

Report to Council

To: Mayor and Council Members
From: Mackenzie Sykes, Finance Assistant / IT Coordinator
Date: May 8, 2026
Subject: Financial System (ERP) Replacement

Recommendation:

That Council approves the Township's participation in the joint Request for Proposal (RFP) for an Enterprise Resource Planning (ERP) solution with the County of Peterborough.

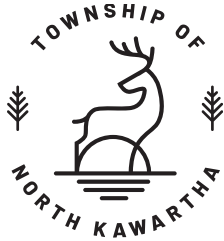
Background:

What is Microsoft Dynamics GP?

The Township of North Kawartha has been using Microsoft Dynamics GP (formerly Great Plains) as our Enterprise Resource Planning (ERP) System¹ since approximately 2001. Microsoft owns and maintains Microsoft Dynamics GP (including the security updates and patches). Centralsquare is the vendor through which we purchase our licensing, services and support for Microsoft Dynamics GP. Staff currently use the following modules in MD GP:

- Taxation
- Finance
- Accounts Payable (AP)/Purchasing
- Accounts Receivable (AR)/Sales
- Canadian Payroll
- Virtual Town Hall (public facing taxation portal)
- Report Generation/Customization

¹ ERP stands for Enterprise Resource Planning. This is software that integrates and manages multiple core business processes in one platform that collects, stores, manages, and/or interprets data. The most essential component of an ERP System is typically the financial module(s), which cover financial accounting, general ledger, accounts payable, accounts receivable, budgeting, etc. ERP Systems call also include other core components such as HR, purchase ordering, payroll, scheduling, project management, customer service portals and more.



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These modules are used for all our core financial operations, such as AP and AR invoicing, processing assessment and taxation data, tax billing, payroll processing, general ledger accounting, cash receiving, and more. Asset management and amortization used to be managed and processed through Microsoft Dynamics GP as well, until we transitioned all asset management to Citywide in 2022. Staff have also used the Microsoft Dynamics GP permitting module in the past until all permitting was transferred to our current permitting solution, Cloudpermit.

Microsoft Dynamics GP End of Life & Replacement

In the fall of 2024, Microsoft announced they will be ending product support and updates of Microsoft Dynamics GP on December 31, 2029. This includes support services, software updates, enhancements, and payroll updates. Security updates will end on April 30, 2031. Functionally, this means we will no longer be able to use Microsoft Dynamics GP as our ERP system after support ends and will need to migrate to an alternative solution before the end of 2029.

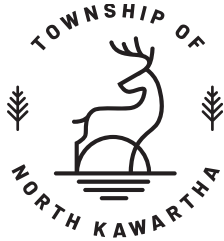
Many Ontario and local governments are currently using Microsoft Dynamics GP, including the County of Peterborough and some of the other lower tier municipalities. Peterborough County staff identified there are about 750 Microsoft Dynamics GP customers who will be impacted Canada-wide, and about 200 customers who will be impacted in Ontario alone.

Because of the number of customers that will be impacted and must migrate within the same 3 to 5 year window, the Canadian ERP market might experience vendor shortages, implementation bottlenecks, rising costs, and longer procurement times. The recommended timeframe to replace an ERP system is 24-36 months from beginning to end, which means we would need to start as soon as possible.

County and Township staff have been in communications to determine if there is a more cost and labour effective solution that would benefit multiple partners.

Analysis:

In October of 2025, the County of Peterborough issued a Request for Information (RFI-02-2025) for ERP Software solutions to gain insight into what's available on the market currently, what potential services could be provided, and to gather more information in preparation for their upcoming RFP. They invited the lower tier Townships to be involved in this process as well, and we sat in on vendor demonstrations between January 26, 2026 and February 5, 2026.



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Recommended Solution

In April of 2026, the County of Peterborough held a meeting for all lower tier municipalities to discuss ERP replacement. During this meeting, the County proposed all Townships partner underneath the County to issue one joint RFP to purchase the same ERP solution with separate implementations per participating party. This means all Townships would have to agree on the same software/vendor but we would each run our own independent ERP instance.

