

MOTION

The City of Los Angeles has over 40,000 employees that receive paychecks twice a month. The process of making this payroll is performed primarily by three City agencies: the CAO, the Personnel Department and the Office of the City Controller.

As a result of the complexities of the City's operations and a multitude of staff whose roles vary dramatically, there are an enormous variety of pay grades, employee classifications, bargaining units and vacation/leave combinations. This level of complexity makes the implementation of an off-the-shelf software solution difficult without customization.

Over the past several years, the City has sought to develop a process by which it may replace its current payroll software, PaySR, with a more modern system that integrates more closely with other financial management tools and has components not just for payroll processing, but also human resource management and employee outreach and training. Furthermore, the PaySR system is a customized product that the city acquired many years ago and has been continually updated by a contractor since it was initially implemented. That contractor is approaching retirement and will no longer be able to provide additional updates or customizations for the product moving forward.

In the budget for Fiscal Year 2016-2017, the Mayor and Council provided \$480,000 to the Information Technology Agency to work on the replacement project and there are resources contained within the Budget for the Controller's office to maintain its existing implementation. Replacing PaySR will be a significant project and there are many features and functions that each department will need in the software product that eventually succeeds it. In light of the many risks if it does not proceed smoothly, as well as the need to manage the needs and wants of each department involved in payroll processing, a successful PaySR replacement is critical. PaySR maintenance and replacement are, fundamentally, software projects and should be managed as such.

I THEREFORE MOVE that the Council designate the Information Technology Agency as the project manager for both the ongoing maintenance of the PaySR program and for the replacement of PaySR.

I FURTHER MOVE that the Council INSTRUCT the Information Technology Agency, in consultation with the Controller's office, to report by March 1, 2017 on the status of PaySR and the budgetary and staffing needs of ITA and the Controller to maintain the PaySR system while a replacement is in development.

I FURTHER MOVE that the Council INSTRUCT the Information Technology Agency to report by April 1, 2017 on the following:

- 1) Preliminary requirements of the Personnel Department, the CAO and the Controller's office for the replacement payroll software system; and

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- 2) A timeline that indicates when ITA anticipates that the city can begin phasing in a replacement payroll system and the intermediary steps that must be taken in order to begin testing; and
- 3) A budget request for any positions and funding to begin the first year implementation.

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JAN 20 2017