

BUDGET AND FINANCE COMMITTEE REPORT relative to the Fourth Restated Professional Services Agreement No. C-105458 (Amendment No. 18) with Hess & Associates, Inc. for continued support of the Payroll System Replacement (PaySR) Project.

Recommendations for Council action:

1. APPROVE and AUTHORIZE the General Manager, Information Technology Agency (ITA), to execute the Fourth Restated Professional Services Agreement No. C-105458 (Amendment No. 18) with Hess & Associates, Inc. to increase funding by \$875,000, for a total contract amount not to exceed \$14,297,500, and extend the term of the agreement by 16 months, through November 30, 2018 for continued support of PaySR, subject to the review and approval of the City Attorney.
2. AUTHORIZE the Information Technology Oversight Committee (ITOC) to approve all present and future contracts, changes in project scope, contract deliverables, payments, leases and license agreements necessary for the implementation and maintenance of a City payroll system before these items are submitted to the Mayor and Council for approval.
3. AUTHORIZE the ITOC to approve all budget and resource plans related to the City's payroll system before these items are submitted to the Mayor and Council.
4. Eliminate the Payroll System Replacement Steering Committee.
5. DESIGNATE the ITA as the project manager for the PaySR replacement project; and, DIRECT the ITA, in consultation with the Controller, Personnel Department, City Administrative Officer (CAO), and any other relevant departments, to report with a staffing plan and appropriate budgetary requests to adequately manage the existing payroll system.

Fiscal Impact Statement: The CAO reports that funding for this agreement is provided in the ITA's Contractual Services account. There is no additional impact to the General Fund. The recommendations in this report comply with the City's Financial Policies in that budgeted funds are available in the current fiscal year for anticipated contract expenditures and future expenditures are limited to the appropriation of funds in the budget.

Community Impact Statement: None submitted.

TIME LIMIT FILE - AUGUST 8, 2017

(LAST DAY FOR COUNCIL ACTION - AUGUST 8, 2017)

(Innovation, Grants, Technology, Commerce and Trade Committee waived consideration of the above matter)

SUMMARY

At its regular meeting held on June 19, 2017, the Budget and Finance Committee considered a CAO report dated June 9, 2017 relative to authorization for the ITA to execute the Fourth

Restated Professional Services Agreement, No. C-105458 (Amendment No. 18), with Hess & Associates, Inc. for continued support of PaySR; authorization for the ITOC to approve matters related to implementation and budget and resource plans for a payroll system prior to submission to Council and Mayor for approval; and elimination of the Payroll System Replacement Steering Committee. A representative of the CAO addressed the Committee and provided an overview of the CAO's report.

Upon conclusion of the discussion of this matter, the Committee Chair amended the recommendations in the CAO report to also designate the ITA as project manager for the payroll system replacement, and to direct the ITA, in consultation with the Controller and other departments, to report with a staffing plan and appropriate budgetary requests to manage the existing payroll system.

After providing an opportunity for public comment, the Committee approved the recommendations in the CAO report as amended. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	ABSENT
MARTINEZ:	YES
BLUMENFIELD:	YES
BONIN:	ABSENT

REW
6/26/17
FILE NO. 13-0777

-NOT OFFICIAL UNTIL COUNCIL ACTS-