



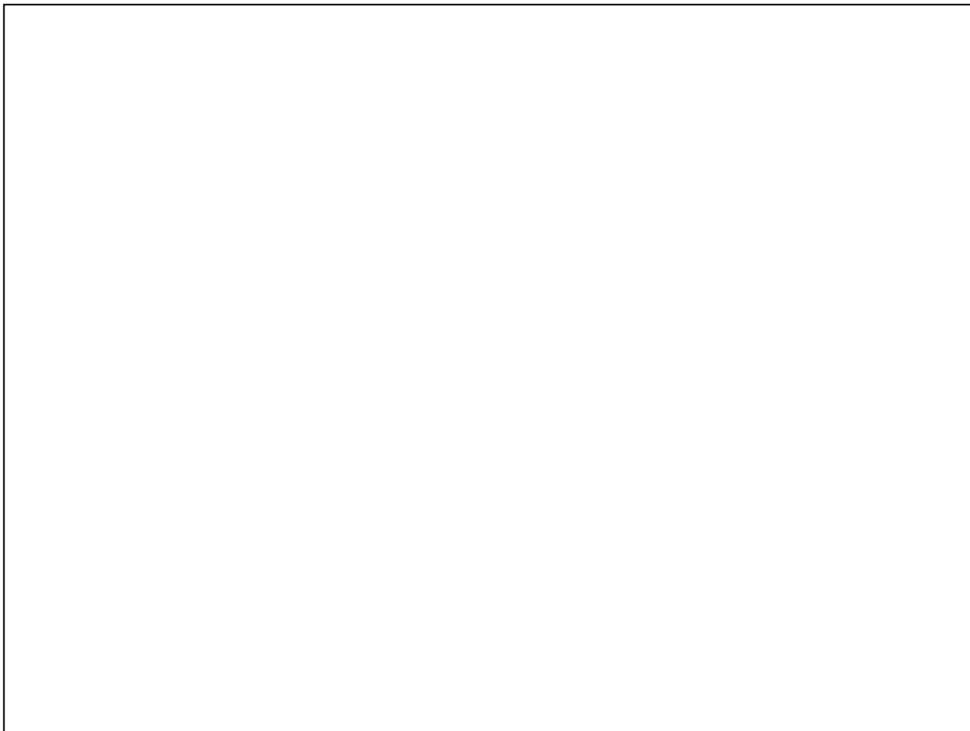
City of Pittsburgh & Allegheny County

*Shared Services Operation – Information  
Session*

*September 19, 2013*

*Chuck Half - Innovation & Performance Manager (City)  
Tony Cholewinski – Manager JDE ERP Support Center (County)*

1





## City of Pittsburgh & Allegheny County Oracle JDEdwards ERP Project



- 1) *Creation of Shared Services Operation*
  - *Oracle JDE ERP Government Services (5-year Agreement)*
  - *City & County JDE ERP Shared Services (5-year Agreement)*
    - *Data Center, Infrastructure & Help Desk*
    - *Professional Services*
- 2) *City Council Enabling Legislation for Comprehensive Financial Management System (ERP)*
- 3) *Governance Structure – JDE ERP Board*
- 4) *Operations & Day-to-Day Services Model*
- 5) *Benefits Challenges & Future Directions*

2



## Definitions



**Comprehensive Financial Management System** - a methodology and software an organization uses to oversee and govern income, expenses, and assets to improve performance by:

- using a single enterprise resource planning database to streamline a variety of business functions such as accounts receivable, accounts payable, procurement, financials, payroll and human capital management (e.g. JDE ERP system)
- eliminating accounting errors (e.g. cash management)
- minimizing record-keeping redundancy (e.g. interfaces to departmental operational systems)
- ensuring compliance with tax and accounting regulations (e.g. drill down & around)
- helping to manage the organization (e.g. custom reporting & performance analytics into departmental transactions)
- supporting budget planning
- offering flexibility and expandability to accommodate change and growth.

