

BUDGET AND FINANCE COMMITTEE REPORT relative to the Human Resources and Payroll (HRP) Project and related matters.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. CONCUR with the Personnel, Audits, and Animal Welfare Committee action of October 6, 2021, transmittal attached to the Council file, as amended to correct Recommendation No. three to reflect that the template referenced in the recommendation is from the October 1, 2021, Information Technology Agency (ITA) report.
2. CONCUR with the Information, Technology, and General Services Committee action of October 21, 2021, transmittal attached to the Council file.
3. NOTE and FILE the Controller report dated October 1, 2021.

Fiscal Impact Statement: ITA reports that the estimated General Fund impact of the proposed phased implementation is \$10.8 million. This impact includes increased costs totaling \$12.3 million (\$11.2 million for Workday, Inc., \$688,000 for the PaySR contractors including Hess & Associates, and \$450,000 for additional consulting support requested by the Controller's Office) offset by overall savings and available contingency funding in the HRP project budget of \$1.5 million. It is requested that \$1 million in available Unappropriated Balance contingency funding be transferred to the Information Technology Agency to fund a portion of 2021-22 estimated costs for the project delay. For the \$10.8 million in additional project costs, it is currently unknown at this time how much of these funds will be required in 2021-22 and which costs will be incurred in 2022-23 as the City is still in the process of negotiating a contract amendment with Workday, Inc to implement the phased go-live approach. ITA will submit an interim 2021-22 funding request and a 2022-23 budget request for these funds once the cost breakdown per Fiscal Year has been finalized.

Financial Policies Statement: ITA reports that the approval of the recommendations of this report is in compliance with the City's Financial Policies as the underlying contracts (with Workday, Inc. and Hess & Associates) and procurement of software licenses is subject to the appropriation of funds in the City Budget.

Community Impact Statement: None submitted

SUMMARY

At the meeting held on November 8, 2021, the Budget and Finance Committee considered reports from the Information Technology Agency, Information Technology Oversight Committee, and Controller, dated October 1, 2021, September 3, 2021, and October 1, 2021, relative to the Human Resources and Payroll Project and related matters.

Representatives from the Departments provided an overview of the three reports and answered all questions posed by the committee members. After an opportunity for public comment was held, the Committee moved to concur with the Personnel, Audits, and Animal Welfare and Information, Technology, and General Services Committees as amended, and noted and filed the Controller report, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

KREKORIAN	YES
BLUMENFIELD	YES
DE LEON	YES
RODRIGUEZ	ABSENT
PRICE	YES

AS 11/08/21
COUNCIL FILE 20-0313

-NOT OFFICIAL UNTIL COUNCIL ACTS-