Taking a group approach with separate implementations would allow the County and Townships to create a community of practice (shared learning/support solutions), standardize data exchange, create opportunity for strategic alignment across municipal data, streamline the community experience for the user/public, provide leverage over vendors, and influence the implementation roadmap since we would become a larger collective voice. Partnering on this project would also allow the County and Townships to share resources during migration including project management, technical support (IT), learning materials, best practice recommendations, and report/customization development.

If all of the lower tier municipalities agree to commit or if North Kawartha agrees to commit to partnering underneath the County, we would be committing to end-to-end participation and would not be able to pull out at a later date. This is because withdrawing partway through the process could have cost, timeline, and procurement implications for the remaining participants. If this is the solution we move forward with, the County would create a Steering Committee that would include representatives from all the participating townships to support joint strategic oversight and key decision-making. They would also ensure each municipality is represented on the RFP evaluation committee to guarantee Township perspectives are reflected in the application proposal assessment.

There has also been discussion about the ERP replacement in the Eastern Ontario Treasurers group. It appears most Ontario counties are partnering with their lower tiers to issue a joint RFP similar to what Peterborough County is proposing.

The County is hoping to take their own report on the ERP system RFP to County Council on May 20, 2026 and issue an RFP for the ERP System as soon as possible following the meeting.

Due to our participation in the RFI and the tight timelines, staff have expressed interest in partnering with the County for the joint RFP and ERP project, pending support from North Kawartha Council.



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Alternative Solution

If we do not partner with the County, the Township will have to issue our own independent RFP, fund the project independently and manage all of the project management, technical support, migration and customization on our own. This would likely have a more significant impact on staff resources and budget, and we would lose the benefits of taking a joint approach.

Financial Implications:

The Township plans to budget approximately \$250,000 (potentially up to \$500,000) to replace our ERP system based on preliminary estimates. The true replacement cost won't be known until we receive responses to an RFP.

There are also potential future costs to consider, such as future operating costs from modules, cloud rental space, or licensing and subscriptions depending on how the vendor charges for their services.

The County has proposed that if all lower tier municipalities are prepared to commit to a collaborative RFP process, they will recommend the County fully supports the project financially. This would be significant cost savings to the lower tiers.

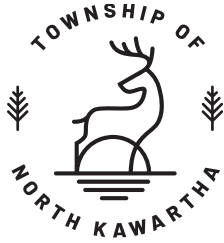
If County Council does not support the project financially, project costs may then be proportionately allocated to each participating municipality through their respective tax levies based on an agreed upon cost sharing methodology. Based on initial discussions between the County, Peterborough municipalities, and the Eastern Ontario Treasurers group, it is our understanding that there could be significant cost savings if the Townships agree to a joint RFP.

If we do not partner with the County at all and issue our own independent RFP and project, staff will bring back further recommendations regarding how to approach project funding.

Strategic and/or Other Plans:

Strategic Plan – Governance, Section 2 – potential impact on Citywide, Cloudpermit, and VCH

Service Delivery Review – potential impacts on: 250-SDR-P02 Electronic Records; 250-SDR-P03 Bank Reconciliation; 250-SDR-P04 Corporate Purchasing Tender Template; 250-SDR-P05 Paymentus; 250-SDR-P06 Address Changes; 445-SDR-P02 Permit



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Concierge Services; 850-SDR-P01 Waste Deposits To Transfer Station; 250-SDR-E01;
250-SDR-E03 HR; 612-SDR-E01 Ontrac; 612-SDR-E02; 1620-SDR-E01

In Consultation With:

Alana Solman, CAO

Judy Everett, Treasurer

Jennifer Stover, County of Peterborough CFO/CIO/Deputy CAO

Cheri Anderson, County of Peterborough General Manager, Corporate Initiatives

Kim Squires, County of Peterborough Purchasing Manager

Attachment:

None