

Question and Answer Period – April 15, 2024

April 15 agenda item 6.2.d **Enterprise Resource Management (ERP)** – Staff Recommendations

The original budget for the cost of a new ERP for the City of White Rock tabled in January was 2 million dollars. Why is City Staff now asking for an additional 1.5 million dollars for this project increasing the total budget for the ERP to 3.5 million dollars?

Would City Staff please provide a copy of the corporate report that details the costs of the implementation of a new ERP for the city.

Please provide details of why 800,000 dollars of the 1.5 million increase is required for something called “staff backfill”. What is “staff backfill” and why does it cost so much?

Please provide an explanation of why the 15% contingency is calculated as \$500,000. There must have been a 15% contingency allocation on the original 2 million. The 1.5 million dollar increase should therefore only require \$225,000 being added as part of the increase - correct?

From: [Guillermo Ferrero](#)
To:
Cc: [Mayor and Council](#); [Clerk's Office](#); [Candice Gartry](#)
Subject: FW: Q and A Submissions for this afternoon
Date: Monday, April 15, 2024 2:16:47 PM
Attachments: [Q and A submission ERP question - April 15, 2024.docx](#)

Hello

Staff response in red (I'll respond to your second submission on a separate email)

Question: The original budget for the cost of a new ERP for the City of White Rock tabled in January was 2 million dollars. Why is City Staff now asking for an additional 1.5 million dollars for this project, increasing the total budget for the ERP to 3.5 million dollars?

Answer: The initial \$2 million estimate was determined nearly two years pre-COVID and was intended as a preliminary figure to start budget allocation. This estimate did not undergo a formal assessment and was more of a placeholder. Since then, engaging with municipalities that have updated similar systems and further research have revealed the complexities involved, necessitating a more realistic scope and budget. The revised estimate also extends the project timeline from two to three years, reflecting the depth of work required to modernize our 21-year-old financial system effectively.

Question: Would City Staff please provide a copy of the corporate report that details the costs of the implementation of a new ERP for the city?

Answer: A detailed budget will be presented to the Council along with the corporate report recommending the awarding of the contract. This report will outline all projected costs and resources required for the ERP implementation.

Question: Please provide details of why \$800,000 of the \$1.5 million increase is required for something called "staff backfill." What is "staff backfill" and why does it cost so much?

Answer: "Staff backfill" refers to the temporary hiring or reallocation of staff to cover the duties of current employees who will be dedicated full-time to the ERP project. This ensures that our city operations continue uninterrupted while our internal team focuses on the critical tasks of the ERP implementation. The \$800,000 allocation covers backfill for key positions, including management in revenue services, payroll, financial analysis, capital analysis, and budgeting/reporting, for the duration of the project.

Question: Please provide an explanation of why the 15% contingency is calculated as \$500,000. There must have been a 15% contingency allocation on the original 2 million. The 1.5 million dollar increase should therefore only require \$225,000 being added as part of the increase - correct?

Answer: The original 15% contingency was indeed based on the preliminary \$2 million budget. However, as the project's scope and budget were refined, the total contingency needed to reflect

the updated risk assessment and the complexities identified, warranting an increase to ensure we are prepared for unforeseen costs within the larger \$3.5 million budget.

Thanks,
G.

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From: Clerk's Office <ClerksOffice@whiterockcity.ca>
Sent: Monday, April 15, 2024 11:21 AM
To: Guillermo Ferrero <GFerrero@whiterockcity.ca>; Candice Gartry <cgartry@whiterockcity.ca>
Subject: Q and A Submissions for this afternoon

Hi G and Candice.

Attached are the two (2) submissions we have received so far for Question and Answer period this afternoon.

Let me know if you would like me to have the answers on table as well, will answer at the meeting or if this will be provided at a later time.

Thank you.

DEBBIE JOHNSTONE
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