### Core JDE ERP Software



3



# Definitions JDE ERP



## Drilldown functionality: Account Level of Detail

- Level 3 shows snapshot of revenue vs. expense
- More detailed at levels 6, 7, 8 and 9.
- Level of detail and budget validation can be configured differently

The screenshot displays the Oracle JDE ERP Budget Inquiry - Trial Balance - Ledger Comparison interface. It shows two views of the same data: 'Detail Level 3' and 'Detail Level 9'. Both views show a table with columns for Account Description, Level of Detail, Posting, YTD Budget, YTD Actual, YTD Encumbrance, and YTD Expense. The 'Detail Level 3' view shows a summary of revenue and expense for a few accounts, while the 'Detail Level 9' view shows a much more granular breakdown of these accounts into their constituent parts.

| Account Description | Level of Detail | Posting | YTD Budget     | YTD Actual    | YTD Encumbrance | YTD Expense    |       |
|---------------------|-----------------|---------|----------------|---------------|-----------------|----------------|-------|
| REVENUE             | 2               | N       |                |               |                 |                |       |
| EXPENSES            | 3               | N       | 407,587,160.00 | 18,872,703.80 | 457,794,882.20  | 88.87          |       |
| EXPENSES            | 3               | N       | 102,484,744.54 | 931,153.70    | 1,688,389.83    | 193,448,593.23 | 88.45 |
| EXPENSES            | 3               | N       | 288,172,000.00 | 10,207,000.00 | 1,800,000.00    | 279,644,791.74 | 89.26 |

| Account Description        | Level of Detail | Posting | YTD Budget     | YTD Actual   | YTD Encumbrance | YTD Expense    |     |
|----------------------------|-----------------|---------|----------------|--------------|-----------------|----------------|-----|
| REVENUE                    | 2               | N       |                |              |                 |                |     |
| REAL ESTATE CLUMBERT       | 6               | N       | 126,157,789.00 |              |                 | 126,157,789.00 | 100 |
| REAL ESTATE PRIOR YEA      | 6               | N       | 4,470,240.00   | 844,164.19   |                 | 3,488,088.87   | 79  |
| PA REAL ESTATE TAX         | 6               | N       | 920,000.00     |              |                 | 920,000.00     | 89  |
| REAL ESTATE TAX            | 7               | N       |                |              |                 |                |     |
| LOCAL SERVICE TAX          | 7               | N       |                |              |                 |                |     |
| LOCAL SERVICE TAX          | 7               | N       |                |              |                 |                |     |
| LET PROMISE YEAR           | 8               | N       | 13,802,000.00  | 2,880.00     |                 | 13,802,884.00  | 88  |
| LET PROMISE YEAR           | 8               | N       |                | 1,994,003.47 |                 | 1,994,003.47   |     |
| PA LOCAL SERVICE TAX       | 8               | N       | 130,000.00     |              |                 | 130,000.00     | 88  |
| LOCAL SERVICE TAX          | 7               | N       | 14,000,000.00  | 1,887,332.54 |                 | 12,374,282.40  | 89  |
| MANAGEMENT TAX             | 9               | N       |                |              |                 |                |     |
| MANAGEMENT TAX - CLUMBERT  | 8               | N       | 12,878,640.00  |              |                 | 12,878,640.00  | 100 |
| MANAGEMENT TAX - PRIOR YEA | 8               | N       |                | 374,283.89   |                 | 374,283.89     |     |
| PA - MANAGEMENT TAX        | 7               | N       | 2,875.00       |              |                 | 2,875.00       | 87  |
| MANAGEMENT TAX             | 7               | N       | 12,878,640.00  | 374,283.89   |                 | 12,269,912.31  | 97  |
| LET - CLUMBERT YEAR        | 8               | N       | 72,228,000.00  | 4,428,788.36 |                 | 68,798,211.64  | 93  |
| LET - CLUMBERT YEAR        | 8               | N       |                | 4,428,788.36 |                 | 4,428,788.36   |     |



