PERSONNEL, AUDITS, AND HIRING, GOVERNMENT OPERATIONS, and BUDGET, FINANCE, AND INNOVATION COMMITTEES REPORT relative to the status of Phases 1 and 2 of the Human Resources and Payroll (HRP) Project.

Recommendation for Council action:

RECEIVE and FILE the April 11, 2023 Information Technology Agency (ITA) report, inasmuch as this report is for information only and no Council action is required.

Fiscal Impact Statement: Nor applicable.

Community Impact Statement: None submitted.

Summary:

On April 18, 2023, the Personnel, Audits, and Hiring (PAH) Committee considered an April 11, 2023 ITA report relative to the status of Phases 1 and 2 of the HRP Project. According to the ITA, on March 3, 2023, Council directed the ITA, in collaboration with the Personnel Department, City Administrative Officer (CAO), and Controller, to report in regard to the status of the Human Resources and Payroll (HRP) Project. Included in this report is an overview of the lessons learned from the Phase 1 implementation of HRP, the impacts of the HRP Project's implementation on hiring, the status of Phase 2 implementation, and the resources needed to accelerate the timeline to complete the HRP Project.

As detailed in this report, the HRP Project has experienced significant delays from its original delivery date of December 2021, in large part because of staffing and financial hardships resulting from the impacts of the COVID-19 pandemic. The HRP team has made strategic decisions to keep the project moving and has brought forward requests for additional resources to the City Council when warranted. These decisions have set forth a two-phased approach to the HRP Project resulting in the successful implementation of Phase 1 in May 2022. While Phase 1 was successful, there were several challenges with Phase 1 given the new user experience, ongoing updates required as part of changes to employee Memorandums of Understanding (MOUs), and the need to integrate Phase 1 modules with the City's existing legacy system PaySR which HRP Phase 2 is set to replace.

Also, the HRP team has reviewed lessons learned that are now being applied to Phase 2 implementation work. Phase 2 is now in End-to-End Testing with a target date for Go-Live set for December 2023. Overall, Phase 2 is in a state of "Managed Risks" as described by the project's Quality Assurance (QA) team from Gartner. Specifically, "the HRP Project execution or planned trajectory does not meet best practice standards or is not clearly defined, and/or presents a potential material impact to the HRP Project which will become real or get worse if not addressed proactively." Driving this current status are

the categories Schedule and Resources which are identified as being at a Critical Risk level. The schedule has dependency on the payroll workload items (i.e. City unique payroll items that may need to be further configured in Workday) which are being reviewed on priority basis. Similarly, there are multiple competing priorities for resources especially for Payroll given multiple same resources both in core team and departments need to do configuration. After consideration and having provided an opportunity for public comment, the PAH Committee moved to receive and file the ITA report.

Subsequently, one June 13, 2023 and August 22, 2023, the Government Operations and Budget, Finance, and Innovation Committees, respectively, also considered this matter. After consideration and having provided an opportunity for public comment, both Committees moved to concur with the PAH Committee on their respective meeting dates. This matter is now submitted to Council for its consideration.

Respectfully Submitted,
Personnel, Audits, and Hiring Committee

COUNCILMEMBER	VOTE
McOSKER:	YES
PRICE:	YES
SOTO-MARTINEZ:	YES

Government Operations Committee

COUNCILMEMBER	VOTE
HARRIS-DAWSON:	YES
HERNANDEZ:	YES
HUTT:	YES

Budget, Finance, and Innovation Committee

COUNCILMEMBER VOTE

BLUMENFIELD: YES
HARRIS-DAWSON: YES
YAROSLAVSKY: YES
McOSKER: YES
RODRIGUEZ: YES

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8/22/23

-NOT OFFICIAL UNTIL COUNCIL ACTS-