



Report to: General Committee

Meeting Date: June 17, 2025

SUBJECT: Cloud Enterprise Resource Planning (ERP) Software Update
PREPARED BY: Ned Sirry, Ext. 4885
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RECOMMENDATION:

- 1) THAT the report entitled “Cloud Enterprise Resource Planning (ERP) Software Update” be received; and,
- 2) THAT Staff be authorized to complete any required vetting and finalize negotiations with Workday Inc. to be the preferred solution and software product provider for the City’s Enterprise Resource Planning servicing needs; and,
- 3) Should it be required, Staff be authorized to pursue an alternative preferred solution and software product provider for the City’s Enterprise Resource Planning Software from among the two other solutions noted in this report; and,
- 4) THAT once the vetting process and negotiations are finalized, the Chief Administrative Officer have delegated approval authority to award the contract for Cloud Enterprise Resource Planning Software Solution; and,
- 5) THAT Staff proceed with the procurement of Consulting Services to provide Implementation, Integration, Ongoing Support and Maintenance of a Cloud Enterprise Resource Planning Software Solution; and,
- 6) THAT the Chief Administrative Officer have delegated approval authority to award the contract for Consulting Services of a Cloud Enterprise Resource Planning Software Solution; and
- 7) THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

To purpose of this report is as follows:

1. Provide an update on the City’s Enterprise Resource Planning (ERP) system and the need to pursue a new, more modern system.
2. Provide an overview of the process followed to determine the recommended solution for the City’s future ERP system.
3. Seek Council authority to delegate approval to the City’s Chief Administrative Officer to award contracts for a new ERP system, once Staff finalize the vetting process and negotiations in the best interest of the City.

BACKGROUND:**CURRENT ERP SYSTEM**

The City's current ERP system, Cayenta, is used across the organization and enables a number of financial and business processes critical to City operations, particularly in the areas of financial planning and budget development, transactional activities such as procurement and accounts payable, and accounting and financial reporting. It integrates with other important software systems, including the City's current HR, payroll, asset management, development finance, and tax administration solutions.

However, the system is an on-premise solution and has been in use for over 20 years. It is currently two full software versions behind, and will be unsupported by Q1 2027. This poses significant risk to the City unless addressed immediately.

A major upgrade, however, is required to maintain support. This would involve a complete overhaul of the platform, akin to a new system implementation and requiring considerable financial and resource investment. The upgrade cost with Cayenta would be equivalent to the price of a new ERP platform (due to architecture changes and reimplementation costs). Additionally, the City is among the last municipalities using this platform.

RENEWING AND MODERNIZING THE CITY'S ERP SYSTEM

The current situation presents an opportunity for the City to pursue a new, more modern, cloud-based ERP system to better meet current and future operational needs. Leading solutions will help the organization achieve further operational efficiency, improve financial oversight, and support strategic decision-making.

Transformational benefits that may be unlocked through a new system include:

- Standardizing workflows, reducing manual intervention, and increasing automation
- Through real-time data, providing visibility into areas where delays and inefficiencies exist, better enabling continuous process improvement
- Creating opportunities to reassess/refine/streamline policies, standards, etc.
- Streamlining approvals and decision-making
- Improving compliance and risk management through accurate recordkeeping, audit trails, and proactive issue identification
- Fostering better cross-functional collaboration and coordination
- Supporting scalability and future growth

A new solution will offer improved user interface and useability, robust security and auditing capabilities, and available and sustained software support. A more modern, robust system may also be scaled up, allowing multiple software solutions to be consolidated into one enterprise platform, representing further potential efficiencies.

ERP OPTIONS ANALYSIS & IDENTIFICATION OF LEADING SOLUTIONS

In anticipation of the need to replace the current system, Staff proactively submitted and received approval for funding in the 2024 and 2025 budgets to support the implementation of a new ERP system. Thereafter, Staff completed an ERP Strategy Workshop facilitated by a leading IT firm (Infotech) to help define the key parameters of the ERP transformation initiative. A high-level current state and needs analysis was completed, and recommendations for improvements, software replacement and systems enhancement were identified. With Infotech's assistance, functional, service (implementation and maintenance and operational support), and technical requirements for a new system were developed.