## Creation of Shared Services Operation (SSO)



- **Oracle JDE ERP Government Services (5-year Agreement)**
    - County Budget \$700 million
    - City Budget \$500 million
    - TBD Agencies Budgets \$400 million
    - \*\* Expansion pro-rated license rates
  - **City & County JDE ERP Shared Services (5-year Agreement)**
    - **Data Center, Infrastructure & Help Desk**
    - **Professional Services**
- City buys Oracle software licenses for \$2.4 million for both County & City to "share"
  - Other PA government agencies may "join" County/City SSO within Agreement rates
  - City annually pays \$526,000 for Oracle software maintenance
  - County annually pays \$211,000 for Oracle software maintenance
  - City & County evenly divide SSO costs of hardware & infrastructure
  - City pays County for "services rendered" by staff and/or 3<sup>rd</sup> party consultants to Implement & Support JDE ERP applications

5



# City Council Enabling Legislation Comprehensive Financial Management System



City of Pittsburgh  
Certified Copy

510 City-County Building  
414 Grant Street  
Pittsburgh, PA 15210

State of Pennsylvania

Bill No: 2010-1163

I, Linda M. Johnson-Wasler, the duly appointed Clerk of Council of the City of Pittsburgh, do hereby certify that the foregoing is a true and correct copy of:

Resolution No. 865

Resolution providing for a Agreement or Agreements, or the use of existing Agreements, or Contract or Contract, or the use of existing Contracts, for the purchase, implementation, hosting and support of a financial reporting Enterprise Resource Planning system, and providing for the payment of the cost thereof, in a cost not to exceed \$10,000,000.00 (Ten Million Dollars).

Be it resolved by the Council of the City of Pittsburgh as follows:

Section 1. The Mayor, Director of the Department of Finance, City Controller and City Solicitor, are hereby authorized to enter into an Agreement or Agreement or Contract or Contracts, in a form approved by the City Solicitor, for the purchase, implementation, on-going hosting and support of a financial reporting Enterprise Resource Planning (ERP) system at a cost not to exceed Ten Million Dollars (\$10,000,000) chargeable to the following:

| Project | Obj     | Acct.  | Bud. Yr. | Fund. | Amount      | Subclass    |       |
|---------|---------|--------|----------|-------|-------------|-------------|-------|
| ERP     | 2267393 | 107000 | 526100   | 2010  | 5100        | \$3,000,000 | PCHPR |
| ERP     | 2267393 | 107000 | 526100   | 2010  | 6100        | \$725,000   | PCHPR |
| ERP     | 2267410 | 107000 | 526100   | 2010  | 6100        | \$50,000    | PCHPR |
| ERP     | 2267410 | 107000 | 526100   | 2011  | 6100        | \$725,000   | PCHPR |
| ERP     | 999200  | 526100 | 2011     | 1000  | \$1,100,000 | 150         |       |
| ERP     | 999200  | 526100 | 2012     | 1000  | \$1,100,000 | 150         |       |
| ERP     | 999200  | 526100 | 2013     | 1000  | \$1,100,000 | 150         |       |
| ERP     | 999200  | 526100 | 2014     | 1000  | \$1,100,000 | 150         |       |
| ERP     | 999200  | 526100 | 2015     | 1000  | \$1,100,000 | 150         |       |

Section 2. This resolution and authorization is contingent upon receipt of all funds from the Commonwealth of Pennsylvania pursuant to the agreement of sale by and between the City of Pittsburgh and the Commonwealth of Pennsylvania Department of General Services for the property at 660 First Avenue in the City of Pittsburgh.

