



INFORMATION ONLY COUNCIL REPORT

To: Mayor and Council

Date: April 14, 2026

From: Ron Bowles, Chief Administrative Officer

Subject: **Main City Software Platform (ERP-HRIS) Update No. 2**

Prepared by: Eugene Harley, Acting Project Manager and Warren Everton, Projects Executive Lead

Reviewed by: Lisa Siavashi, Acting Chief Financial Officer

INFORMATION SUMMARY

There is no recommendation. This report is for information only.

STRATEGIC AREA(S) OF FOCUS

Invest in Infrastructure – We will invest in building, improving and maintaining infrastructure to meet the needs of, and to provide a high quality of life for, current and future generations.

SUMMARY

The City of West Kelowna's Oracle Fusion ERP and HRIS implementation remains on schedule for a January 4, 2027 go-live date. Conference Room Pilot 1 (CRP1) is 98% complete. Train the Trainer sessions begin April 15, 2026, the day after this report is presented to Council.

The project has incurred \$1,123,612 in costs to date against the approved budget of \$2,100,000, with \$962,318 in remaining committed and forecasted costs. Integration costs remain under scope review, is anticipated to be minor in scope and will be confirmed at a future Council update.

This report also addresses Council's feedback from the previous update, including a vendor cost breakdown, an updated risk register, integration with other software and a direct response to concerns raised about Ravic's BC Assessment Authority data handling capability.

BACKGROUND

The Oracle Fusion ERP/HRIS project was conceived in 2021, budgeted in 2023, and formally launched in July 2024 with an extensive needs analysis, market scan, and competitive RFP process. The project replaces the City's Vadim/iCity system, which has been in place since municipal incorporation, and introduces a formal Human Resources Information System (HRIS) platform for the first time.

The implementation is led by Novamodus as the primary consultant, with Ravic engaged as a specialist sub-partner for utility billing, property tax, and cemetery modules built on the Oracle Fusion platform. Oracle licensing is held separately. The RFP process was developed in-house with support from Infotech, an IT procurement partner. Seven proponents responded and were scored and shortlisted before final negotiations with Novamodus.

The original go-live target of October 2026 was extended to January 4, 2027. The costs associated with that extension were accounted for in the budget figures presented to Council at the first project update. A January go-live provides the added benefit of a clean payroll start aligned with the beginning of the pay cycle. Three years of historical data will be migrated into Oracle Fusion. The existing Vadim system will be retained in read-only mode for historical lookups. As part of the implementation, a parallel payroll run is underway. This process runs the new Oracle Fusion payroll system alongside the existing Vadim system simultaneously, verifying that results match to the cent before the City fully transitions to the new system. No go-live will occur until parallel payroll validation is confirmed.

PROJECT STATUS

Conference Room Pilot 1 (CRP1) is 98% complete. Benefits sessions within CRP1 were temporarily cancelled and are being rescheduled. This has been managed within the existing CRP1 timeline and does not affect the overall go-live date. Train the Trainer sessions begin April 15, 2026. The table below reflects the current status and confirmed dates for each major milestone.

Milestone	Status	Target / Actual
Project Initiation and Planning	COMPLETE	July 2024
Solution Design	COMPLETE	Oct 31, 2025
Conference Room Pilot 1 (CRP1) — 98%	IN PROGRESS	Jan 19 – Mar 13, 2026
Train the Trainer	IN PROGRESS	Apr 15 – May 26, 2026

Conference Room Pilot 2 (CRP2)	UPCOMING	Jun 4 – Sep 9, 2026
User Acceptance Testing (UAT)	UPCOMING	Sep 21 – Nov 3, 2026
Data Migration and Integration Finalization	UPCOMING	Nov 3, 2026 – Jan 6, 2027
Go-Live — Oracle Fusion	ON TRACK	Target: Jan 4, 2027

A potential Phase 2 has been identified to move a small number of sub-modules outside the January 4 go-live, with completion targeted within three to six months post go-live. This will be confirmed and reported to Council once scope is finalized.

During these CRP1 sessions with Ravic, staff worked through the complexities of processes within the property tax module. Much time was spent reviewing the needs of the BC Assessment imports that are relied on, as well reviewing issues in the current system and building solutions to avoid repeating them in Oracle. Staff were shown initial imports of property data and requested some additional fields to be included and Ravic has confirmed that the BCAA import will be ready by CRP2 (June 4, 2026). Staff will validate this during CRP2 testing.

FINANCIAL IMPLICATIONS

The Budget Primer Report from November 23, 2021, notified Council about the need to upgrade our primary city platform, which was nearly 14 years old. During budget discussions, a supplementary request for \$250,000 was made to help fund a new ERP system and to cover ongoing subscription expenses. This request was approved and added to the operating budget.