Given the urgency to move forward with a new solution, Staff leveraged insights from Infotech and the strategy workshop to conduct research and engage peers on recent ERP system contract awards/completed implementations within the municipal context over the last five years. Staff also reviewed and analyzed the Gartner Report's Magic Quadrant, which is a reputable industry mechanism to understand the competitive landscape of a technology market, compare vendors' strengths and weaknesses, and gain insights into market trends and direction.

These processes helped identify and validate the following proven, reputable, leading solution providers to meet City needs:

- Workday Inc.
- Oracle
- SAP Canada

DEMONSTRATIONS FROM LEADING SOLUTION PROVIDERS

In Q1 2025, Staff invited the three leading software solution providers to participate in structured, full-day presentations/demonstrations. Staff prepared comprehensive, detailed demo scripts identifying detailed capabilities and functionalities the City is looking for in a new ERP system. These scripts were sent to all providers in advance to ensure productive demonstration sessions. Scripts address the City's functional & non-functional requirements in the following key areas:

- General Software Functionality (including user interface & navigation, workflows, documentation, and other non-functional/technical requirements)
- Functional modules under "Record to Report" (facilitating financial transactions and accounting), "Forecast to Budget" (Operating & Capital budgets) and "Procure to Pay" (procurement, vendor and contract administration), as well as Payroll & Human Resource Information.

Staff from the City's IT, Finance and People Services departments participated in the process, along with representation from business areas across the City. Procurement staff organized and facilitated the demonstrations. Staff were also provided access to a demo environment to supplement the sessions. Collectively, this provided an opportunity to review the systems and follow-up with the ERP providers.

All three ERP providers were advised during the sessions that it was Staff's intention to select an ERP System from this process and to conduct a separate procurement for an implementation partner in the summer of 2025.

OPTIONS/ DISCUSSION:

The demonstrations were assessed against a number of considerations, including: Qualifications and Experience of the ERP Provider; Methodology and Delivery Management; Fulfilment of Functional & Non-Functional Requirements; and, Budgetary Cost Estimates.

Building on the strategy session, marketplace and system research, solution demonstrations, and multi-factor evaluation, the current preferred ERP solution is Workday Inc., with the following supporting rationale:

- **Maximize the robust capabilities of Workday ERP Suite:**
 - Modern, efficient, robust platform leveraging latest technology
 - Core enterprise capability with full integration, extendable and scalable system
 - Capable of meeting all needed functionalities, with opportunities for continuous improvement and adoption of new capabilities to meet future needs
 - Enables a phased ERP deployment, starting with a focus on financial system development with the possibility of scaling up to other key areas
- **Municipal and Broader Public Sector Synergies:**
 - In use by other municipalities such as the City of Burlington, Town of Whitby and Town of Milton, as well as Ontario Health and Scarborough Health Network
 - Based on ongoing research and discussions, other municipalities are either on track to adopt, or exploring, the Workday ERP platform
 - Synergies will allow the City to take advantage of information and best practices sharing, which should facilitate a smoother project delivery and transition process

Given the urgency of renewing the City's ERP system, Staff will be finalizing the vetting process for the preferred ERP platform over the summer months. The process will include any further required internal reviews and external validations with peers and other organizations. CAO approval will then be requested to proceed with the selected ERP provider, followed by the procurement of a systems implementation partner to facilitate solution development, deployment and ongoing support. Staff are planning on issuing an open RFP for the implementation partner before the end of the summer, with development and implementation occurring in Q4 2025 and throughout 2026.

Should any significant issues surface in the vetting process, Staff will pursue the other two leading options identified in this report, and follow a similar procurement process.

FINANCIAL CONSIDERATIONS:

The 2024 and 2025 budgets provided funding to support the implementation of a new ERP system. Any additional funding needs and ongoing licensing, support and maintenance costs will be considered and brought forward as part of future capital/operating budgets.

HUMAN RESOURCES CONSIDERATIONS:

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

An effective ERP system is integral to the City's financial and business processes, and the achievement of the City's goal of "Stewardship of Money & Resources."

BUSINESS UNITS CONSULTED AND AFFECTED:

Departments across the City were engaged in this initiative.

RECOMMENDED BY:

Sumon Acharjee
Chief Information Officer, ITS

Joseph Silva
Treasurer

Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

Not Applicable