



## Intergovernmental Cooperation Authority (ICA) For Cities of the Second Class



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515 Court Place  
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Pittsburgh, PA 15219

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May 2, 2013

Honorable Luke Ravenstahl  
Office of Mayor Luke Ravenstahl  
Room 512 City County Building  
414 Grant Street  
Pittsburgh, PA 15219

Dear Mayor Ravenstahl:

To date, we have received no letter over your signature responding to the Intergovernmental Cooperative Authority's (ICA's) April 19, 2013 request for details on how the City will comply with conditions set forth by the ICA in approving the City's 2013 budget. However, we did receive an e-mail from Mr. Chuck Half, the City's Innovation and Performance Manager, dated April 26, 2013. It is not clear whether he was responding on your behalf to the April 19, 2013 ICA request. In any case, his e-mail fails to address important conditions raised in the ICA's April 19, 2013 correspondence and, in fact, raises new concerns regarding future plans for the City's Enterprise Resource Planning (ERP) system.

First, the communication from Mr. Half does not address your intentions with regard to the non-profit task force. The ICA must assume you do not intend to have the task force continue its work and produce a report by the June 30, 2013 deadline. To that end, please have your Finance Department submit a revised 2013 budget and five-year plan within 30 days from the date of this letter that addresses: 1) how the City plans to replace the revenue currently being budgeted from the non-profit community, 2) how the City plans to pay for the litigation with UPMC, and 3) how the City plans to pay for the new security cameras that were approved by City Council earlier this week.

Second, Mr. Half detailed future steps that the Administration plans to take in

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regard to the ERP system, which raises serious concerns for the ICA. In consideration of the costly problems at the Pittsburgh Water and Sewer Authority (PWSA) resulting from software purchases from "low cost" providers, the ICA is surprised to be informed that your Administration would allow the City to be exposed to the same level of risk that will now cost PWSA rate payers millions of dollars to correct.

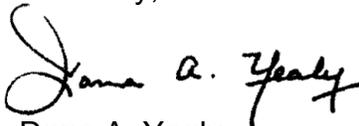
In order to avoid the same costly mistakes that were made at the PWSA, the ICA requires that any Act 71 money expended by the City on new ERP modules be used only to purchase software that is proven to be compatible with existing City and County ERP systems. Further, any new software purchases need to be transacted with a proven vendor that clearly possesses the resources necessary to timely install, integrate, upgrade and maintain the system. The purchase price is just one factor to consider when selecting a product/vendor for such an important purchase as the new ERP modules.

A March 22, 2010 editorial in the Pittsburgh Post Gazette praises the agreement between the City and County to utilize the County's software platform in a money saving consolidation that would benefit taxpayers of both the City and County.

This arrangement must be maintained. As you know the ICA has no proprietary interest in any vendor, but the City Ordinance passed in 2009 sets forth the use of a single vendor whose systems are currently in use at the City, County and School District.

Thank you for your attention to these important matters. Please contact me if you have any questions.

Sincerely,



Dana A. Yealy  
Chair

cc: ICA Board of Directors  
ICA Executive Director  
Michael Lamb, City Controller  
Act 47 Coordinator