



FEBRUARY 13, 2025

AGENDA ITEM # 7

RECEIVE AND FILE A CONTRACT WITH THE GOVERNMENT FINANCIAL OFFICERS ASSOCIATION (GFOA) FOR ENTERPRISE RESOURCE PLANNING (ERP) ADVISORY SERVICES

Action Requested: Receive and File

Key Staff: Dustin Purinton, Accounting Manager

Recommendation

- 1) Receive and file a contract with GFOA for ERP Advisory Services.

Background Information

The Sacramento Transportation Authority (STA) currently operates on a financial system that lacks the functionality, efficiency, and compliance needed to align with best practices. STA staff supplement the current financial system with external spreadsheets and manual processes. A recent financial statement audit identified the absence of a formal approval process for journal entries. Staff also rely on manual methods for other approval workflows.

This emphasizes the need for a modern enterprise resource planning (ERP) system. An ERP solution would automate approval workflows, improve operational efficiency, and provide a robust platform for comprehensive financial management. By replacing the existing QuickBooks software—which lacks the advanced features required to meet STA's growing needs—STA can streamline operations and enhance overall effectiveness.

Discussion

The Government Finance Officers Association (GFOA) has submitted a proposal for ERP advisory services. GFOA's extensive expertise in public-sector ERP implementations ensures a structured and successful transition process. The scope includes not only improvements to business processes and policy revisions but also the procurement and selection of an ERP system tailored to meet STA's operational needs.

An Enterprise Resource Planning (ERP) system is more than an advanced accounting tool; it provides a modular platform with optional capabilities that STA can adopt as its needs evolve. While the primary focus will be on financial management, additional functions can be integrated over time, including:

- **Human Resources Management:** Streamlining processes such as payroll, benefits administration, and performance tracking, as required.
- **Procurement and Inventory Management:** Automating purchasing workflows, supplier management, and inventory tracking to improve accuracy and efficiency when necessary.
- **Project Management:** Enhancing planning, execution, and monitoring of projects, including budget control and resource allocation.
- **Data Analysis and Reporting:** Offering centralized data access and advanced analytics to support decision-making and transparency, as the organization's needs expand.
- **Compliance and Risk Management:** Strengthening adherence to regulatory standards and improving data security through controlled workflows.

By starting now, STA can:

1. Leverage GFOA's proven methodologies to optimize financial and operational processes.
2. Adopt current technology trends, which enhance data security, improve compliance, and future-proof operations.
3. Align STA staff time effectively to meet the requirements of the implementation process.
4. Address existing issues proactively, creating opportunities for cost savings and improved efficiency.

GFOA's phased approach ensures STA staff are engaged and prepared throughout the project, minimizing disruptions and fostering organizational readiness for the new system. This methodical process includes training and change management to ensure long-term success.

It is anticipated that the ERP Request for Proposal (RFP) will be presented to the ITOC for review in the third quarter of 2025.

Fiscal Impact

The estimated cost for the ERP readiness and selection process will be billed at an hourly rate, with a maximum expenditure of \$40,000, as outlined in GFOA's proposal. Once an ERP system is selected and implemented—following the issuance of an RFP in the second half of calendar year 2025—the implementation costs are expected to range from \$20,000 to \$80,000. Additionally, the system will incur an annual subscription cost estimated between \$20,000 and \$50,000.

This investment is anticipated to be offset over time through enhanced operational efficiencies and improved financial oversight, ensuring long-term value for STA.

Attachments

1. Government Financial Officers Association; ERP Advisory Services Proposal