



MCHENRY COUNTY
FINANCE & AUDIT
AGENDA • AUGUST 15, 2017

Public Meeting

County Board Conference Room

5:01 PM

667 Ware Rd, Administration Building, Woodstock, IL 60098

1. CALL TO ORDER

2. PUBLIC COMMENT

3. NEW BUSINESS

1. Resolution Authorizing Contracts with MicroSoft, AKA Enterprise Solutions of New York, Sympro, Requordit, Dynad, and Tyler Technologies for the Licenses, Hosting and Implementation of a New Financial Enterprise System MicroSoft Dynamics 365 and an Emergency Appropriation to the FY 2017 Non-Departmental Budget

4. ADJOURNMENT

++ This item taken out of traditional committee order.

RESOLUTION - SUPERMAJORITY

RESOLUTION AUTHORIZING CONTRACTS WITH MICROSOFT, AKA ENTERPRISE SOLUTIONS OF NEW YORK, SYMPRO, REQUORDIT, DYNAD, AND TYLER TECHNOLOGIES FOR THE LICENSES, HOSTING AND IMPLEMENTATION OF A NEW FINANCIAL ENTERPRISE SYSTEM MICROSOFT DYNAMICS 365 AND AN EMERGENCY APPROPRIATION TO THE FY 2017 NON-DEPARTMENTAL BUDGET

WHEREAS, the current financial software system utilized by the County is Performance Series which was developed by KPMG in the early 1990's, purchased/implemented by the County in 1996-1997, and has served the County well over the past twenty (20) years; and

WHEREAS, though the County has been satisfied with its performance, the Performance Series software is no longer being enhanced, sold, nor supported to the degree required of such a complex system and therefore, has caused great concern for all governments utilizing the software as well as the core users of the County in its ability to stay operating; and

WHEREAS, after expressing such concerns to the Finance and Audit Committee in the end of calendar year 2015, the County Board of McHenry County, IL approved Resolution R-201601-99-027 in January of 2016 authorizing the establishment of a Financial System ERP Project Fund and an emergency appropriation in the amount of \$180,000 for the purpose of contracting with the Government Finance Officers Association (GFOA) to create detailed functional specifications and to negotiate the final form of a software contract and for the purpose of employing a project manager to oversee the project; and

WHEREAS, specifications were completed, RFPs were issued with 13 vendors responding, and after due diligence by the ERP project core team (Director of Purchasing, Director of IT, County Auditor, County Treasurer, and Associate County Administrator – Finance), it was vetted that MicroSoft Dynamics 365 and AKA Solutions of New York were the most responsive, responsible vendor and are now being recommended as the software/implementation vendor of choice at a cost not to exceed \$3,277,547; and

WHEREAS, after doing further due diligence, additional software (Sympro Investment Suite, Requordit - Onbase OCR Intelligence, Tyler Cashiering, and Dynad Interface Software) in the amount of \$315,250 is also being recommended to enhance the business operations, functionality, and reporting of the MicroSoft Dynamics software; and

WHEREAS, the ERP Core Team is also requesting a budget of \$24,000 for Contractual Professional Agency Staff to only be utilized in the event the implementation process begins to fall behind due to other constraints placed on Core Team members; and

WHEREAS, after lengthy discussion and review the Finance & Audit Committee is now recommending said contracts for the implementation of a new ERP Financial Software and an emergency appropriation to account for the expenditures be approved by the McHenry County Board.

NOW, THEREFORE BE IT RESOLVED, by this County Board of McHenry County, Illinois that it hereby authorizes the Chairman of the Board to enter into the necessary contracts as required with MicroSoft, AKA Enterprise Solutions, Sympro, Requordit/Onbase, Dynad and Tyler Technologies for the purchase and implementation of a new ERP Financial Software for the County pending final review and approval by the State's Attorney's Office; and

BE IT FURTHER RESOLVED, by this County Board of McHenry County, Illinois that it also

hereby authorizes an emergency appropriation to the Non-Departmental ERP Project FY 2017 Budget in the amount not to exceed \$4,619,193 as follows:

Revenue:		
OCA 900020-9990	Non-Dept. Gen Fd – Utilization of Fd. Bal.	\$4,619,193
Expenditures:		
OCA 990745-3010	Financial ERP Project – Regular Salaries	\$323,146
OCA 990745-4002	Financial ERP Project – Temporary Services	\$24,000
OCA 990745-4570	Financial ERP Project – Contingency	\$299,431
OCA 990745-6050	Financial ERP Project – Computer Technology	\$3,972,616
	MicroSoft Dynamics 365 – Subscription Fees - \$395,780	
	MicroSoft Dynamics 365 – Cloud Environments - \$78,076	
	Sympro Treasurer’s Suite – Investment Software - \$59,500	
	Requordit - Onbase – OCR intelligence - \$57,750	
	Dynad Software – Interface Software – \$48,000	
	Tyler Technologies – Cashiering Software – \$150,000	
	AKA Entrpse Solutions–Implementation Serv. - \$2,994,310	
	3 Year Maintenance Costs - \$189,200	
	Total Expenditures	\$4,619,193

BE IT FURTHER RESOLVED, by this County Board of McHenry County, IL that upon completion of each milestone for payment a report will be presented to the Finance and Audit Committee on the status of the implementation prior to release of the milestone payment; and

BE IT FURTHER RESOLVED, that the County Clerk is hereby authorized to distribute a certified copy of this Resolution to the Director of Purchasing; the County Auditor; the Director of Information Technology; the County Treasurer; the Associate County Administrator – Finance; and the County Administrator.

