5-December-2002

TO:       UPC-IT Committee
FROM:     Michael Dieckmann
RE:       Update on ERP System Project

As previously reported to the Committee, the devolution of University governance from the State has the
associated side effect of forcing UWF to acquire new administrative information systems for financial,
purchasing, and human resources processing.  UWF has followed the path of other Florida SUS
universities in pursuing an integrated Enterprise Resource Planning (ERP) system solution for these
needs.  UWF is the last SUS university to select an ERP package, but the project Vision Committee in
late November finalized a proposed system selection.  I request that the UPC-IT Committee endorse the
ERP Vision Committee’s selection of the SCT Banner system as the ERP solution for UWF.

The major milestones to date in this project have been:

• In 2001, as part of university governance devolution, the State of Florida announces that SUS
  universities must be removed from SAMAS/FLAIR statewide financial systems, and from the
  payroll services of the State Comptroller’s Office.  Deadlines are July 2004 for financial systems,
  and January 2005 for payroll.

• In February 2002, Dr. Wooten initiates a project for UWF to participate in a consortium organized
  by the University of Florida and including FSU, FAMU, and UNF.  The purpose of this consortium
  is to execute a common invitation to negotiate (ITN) with ERP system vendors.  The consortium
  receives responses from four major ERP system vendors:  SAP, Oracle, SCT, and PeopleSoft.

• In May 2002, due to logistical difficulties, UWF withdraws from the consortium.  Subsequently, Dr.
  Wooten and Mr. Dieckmann charge a UWF-specific ERP Vision Committee to carry on the
  project.

• On July 29, 2002, the UWF ERP Vision Committee holds its first meeting and begins work on an
  RFP.

• On September 12, following a University CIOs meeting, Dieckmann recommends to the Vision
  Committee that they limit their investigation to the SCT Banner and PeopleSoft systems, which
  have emerged as the sole choices employed by Florida universities to date (see page 5).  The
  Vision Committee agrees that the risks of pursing an independent solution are too great.  The
  Committee therefore initiates a process of investigation and negotiation with those two vendors
  under the terms of the ITN issued by the UF consortium (which still covers UWF).  UNF has
  recently withdrawn from the consortium, and used the same strategy to negotiate with SCT.

• On November 22, following intensive weeks of investigation, review of consortium findings, and
  on-site UWF demonstrations and vendor negotiations, the Vision Committee chooses SCT
Banner as the proposed ERP system solution for UWF.

Based on system demonstrations and investigations, the Vision Committee determined that:

- Both systems would meet the needs of UWF.
- Acquisition costs for both systems are comparable. Operational costs are difficult to compare, but roughly the same as best we can estimate at present.
- PeopleSoft is the more advanced system and is a better technical fit for UWF; however, it would be more difficult to implement and operate, with many features that UWF would probably not utilize.
- Experience of other clients indicates that SCT Banner is easier to implement with a higher project success rate. Experience also indicates that SCT maintains better working relationships with its clients and lower total cost of ownership. Initial experiences of the FSU/UF consortium with PeopleSoft indicate many potential problems.
- Opportunities to partner with the other SUS universities of similar size offer many advantages.

Finding these factors to be key, the majority decision of the Vision Committee was to select SCT Banner as a preferred solution to PeopleSoft. Should negotiations with SCT fail, PeopleSoft is an acceptable, though remote, second choice.

**Acquisition and Implementation Plan**

The dictated deadlines from the State lend an extreme sense of urgency to this project and a mandate to move forward. The major elements of the implementation schedule are thus:

- **December 2002**
  - Finalize major negotiations with SCT.
  - Finalize major elements of project plan and budget.
  - Review decision with UPC-IT Committee.
  - Deliver project and funding proposal to UWF administration for approval.

- **January 2003**
  - Deliver project and funding proposal to UWF Board of Trustees for approval.

- **February 2003**
  - Sign contracts with SCT and begin implementation project.

- **March 2003**
  - Mandated deadline for securing State approval of migration plan.

- **July 2004**
  - Go live with Financials system.
January 2005

• Go live with Human Resources/Payroll system.

The major implementation strategies are:

• The ERP system itself and ongoing maintenance will be licensed from SCT under the terms of the invitation-to-negotiate initiated by the FSU/UF Consortium, of which UWF was an initial member.
• Consulting and implementation services will also be contracted directly from SCT.
• The required Oracle database software will be licensed from Oracle using state contracts.
• All opportunities to partner with UNF in the SCT Banner implementation will be utilized.
• Back-end system servers will be housed at the Central Florida Regional Data Center located at USF, which also provides SCT Banner hosting services for FGCU, New College, and UNF.
• Front-end web servers will be hosted locally by ITS.

While negotiations are still underway, and the overall project budget and ten-year operational cost are still being finalized, it is estimated that licensing the Banner system will cost approximately $600,000; Oracle licensing will cost approximately $150,000; SCT implementation services will cost approximately $3 million; servers and associated equipment will cost approximately $250,000. Thus, the total one-time acquisition and implementation cost is approximately $4 million.

Annual SCT maintenance will cost approximately $100,000; Oracle maintenance will annually cost $50,000; CFRDC hosting services will cost approximately $250,000; local hardware maintenance and operation will cost approximately $50,000. Thus, the ongoing annual operational costs of the system will be approximately $450,000 per year. This gives a total ten-year life-cycle cost of the system of approximately $8.5 million.