In the 2023 Budget, the business case for the ERP-HRIS was part of Capital Request C2023-57 for the ERP/HRIS Software Platform. The funding plan included annual transfers of \$250,000 to the Main City Software Platform Reserve until it reached \$1 million. As a result, \$250,000 would be transferred each year from 2022 to 2025 into the City Software Reserve to support the new platform's implementation, after which the amount would stay in the operating budget to cover ongoing subscription costs.

Overall Budget Position

Expenditures to date total \$1,123,612, with \$962,318 in remaining committed costs, for a combined known total of \$2,085,930 against the approved \$2,100,000 budget. Integration

costs remain under scope review and are not included in this figure. A revised budget forecast will be presented to Council once confirmed.

The costs associated with the timeline extension from October 2026 to January 2027 were absorbed within the budget figures presented to Council at the previous update. A small number of additional sub-modules were identified as necessary during implementation and have been incorporated into the current spend figures.

Budget Item	Actual	Remaining	Total
Licensing Costs			
Oracle Fusion	\$243,802	\$0	\$243,802
Ravic	\$116,630	\$0	\$116,630
Implementation			
Novamodus — Fixed Price Contract	\$484,800	\$713,200	\$1,198,000
Additional Modules	\$64,940	\$100,000	\$164,940
Timeline Extension — 12 Weeks	\$62,000	\$0	\$62,000
Ravic Implementation (included in Fixed Price Contract)	\$0	\$0	\$0
Pending Integration Costs	—	TBD	TBD
Internal Labour			
Term Positions, Overtime and Casuals	\$151,440	\$149,118	\$300,558
Total Project Costs	\$1,123,612	\$962,318	\$2,085,930

Project costs to date of \$1,123,612 represent 53.5% of the approved budget. Total projected spend including remaining committed costs is \$2,085,930. Integration costs remain under scope review and will be reported to Council once confirmed.

Vendor Breakdown

Council requested a vendor breakdown at the previous update, including a breakdown by consultant with start and end dates. Annual subscription totals are provided under the table below. Novamodus is the active implementation consultant from project kick-off through go-live (July 2024 to January 4, 2027) under a fixed-price milestone-based contract and all payments during the implementation are managed through them. Individual module pricing is not disclosed in accordance with vendor confidentiality terms, as the City received municipal pricing and disclosure could affect future procurement. Details on the modules included, their functions and status are included in Appendix A. The Ravic implementation line reflects \$0.00 because Novamodus included Ravic's \$165,000 one-time implementation fee within their contract as part of the RFP award — a direct saving to the City. Aside from the first year (during implementation) Oracle and Ravic's annual subscription fees are separate ongoing operating costs outside the project implementation budget and will be funded by the operating budget (current \$250,000 transferred to reserve plus approximately \$100,000 annual maintenance fees for Vadim).

Vendor	Role	Effective Dates	Contract Structure
Novamodus	Primary implementation consultant. Active from project kick-off through go-live	July 2025 through January 2027	Fixed price — milestone-based. Rates locked until December 31, 2026.
Ravic	Specialist sub-partner for utility billing, property tax, Cash Clerk, Citizen Portal, and cemetery modules.	July 2025 through January 2027	Implementation fee of \$165,000 discounted 100% to \$0.00 as part of RFP award. Annual subscription per municipal pricing agreement.
Oracle	Platform licensing — Oracle Fusion Cloud.	July 1, 2025 – June 30, 2026	Annual subscription locked at current rates (\$243,802) for 5 years from agreement date.
Ravic	Subscription fees	July 1, 2025 – June 30, 2026	Annual subscription locked at current rates (\$116,630) for 5 years from agreement date.
Internal Labour (City Staff)	Project management, SME participation, data work, and change management.	July 2024 – June 2027	Term positions, overtime, and casuals tracked as project cost.

Ravic's \$165,000 implementation fee was discounted to \$0.00 by Novamodus as part of the RFP award. Ravic annual subscription fees of \$109,000/yr are an ongoing operating cost outside the project implementation budget. The combined annual subscription of \$377,616 per year will be incorporated into the City's operating budget from 2026 onward. Subscription rates are locked at municipal pricing for the first five years from the agreement date, providing budget certainty for Council's planning horizon. Note: Novamodus implementation rates are locked until December 31, 2026. Any work extending beyond this date is subject to a 5% rate increase per the contract terms — staff are monitoring this in relation to the January 4, 2027 go-live date.

RISK REGISTER

The following table summarizes the active risks for the project, their current severity, and the mitigation actions underway. This register is a living document and will be updated at each Council report.

