



Item Number: 5

CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: April 15, 2025

TO: Mark Washington, City Manager

COMMITTEE: Fiscal Committee

LIAISON: Scott Saindon, Acting Chief Financial Officer

FROM: Scott Saindon, Acting Chief Financial Officer
Fiscal Services

SUBJECT: **Resolution approving one change order to the contract between Highstreet IT Solutions, LLC and the City of Grand Rapids in an amount not to exceed \$577,000.**

On April 11, 2023 (Proceeding No. 92478), the City Commission approved a contract between Highstreet IT Solutions LLC ("Highstreet") and the City of Grand Rapids (the "City") for \$6,000,000 for services including implementation of Oracle Fusion over the course of five years. The implementation began with City staff in June 2023. On June 2, 2024 (Proceeding No. 93602) a change order was approved in an amount not to exceed \$2,400,000 to accommodate both a change in scope of services and a new planned go-live date of January 1, 2025. On November 12, 2024 (Proceeding No. 94064) a change order was approved without additional cost to accommodate a new planned go-live date of April 1, 2025, as a result of staff turnover and capacity of staffing resources.

Since November, both City and Highstreet staff have made significant progress in building a system which meets all City requirements. However, upon review of go-live readiness on the project's go/no-go decision date, it became clear there were a few major outstanding items which made the risk too great to continue moving forward with an April 1 go-live. Areas in which there was low confidence of complete fitness for launch on April 1 included payroll and the projects and grants module.

Together, the City and Highstreet agreed a May 1 go-live was the most feasible option for both sides. This change will allow additional time needed to complete any outstanding configuration requirements, while still giving City staff time to finish the testing and knowledge transfer needed for a successful launch. In addition, in order to ensure successful payroll administration, Highstreet agreed to extend post go-live support for payroll from two to three payroll cycles.

Alongside the build out of HR and finance modules, the City has continued to make progress with development of a full Enterprise Performance Management system for use in budgeting and revenue projections. Several areas of possible additional functionality

have been explored, such as the ability to track budget versions as each budget moves through the budget cycle or the ability to “tag” certain budget items as relating to the City’s strategic plan. This change order includes allowances for such additional scope and provides a new go-live date for the EPM module which takes place after the completion of the City’s FY2026 budget cycle. This go-live date will allow budget staff to be fully engage during the final weeks of development.

In sum, this change order offers three significant adjustments to our current statement of work: 1) Change in go-live date to May 1, 2025, for HR and finance modules; 2) Increased post-go live support for payroll administration; and 3) Change in scope and go-live date for the budget module.

Costs for the total amount of this change order of \$577,000 will be allocated as follows:

- \$233,000 is within the currently approved budget for the Oracle implementation project and will be paid for from the Financial Management Services Fund (6820).
- \$344,000 will be paid for from the Fiscal Services contractual services budget, which is able to cover the cost in full.

As such, this change order does not require any budget amendments. Approval of this change order will allow the City and Highstreet to move forward with final development and launch of the HR, finance, and budget modules of Oracle Fusion Cloud.

Your FISCAL COMMITTEE recommends the adoption of the following resolution to approve one change order to the contract between Highstreet IT Solutions, LLC and the City of Grand Rapids in an amount not to exceed \$577,000.

WHEREAS:

1. On April 11, 2023 (Proceeding No. 92478), the City Commission approved a contract with Highstreet IT Solutions, LLC for training, implementation, integrations, and extended cloud services in an amount not to exceed \$6,000,000; and
2. On June 2, 2024 (Proceeding No. 93602), the City Commission approved a change order to the contract to increase scope to the project to accommodate certain business needs and processes which were unforeseen during the original contract formulation in the amount not to exceed \$2,400,000; and
3. On November 12, 2024 (Proceeding No. 94064), the City Commission approved a change order to the contract with no additional cost to extend the go-live date of the project to April 1, 2025, as a result of staff turnover and capacity of staffing resources; and
4. The implementation team has determined that the system needs additional time to reach a full go-live readiness state, and thus the go-live date must be extended; therefore,

RESOLVED:

1. That the City Commission authorizes a change order to an agreement with Highstreet IT Solutions, LLC providing implementation of an enterprise reporting planning system for the City of Grand Rapids in an amount not to exceed \$577,000; and
2. That the City Commission authorizes said agreement to extend the term of the current contract to July 31, 2025; and
3. That the Mayor is authorized to execute said Agreements upon approval as to form by the City Attorney; and
4. That the City is hereby authorized and directed to pay invoices consistent with this resolution.

CORRECT IN FORM

DEPARTMENT OF LAW