Hosting Issues

Banner runs on a major platform – namely the Oracle database and Unix operating system – that is unfamiliar to ITS. Supporting Banner at UWF, at least initially, would require the addition of both Unix and Oracle staff experts (at minimum two of each), and would thus dictate a substantial investment in both hardware and staff. It would also seriously slow down the implementation schedule and add significant risk to meeting the mandated deadlines. Therefore, the optimal strategy appears to involve hosting Banner off-site. This same strategy has been selected by UNF, FGCU, and New College in their Banner implementations. These other universities are hosting at the Central Florida Regional Data Center (CFRDC) which is located on the USF campus in Tampa. We are exploring a similar hosting agreement with CFRDC for the back-end Banner servers. Front-end web servers, which can be based on the Windows 2000 platform, will be hosted locally at UWF.

Other Implications of this Selection

By definition, an ERP system will become the cornerstone of UWF’s administrative IT environment, due to the size and complexity of the system. In terms of sheer cost, it represents the single largest IT investment that a UWF is likely to make in the foreseeable future. Some of the major implications of this
purchase include:

- Banner will initially become the foundation for financial and human resources processing with the purchase of the Finances and HR system modules.
- All other UWF administrative systems must be integrated or interfaced to Banner. This will be a significant project, larger than the year 2000 conversion effort.
- We should anticipate that eventually Banner will encompass student system processing as well; as such, the contract being negotiated with SCT gives us guaranteed discount pricing for one year on a follow-up purchase of the student modules.
- Banner also includes workflow and web-based self-service modules, and will become the foundation for those services, replacing FirstMate and parts of NAUTICAL.
- The Data Mart features of Banner will become the basis for the UWF data warehouse.
- Banner, like most major ERPs, now includes a web portal as an integral part of the system. In the case of Banner, it is the Campus Pipeline portal (based on the uPortal\(^1\) standard), supported by the Documentum content management system. These elements of Banner will become the foundation for UWF web services and an integrated University web portal.

**ERP Vision Committee Membership**

The ERP Vision Committee is an advisory group commissioned by the Vice President for Administrative Affairs and the CIO, and has responsibility for strategic oversight of the ERP system project. The Vision Committee includes representation from all University divisions, as well as those departments whose systems will be ultimately absorbed into the ERP framework or integrated with the ERP system. The members in italics and marked with an asterisk represent departments who have core responsibilities for the initial ERP system implementation to replace SAMAS/FLAIR. Committee members who also sit on the UPC-IT Committee are indicated in blue.

Ronnie Armstrong, UWF Foundation  
James Barnett, Facilities Planning  
Shelly Blake, Academic Affairs  
Betsy Bowers, Internal Audit  
*Barbara Daley, ITS, ERP Project Manager*  
*Sherell Hendrickson, Human Resources*  
*Bill Huth, Research and Graduate Studies*  
*Gloria Resmondo, University Budgets*  
Pete Metarko, Enrollment Services  
Jerry Norris, University Planning  
*David O’Brien, Purchasing*  
Doug Pearson, Student Affairs  
*Jan Woody, Controller*

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\(^1\) uPortal is an open-source web portal standard developed specifically for higher education.
ERP System Use Among Florida SUS Universities

The following table summarizes ERP system selections of the Florida SUS universities. It illustrates the tendency of smaller universities to utilize SCT Banner, and larger universities to utilize PeopleSoft. It also shows the pattern of SCT Banner sites choosing the Central Florida Regional Data Center (CFRDC) as a hosting solution.

<table>
<thead>
<tr>
<th>University</th>
<th>Financial/HR System</th>
<th>Student System</th>
<th>Hosting Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Florida A&amp;M University **</td>
<td>PeopleSoft</td>
<td>PeopleSoft</td>
<td>NWRDC</td>
</tr>
<tr>
<td>Florida Atlantic University</td>
<td>SCT Banner</td>
<td>SCT Banner</td>
<td>Local</td>
</tr>
<tr>
<td>Florida Gulf Coast University</td>
<td>SCT Banner</td>
<td>SCT Banner</td>
<td>CFRDC</td>
</tr>
<tr>
<td>Florida International University</td>
<td>PeopleSoft</td>
<td>PeopleSoft</td>
<td>Local</td>
</tr>
<tr>
<td>Florida State University **</td>
<td>PeopleSoft</td>
<td>PeopleSoft</td>
<td>NWRDC</td>
</tr>
<tr>
<td>New College</td>
<td>SCT Banner</td>
<td>SCT Banner</td>
<td>CFRDC</td>
</tr>
<tr>
<td>University of Florida **</td>
<td>PeopleSoft</td>
<td>PeopleSoft</td>
<td>Local</td>
</tr>
<tr>
<td>University of Central Florida</td>
<td>PeopleSoft</td>
<td>PeopleSoft</td>
<td>Local</td>
</tr>
<tr>
<td>University of North Florida *</td>
<td>SCT Banner</td>
<td>SCT Banner</td>
<td>CFRDC proposed</td>
</tr>
<tr>
<td>University of South Florida</td>
<td>PeopleSoft</td>
<td>SCT Banner</td>
<td>CFRDC</td>
</tr>
<tr>
<td>University of West Florida *</td>
<td>SCT Banner</td>
<td>In-house</td>
<td>CFRDC proposed</td>
</tr>
</tbody>
</table>

* Denotes an initial member of the FSU/UF Consortium.
** Denotes a final member of the FSU/UF Consortium.

Hosting Sites:
Local = hosted locally at university.
CFRDC = Central Florida Regional Data Center, located at USF in Tampa.
NWRDC = Northwest Regional Data Center, located at FSU in Tallahassee.

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