Risk	Level	Description	Mitigation
Ravic BC Assessment Authority Data Handling	MEDIUM	Ravic has not previously implemented in BC. BC Assessment Authority data has different requirements than other provinces. Note: Ravic was selected because it is the most advanced municipal ERP partner on Oracle Fusion. Other vendors reviewed were in early development and assessed as higher risk. Ravic has successfully implemented utility billing and property tax in comparable Alberta and Ontario municipalities.	Ravic has confirmed the BCAA import and Homeowner Grant import will both be ready by CRP2 (June 4, 2026). Staff met with Ravic on multiple occasions specifically on these items. Ravic has reviewed known issues in the current Vadim system and is building the new solution to avoid repeating them. Confirmation will be validated during CRP2 testing.
Employee Burnout and Resource Pressure	MEDIUM	Key subject matter experts are carrying significant workload across project duties and day-to-day operations. The loss of the purchasing agent earlier in the project added further pressure on the team.	The City recently hired a Finance ERP Coordinator with extensive experience implementing ERP and HRIS systems. This role directly reduces workload pressure on the Finance team and brings dedicated implementation expertise to the project. Workload distribution across the broader team is being reviewed to support remaining SMEs through UAT and go-live.
Integration Costs — Unknown Scope	MEDIUM	A few integrations remain under scope review, including bank integration and benefits provider. Costs are not yet confirmed. These integrations involve	Scoping is underway but scope is anticipated to be minor. Revised budget forecast will be

Risk	Level	Description	Mitigation
		processes Ravic and Novamodus have completed many times before and are not expected to balloon.	presented to Council once costs are confirmed. Standard integration work with banking and benefits providers is routine for both vendors.
General Ledger Recode Delay	CLOSED	Miscommunication between the City and Novamodus on GL coding structure required a semi-recode, contributing to timeline adjustments. This contributed to the shift from October 2026 to January 2027.	The recode has been completed. Costs were absorbed in the budget figures presented at the previous update. A formal communication protocol with Novamodus has been established to ensure technical specifications are aligned before work commences. This issue is closed.
Phase 2 Sub-Module Deferral	LOW	Resource constraints may require moving a small number of sub-modules outside the January 4 go-live into a Phase 2, targeted within three to six months post go-live.	Phase 2 scope is being assessed. Core payroll, finance, and HR functions remain on track for January 4. Deferred modules will not impact day-one operations. Council will be updated once scope is confirmed.

Council was concerned about integration with other software. Although integrating with banking and benefit carriers is a routine process for both parties, manual procedures will continue if costs exceed the current budget. At present, Vadim does not integrate with City View (development services software) or Active Net (recreation software). Staff are looking into the possibility of integrating with Oracle; however, this too will remain manual if expenses are too high.

CHANGE MANAGEMENT

Change management is a primary focus as the project moves from design and configuration into active training and go-live preparation. CWK staff have been kept informed of upcoming changes through both meetings and electronic communications. Notifications regarding limited availability of finance, HR, and IS personnel during the

implementation period have been provided, and further updates will be communicated as the year progresses.

A change management plan covering further internal communication, training support, and transition guidance will be finalized prior to UAT (User Acceptance Testing) and shared with the project steering committee. Change management activity will intensify through the second half of 2026 as go-live approaches.

NEXT STEPS

- **IMMEDIATE** — Prior to next Council update
 - Finalize scope and cost estimates for outstanding integrations. A revised budget forecast will be presented to Council once confirmed.
- **NEAR-TERM** — April to December 2026
 - Train the Trainer sessions (April 15 to May 26). Novamodus trains Finance, HR, and Payroll subject matter experts.
 - Conference Room Pilot 2 (June 4 to September 9). Refines and finalizes system configuration based on CRP1 lessons. Sign-off on CRP2 is a contract milestone and payment trigger.
 - Ravic has confirmed the BCAA import and Homeowner Grant import will both be ready by CRP2 (June 4, 2026). Staff will validate both during CRP2 testing and report any issues to Council.
 - User Acceptance Testing (September 21 to November 3). Staff validate that Oracle Fusion performs as required before go-live is authorized. UAT sign-off is required to proceed.
 - Data Migration and Integration Finalization (November 3 to January 6). Final data cleansing, loading, and integration testing. Parallel payroll continues throughout this phase to confirm system accuracy to the cent.
 - Monitor Novamodus contract rate lock expiry (December 31, 2026) and report any cost implications to Council.
- **GO-LIVE** — January 4, 2027
 - Oracle Fusion goes live January 4, 2027. Parallel payroll validation is underway to ensure a clean transition. Council will receive a go-live readiness update in advance.
 - Confirm Phase 2 sub-module scope and timeline. A small number of modules may be deferred to a Phase 2 release within three to six months post go-live. Council will be updated once scope is confirmed.

COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
January 13, 2026	THAT the staff report titled "Main City Software Platform (ERP-HRIS) Update No. 1", dated January 13, 2026, be received for information. <u>CARRIED UNANIMOUSLY</u>	C016/26
January 30, 2023	THAT Council support the 2023 Capital Budget Request for Information Services as follows: C2023-57 Main City Software Platform \$2,000,000 <u>CARRIED UNANIMOUSLY</u>	C076/23
December 10, 2020	THAT Council support the 2021 Capital Budget Request for Information Services as follows: C2021-65 Budget Software \$ <u>100,000</u> <u>CARRIED UNANIMOUSLY</u>	C352/20

PowerPoint: Yes No

Attachments:

Appendix A – Oracle Fusion and Ravic Module Schedule