6



## Governance Structure

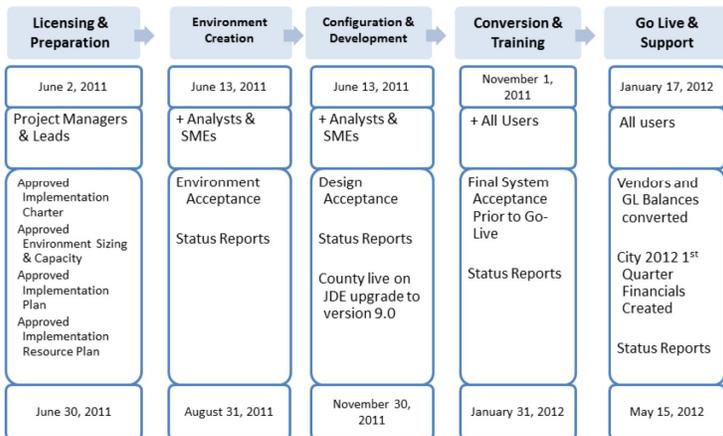


- **JDE Shared Services Operation (SSO) Sponsors** - receives periodic updates and meets as needed to resolve major "policy and strategic" issues (4 elected officials)
  - **JDE SSO Board** -meets monthly with project managers to review JDE ERP operational issues and plan strategic direction (5 delegates of elected officials)
  - **City/County JDE ERP Project Managers** - coordinate tasks & resources to resolve tactical operational issues and plan strategic direction
- Allegheny County Executive
  - Allegheny County Controller
  - Allegheny County Department of Human Services
  - City of Pittsburgh Mayor's Office
  - City of Pittsburgh Controller's Office

