, when it occurs.

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January 30, 2023

Page 3

If you have any questions, please do not hesitate to contact either Christopher Koontz, Kevin Riper, Lea Eriksen, or Joe Ambrosini.

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