

PERSONNEL, AUDITS, AND HIRING COMMITTEE REPORT relative to the status of Phases 1 and 2 of the Human Resources and Payroll (HRP) Project.

Recommendation for Council action, as initiated by Motion (McOsker – Krekorian):

INSTRUCT the Information Technology Agency (ITA), Personnel Department, and City Administrative Officer (CAO); and, REQUEST the City Controller, to report within 30 days on Phases 1 and 2 of the HRP Project to include:

- a. Knowledge gained from Phase 1,
- b. Current status of Phase 2 implementation
- c. Impacts of the HRP Project's implementation on hiring
- d. Resources needed to accelerate the timeline to complete the HRP Project.

Fiscal Impact Statement: Neither the City Administrative Officer (CAO) nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On February 21, 2023, your Committee considered a Motion (McOsker – Krekorian) relative to the status of Phases 1 and 2 of the HRP Project. According to the Motion, the HRP is the comprehensive replacement of the City's existing payroll system with a modern human resources and payroll system implemented by the vendor, Workday, Inc. The HRP Project formally commenced in April 2020 and is being implemented in two phases (Phase 1 and Phase 2) with separate go-live dates, with each one focused on specific modules of the system.

Phase 1, which went live in May 2022, focused on Human Capital Management, Compensation, and reporting modules, with eight weeks of customer support from the vendor to assist the HRP Project team with the transition to production and managing the system independently. Since HRP Phase 1, the City now uses Workday as the system of record for all employee onboarding, hiring, transfers, promotions, electronic employee records, position control, and other human resource functions.

Phase 2 implementation is currently underway and includes the Benefits, Payroll, Absence, and Time Tracking modules, as well as, enhancements to the Compensation module. Upon completion of Phase 2, the City will retire its current payroll system, PaySR. The go-live date for Phase 2 was originally anticipated for December 2022, however, due to several delays with the Project detailed in the report from the Information Technology Oversight Committee dated October 31, 2022 (Council File No. 20-0313-

S10), the go-live date for Phase 2 was revised to December 2023. The HRP Sponsor Departments, which includes the ITA, Personnel, CAO, Controller, and the Project vendor, should report on the current status of the HRP Project and the ability to go-live with Phase 2 by December 2023. Also, the Sponsor Departments should report on the knowledge gained from and any issues with the implementation of Phase 1. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion, as amended. This matter is now submitted to Council for its consideration.

Respectfully Submitted,  
Personnel, Audits, and Hiring Committee



**COUNCILMEMBER VOTE**

McOSKER: YES  
PRICE: ABSENT  
SOTO-MARTINEZ: YES

ARL  
2/21/23

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**