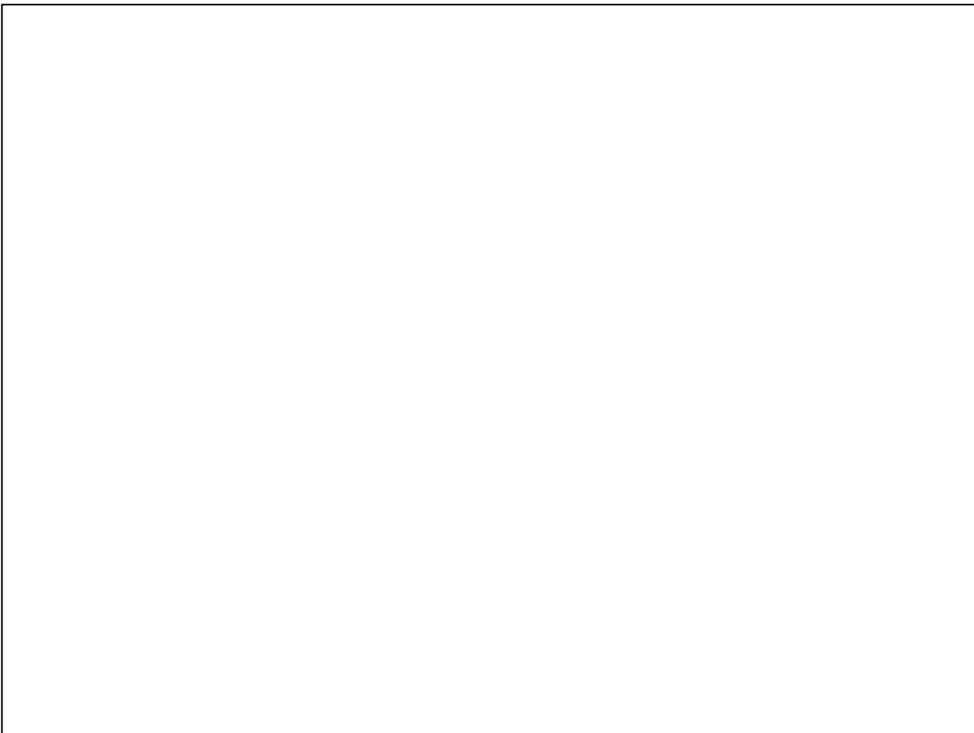




## City Project Benefits from County Experience



8





## JDE ERP Project Goals



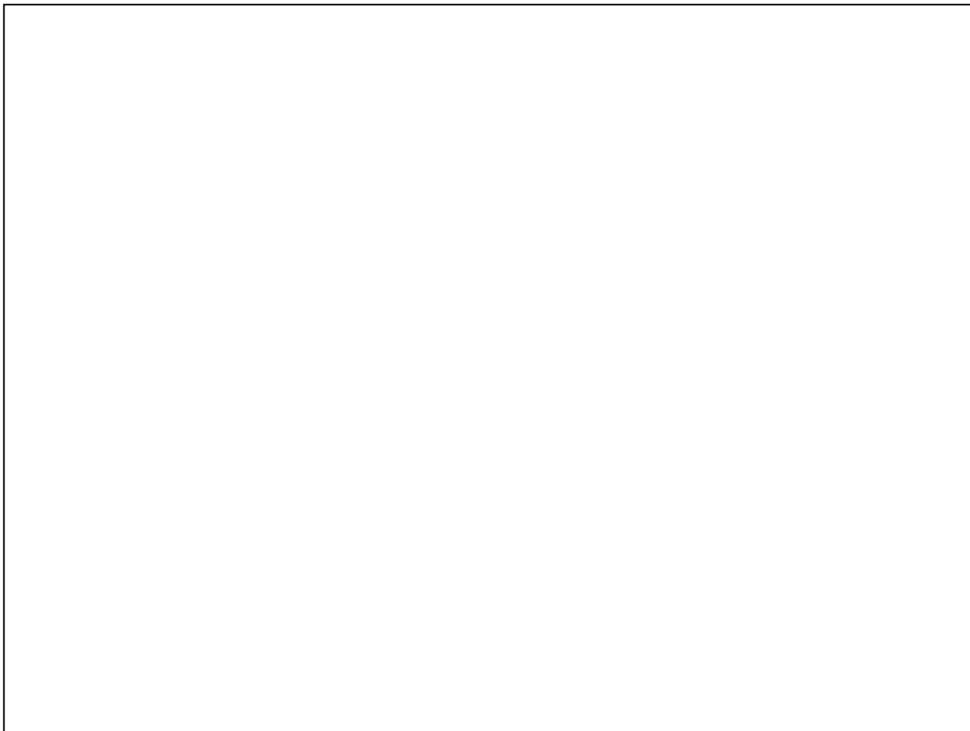
### ***Immediate Goals*** (after Go Live on January 17, 2012)

- City operates live on a supported financial software and hardware platform
- Initial ERP functions will support General Ledger, Accounts Payable, Treasury, Fixed Assets, Purchasing, Contracts, Budgeting & Grant Management
- City financial transactions processed in a timely manner (adapted from County processes)
- Improved data integrity - Single Version of the Truth
- Improved internal controls & security
- Improved reporting & analysis

### ***Longer Term Goals*** (after mid-2012)

- Improve interfaces to external/departmental systems – 3 Taxing Bodies, Real Estate, Treasury, etc.
- Expand ERP functions to support operations of HR/Payroll, Inventory, and Work Order Management
- Improved transaction efficiency - use document imaging when feasible

9





## County/City SSO is a success!



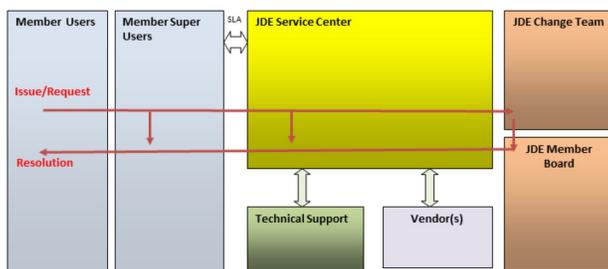
***Project was 30% under budget and on-time***

- City had a need (running on unsupported financial software)
- Forward-thinking and committed elected officials (24-months of negotiations)
- Good Collaborative/Shared Project Management (6-months for implementation) – Scope Control
- Smart utilization of internal resources - \$800,000

10



## SSO Operations & Day-to-Day Services Model



### County Leadership for SSO Management

- Shared Staff – General Operations
- Focused Staff – City Controller's Office
- Focused Staff – Mayor's Office & City Departments



## Benefits, Challenges & Future Directions

- Competing in “public sector” for key JDE ERP talent
- City Payroll (Dec’13) less “automated” for time-capture than County Payroll (2009); Pensions operational (Jun’13)
- City Management of Assets – Fixed, Controlled & Inventory Assets underway and more “advanced” than County
- Pace of sharing additional tools and applications for:
  - Reporting Out (SpreadSheet Server & ReportsNow)
  - Budgeting (RFP)
  - Performance Accountability (Tableau)
  - Permitting & Business Licensing (Accela)
  - Digital Document/Imaging Management (OnBase)
- Governance and “expanding” SSO membership

12

Controller leads and Chuck adds details and adds color as necessary