DATED at Woodstock, Illinois, this 15th day of August, A.D., 2017.

Jack D. Franks, Chairman
McHenry County Board

ATTEST:

Mary E. McClellan, County Clerk



McHenry County Board

County Board Room
Woodstock, IL 60098

Meeting: 08/15/17 05:01 PM
Department: County Administration
Category: Capital Project
Prepared By: Ralph Sarbaugh

SCHEDULED

RESOLUTION - SUPERMAJORITY

DOC ID: 6238

TO: McHenry County Board
FROM: Ralph Sarbaugh
DATE: August 15, 2017
SUBJECT: Resolution Authorizing Contracts with MicroSoft, AKA Enterprise Solutions of New York, Sympro, Requordit, Dynad, and Tyler Technologies for the Licenses, Hosting and Implementation of a New Financial Enterprise System MicroSoft Dynamics 365 and an Emergency Appropriation to the FY 2017 Non-Departmental Budget

Board / Committee Action Requested: Authorize a contract with MicroSoft and AKA Enterprise Solutions of New York for the Licenses, Hosting Fees and Implementation of a new Financial Enterprise System, MicroSoft Dynamics 365 and an emergency appropriation to the FY17 budget allowing for the funding of the new system.

Background and Discussion: On January 19, 2016 the County Board of McHenry County, IL approved Resolution R-201601-99-027 authorizing the establishment of a Financial System ERP Project Fund, an emergency appropriation in the FY16 General Fund Non-Departmental Budget and the FY16 Financial System ERP Project Budget for \$180,000 to begin the process of replacing the current failing financial system currently utilized by the County. The \$180,000 was to be utilized to cover the first year salary of the project manager and the cost of the board approved contract with the Government Finance Officers Association (GFOA) for developing the specifications, hosting vendor interviews and contract negotiations.

The current system utilized is Performance Series, which was implemented in FY96-97 and has served the County well for twenty years, but is no longer being enhanced, supported or sold. The system is showing signs of failure, causing great concern for the County end-users.

The projected budget required for the new ERP system project breakdown is as follows:

Software Costs:

Client License	MS Dynamic 365 Subscription Fees (125) – FY17&18	\$237,468
Environments	MS Dynamic 365 Cloud Environment Costs - FY17&18	\$45,769
Investment Suite	Sympro Treasurer's Suite	\$59,500
OCR Intelligence	Requordit – Onbase Intelligence Capture for AP	\$57,750
Interface Software	Dynad Software – FY17 & 18	\$48,000
Cashiering Software	Tyler Cashiering (Estimate)	\$150,000
	Total Projected Software Costs	\$598,487

Implementation Costs:

AKA Solutions:		
Analysis	Proj. Mgmt Act., BPA Workshop, Solution Design	\$919,555
Design & Devlp.	Design & Development – Phases I & II	\$1,194,730
Testing	Testing	\$302,425

Deployment	Deploy and Go Live	\$577,600
	Total AKA Solutions Projected Costs	\$2,994,310

Go Live / Incidental Costs:

Client License	FY 2019 Projected License Costs (125 Users)	\$158,312
Environments	FY 2019 MS Dynamic 365 Cloud Environment	\$32,307
Maintenance	Projected Annual Software Maintenance Costs	\$189,200
Contractual Services	Contractual Agency Staff ¹	\$24,000
Employee Costs	Employee Costs committed to Project ²	\$323,146
Contingency	Contingency (10% of implementation costs)	\$299,431
	Total Go-Live / Incidental Costs	\$1,026,396
	Projected ERP Project Budget	\$4,619,193

Impact on Human Resources: May need assistance in obtaining temp staff.

Impact on Budget (Revenue: Expenses, Fringe Benefits): The software and implementation fees have been presented on the County's Capital plan. An emergency appropriation in the amount of \$4,619,193 will be required in order to track all costs incurred with the project to properly capitalize the asset. Of the \$4,619,193 requested for budget, \$323,146 of employee costs have been accounted for under each of the individual departments that will not be utilized, eliminating any additional costs for the County employees' time.

Impact on Capital Expenditures: Upon completion of the implementation, the total expense will be capitalized as an asset on the County's book of record.

Impact on Physical Space: None

Impact on Other County Departments or Outside Agencies: The implementation of a new ERP system will impact all Departments and some outside agencies of the County. This will be the County's

¹ The County will need to capitalize the cost of employee time committed to the project. Since these employees will not be paid any additional amounts, this amount is being created in the budget to allow for the book entry to capitalize the time.

² One of the comments consistently brought up in discussions with other governments that have just completed a conversion to a new software is "make sure you allow for additional staff." Knowing the direction is to reduce operating costs, the Core Team Members understand it is not prudent to ask for additional full time positions for this transition. Therefore, the above cost of \$15,000 under contractual services is to allow for professional agency staff in the event the project implementation begins to fall behind schedule.

new financial system that upon implementation replaces the current County book of record.

Conformity to Board Ordinances, Policies and Strategic Plan: The replacement of the County's financial software is part of the strategic plan, which will be met once the implementation is completed.