City of Cambridge
Executive Department

YI-AN HUANG
City Manager

CMA 2026-315
IN CITY COUNCIL
November 9, 2026

To the Honorable, the City Council:

Please see attached a memo from Claire Spinner, Assistant City Manager for Fiscal Affairs, Jay, Fusco, Chief Information Officer, and Rae Catching, Chief People Officer, providing a progress update on the modernization of the City's Enterprise Resource Planning Software systems.

Very truly yours,

Yi-An Huang
City Manager

CITY OF CAMBRIDGE | Finance Department

To: Yi-An Huang, City Manager

From: Claire Spinner, Assistant City Manager, Fiscal Affairs
Jay, Fusco, Chief Information Officer
Rae Catching, Chief People Officer

Date: November 5, 2026

Subject: Progress Update-Modernization of City's Enterprise Resource Planning Software Systems

A key City initiative is the modernization of legacy IT systems, including the replacement of PeopleSoft, the City's 25-year-old Enterprise Resource Planning (ERP) platform, the core system for financial, human resources and payroll activities. The modernization effort is designed to embed re-engineered business processes and institutionalize efficient, modern workflows across City operations. This memorandum provides an update on the City's progress.

Over the last six months, the City has engaged an independent advisory firm to assess current operations, organizational readiness, and future requirements for a new ERP system, to conduct a market analysis of the current ERP technology market, and to assist with vendor selection. We have also deployed an accounts payable automation solution, resulting in significant workflow efficiencies.

The ERP modernization is currently expected to require a four-year implementation period, beginning in fall 2027 and concluding in 2031, at a preliminary estimated cost of approximately $20 million. These projections are based on a traditional ERP implementation approach; as the City prepares to issue the Request for Proposals (RFP), it will evaluate opportunities to use artificial intelligence (AI) to streamline implementation, shorten the timeline, and reduce costs.

This level of investment reflects the complexity of replacing our human resources and financial management systems, and the cost of introducing capabilities unavailable in our current system. As with other major infrastructure improvements, the City plans to treat this technology modernization as a capital investment and finance the new system through bonds over time, as reflected in the FY27-FY31 Five-Year Capital Plan.

Progress to Date

- **Assessment and Planning Progress**: The City has hired BerryDunn, an independent advisory firm, to evaluate our current business processes, assess organizational readiness, and guide us through the ERP vendor selection process. BerryDunn is collaborating closely with City and Cambridge Public Schools (CPS) teams from Human Resources, Payroll, Finance, and IT to identify operational challenges and document future-state requirements. This collaboration will also address our ongoing change management and organizational needs.

Claire Spinner Assistant City Manager for Fiscal Affairs 795 Massachusetts Ave. **Ph.** (617) 349 - 4220
Jeana Franconi Deputy Finance Director Cambridge, MA 02139 **Email**. treasurer@cambridgema.gov

- **Market Research and Financial Analysis:** In October 2026, the City issued a Request for Information (RFI) to evaluate the current enterprise technology market. We received 20 submissions.

- **Accounts Payable Automation:** To deliver immediate administrative relief, the City is implementing Nimbello AP Automation to automate invoice routing and approvals. Phases 1 through 3 went live between August and October 2026. This solution introduces electronic invoice capture, digital approval routing, and greater visibility into invoice status while integrating with the existing PeopleSoft financial system.

Phased Timeline

To minimize operational disruption and build internal capacity, the modernization will proceed in two major waves:

- Phase 1: Human Capital Management (HCM): This phase covers payroll, time reporting, human resources, benefits administration, recruitment, and employee self-service tools. Following procurement and selection, implementation is targeted to begin in Fall 2027 and run through early 2029.
- Phase 2: Financial Management: This phase covers the general ledger, procurement, accounts receivable, and accounts payable. Implementation is currently planned to begin in 2029.

Upcoming Next Steps

- **Complete AP Automation:** The Nimbello AP rollout is nearing completion. Three of four phases are live, and approximately 75% of City departments are operational. The project has significantly reduced paper handling and manual data entry, accelerated invoice reviews and approvals, and improved the timeliness of vendor payments. The fourth and final phase began in early November.
- **Vendor Evaluation and Selection:** BerryDunn will continue working with City and CPS staff to define system requirements and prepare a Request for Proposal (RFP) for release in early 2027. The City expects to select a platform and implementation partner by the end of the fiscal year.
- **Organizational Readiness and Change Management:** To prepare for implementation in fall 2027, City and CPS teams will focus on cleaning up data, standardizing business processes, and mapping future-state workflows. At the same time, the City will launch targeted communications to align staff and strengthen readiness across departments.

Modernizing the City's ERP system is a significant, long-term investment in the technology and processes that support essential City operations. Through a phased and deliberate approach, the City is working to manage implementation risk, minimize service disruptions, and deliver meaningful improvements in efficiency, reporting, and financial oversight. As planning and procurement advance, the City will continue to refine the project's scope, costs, and timeline and will keep the City Council informed at key milestones.