

## Business Case Estimates vs Forecast

Business Case Item	Business Case Assumptions	Forecast	Forecast and Realities	
<b>ERP Annual Operating Cost</b>	\$2.1M to \$3.3M from Year 1 to 10	<ul style="list-style-type: none"> <li>Annual maintenance and software license cost</li> </ul>	\$6.6M to \$9.6M	<i>Behind Target: Realities</i> <ul style="list-style-type: none"> <li>Original Business Case only included annual software and licensing costs and assumed that any ongoing requirements will be addressed by existing staff</li> <li>New controls, improved processes, technical expertise, and further system requirements are needed to support the drive for change throughout the City</li> </ul>
<b>Current software and maintenance cost savings</b>	\$433,000 to \$469,000 from Year 4 to 10	<ul style="list-style-type: none"> <li>Elimination of existing decentralized systems</li> </ul>	\$598,000 starting Year 3	<i>On Target:</i> <ul style="list-style-type: none"> <li>Savings from decommissioned software system licenses</li> </ul>
<b>Procurement &amp; Inventory Savings</b>	\$1 to \$5M from Year 4 to 10	<ul style="list-style-type: none"> <li>Material and service cost reduction of 5% or better</li> <li>Improved accounting controls leading to early vendor payment discounts</li> <li>Inventory reduction of 20% or better</li> <li>Centralization of 7 inventory stores</li> </ul>	\$139,000 starting Year 3	<i>Target At Risk: Initial Benefits:</i> <ul style="list-style-type: none"> <li>Shift from tactical to strategic sourcing</li> <li>Going from manual / paper to digital process</li> </ul> <i>Finding additional benefits contingent on:</i> <ul style="list-style-type: none"> <li>More robust, accurate, meaningful dataset and subsequent reporting system</li> <li>As existing contracts come due, they will be re-evaluated for savings opportunities</li> <li>Capital investment needed to move into a centralized modern facility</li> </ul>
<b>Efficiencies</b>	\$700,000 to \$3.5M from Year 5 to 10	<ul style="list-style-type: none"> <li>Improvement in HR, Finance, Work Orders, and Payroll processes</li> </ul>	\$1.65M starting Year 3	<i>On Target; Benefits seen:</i> <ul style="list-style-type: none"> <li>Staff time savings / reallocation from automated leave reporting</li> <li>Reduction in overtime due to knowledge of equipment status</li> </ul>

Business Case Item	Business Case Assumptions	Forecast	Forecast and Realities	
				<ul style="list-style-type: none"> <li>• Savings on pump maintenance from better data driven decision making</li> </ul> <p><i>Implementation Challenges:</i></p> <ul style="list-style-type: none"> <li>• The City has also seen some change management and adoption challenges and complexities, which were underestimated.</li> <li>• Adoption has varied throughout the organization based on departmental maturity and additional resourcing needs</li> <li>• The level of effort to achieve organizational adoption and ensure effective and efficient use is higher than originally assumed in the Business Case</li> <li>• Employee position savings have been achieved but have been redeployed to support new processes and controls</li> <li>• Highly complex HR and payroll process, leads to longer lead time to realize savings</li> <li>• Complex collective agreement requirements, lead to longer lead time to realize savings</li> <li>• Processes requiring review and maturation to evolve to best practice</li> </ul>