

0280-01216-0002

**TRANSMITTAL**

TO The City Council	DATE 03-14-19	COUNCIL FILE NO. 18-0600-S43
FROM Information Technology Oversight Committee	COUNCIL DISTRICT	

The Information Technology Oversight Committee (ITOC) considered the attached Information Technology Agency (ITA) report discussing a Human Resources & Payroll (HRP) Project Update - Progress on the Evaluation and Vendor Selection at its March 5, 2019 meeting. The report provides an overview of the HRP Project, discusses the responses to the HRP RFP, gives an update on the RFP evaluation process, updates the timeline relative to the HRP duration and schedule, and delineates potential issues and risks associated with the HRP Project. The ITA report included a recommendation to note and file the report. The ITOC concurs with this recommendation and hereby forwards the ITA report for Council consideration.



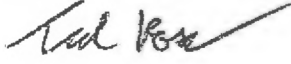
Richard H. Llewellyn, City Administrative Officer  
Chair, Information Technology Oversight Committee

RHL:KDU:11190052

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: Feb 28, 2019 REF: EXE-039-19

TO: Information Technology Oversight Committee

FROM: Ted Ross, General Manager & CIO   
Information Technology Agency

SUBJECT: **HUMAN RESOURCES & PAYROLL (HRP) PROJECT UPDATE –  
PROGRESS ON THE EVALUATION AND VENDOR SELECTION**

**ITEM**

On July 11, 2018, the City of Los Angeles released the Human Resources and Payroll (HRP) System Request for Proposals with responses due on September 13, 2018. This item provides an update on the project and in particular progress on the evaluation and vendor selection process.

**RECOMMENDATION**

It is recommended that the Information Technology Oversight Committee move that the item be forwarded to Council for review and to be noted and filed.

**OVERVIEW**

The City's payroll system, known as PaySR, started in 2000 and today pays out over \$160 million to 50,000 employees every two weeks. However, since its launch, the City has exponentially increased the capabilities and customization of the PaySR system. As a result, maintaining the PaySR system has become highly complex, expensive, and over-reliant on a single individual/vendor for support. Additionally, at the core of PaySR's design are 30-year-old payroll processes that limit the City's ability to provide modern payroll system features (as detailed in the "City of L.A. PaySR Assessment" completed by KPMG in 2016). Furthermore, having been built solely as a payroll system, PaySR does not have the capabilities to effectively manage the City's human resources, capabilities that are commonplace in today's HRP systems.

In light of the risks presented by these issues, and further prompted by the PaySR vendor's retirement, the City Council (C.F. 17-0075) instructed the Information Technology Agency (ITA), City Controller (Controller), and Personnel Department (Personnel) to report on requirements, estimated costs, and a timeline for a phased replacement of the Payroll system. Funding was provided in the Fiscal Year (FY) 2016-17 Budget for a system analysis, requirements gathering, and process improvement study. This review began in summer 2017 in partnership with KPMG, incorporating the input of all City departments currently serviced by or reliant on PaySR for operational success. The results of this extensive effort provided the City with the necessary foundation to create and release a Request for Proposal (RFP) to select the new HRP platform and system integrator for the City's next generation HRP system..

The following report summarizes the progress since the release of the HRP RFP including vendor responses received, progress on the evaluation process, projected cost, update on the expected project schedule and duration of the contract, and potential issues and/or risks.

## **RFP RESPONSES**

The HRP RFP was released with two (2) primary objectives.

1. Select a core human resource and payroll solution that can be implemented to meet the urgent need to replace PaySR (Phase 1 project).
2. Select a solution that provides a platform that can incorporate future payroll or human resource management functionality in subsequent phases.

At a minimum, to meet the City's requirements, the system must be able to handle a large volume of users across multiple departments, have the flexibility to adapt to complex and ever-changing payroll requirements driven by Memorandum of Understandings (MOUs) between the City and its labor organizations, have opportunities to automate, and possess the ability to interface with other key systems.

The RFP was released on July 11, 2018. The City received a total of five proposals by the September 13, 2018 deadline.

## **EVALUATION PROCESS UPDATE**

The evaluation process to select a vendor was designed to distinguish proposals that deliver required system functionality, provide best practices for large organizations, and allow long-term sustainability at a reasonable annual cost. Customization (system changes outside of the normal vendor configuration) should be strictly limited due to additional cost, negative impacts on system quality and maintenance, and difficulty maintaining the system during future upgrades.

### Evaluation Team:

The HRP Steering Committee, comprised of the Controller, Personnel, ITA, and the City Administrative Officer (CAO), established an HRP Evaluation Team. The HRP Evaluation Team includes representatives from the Steering Committee member departments plus three additional departments. The three additional departments selected were based on their wide variety of special or more complex HR/Payroll requirements. The HRP Evaluation Team is as follows:

1. Controller
2. Personnel
3. ITA
4. CAO
5. Los Angeles Police Department
6. Department of Transportation
7. Recreation and Parks

The HRP Evaluation Team works with the HRP Project Management Office (PMO) members and the ITA Project Manager, with assistance from the Project Management Advisor, KPMG. From each participating department, a representative was assigned the role of Department Evaluation Team Lead to oversee the evaluation process for that department.

### Evaluation Process:

Adhering to the RFP, proposers must successfully demonstrate their compliance with the City's administrative requirements as a prerequisite for evaluation. If a proposer meets this prerequisite, the proposal is evaluated using a three-tiered process.

**Prerequisite Administrative Compliance:**

ITA's Finance and Administrative Services Bureau (Bureau) conducted the administrative compliance review, finishing and releasing the proposals for evaluation in November 2018. The Bureau concluded that all submitted proposals provisionally complied with the City's administrative requirements and were therefore eligible for evaluation. The provision is that the proposer eventually selected by the City will be given an opportunity to meet the Business Inclusion Program (BIP) requirement.

**Tier I (Vendor Minimum Implementation Experience):**

Proposals deemed compliant with the City's administrative requirements must meet the Tier I threshold of minimum implementation experience requirements or be disqualified from further consideration.

The ITA Representatives of the HRP PMO Team (ITA HRP Team) conducted the Tier I evaluation. This evaluation consists of reference checks on the Tier I-specific reference(s) provided by the vendors. Interviewing via teleconference, the Team asked a fixed set of questions intended to identify the scope and recent history of a proposer's HRPi experience.

The Team completed the Tier I evaluation in early January 2019. The ITA HRP Team submitted a report detailing the references' responses to the HRP Steering Committee in order for the Steering Committee to determine which vendor proposals qualified to proceed to Tier II evaluation. Two vendors did not meet Tier I requirements.

**Tier II (Solution Narrative, Capability, and Cost):**

Proposals advancing to Tier II will be evaluated by the HRP Evaluation Team.

In Tier II, the HRP Evaluation Team assesses the following elements of the Vendor's proposal:

1. A narrative description of their proposed HRP solution,
2. An accounting of their solution's capabilities for meeting the approximately 1700 technical and functional requirements identified for the City's HRP system,
3. Videos submitted to validate their solution's implementation of a subset of the technical and functional requirements, and
4. Their proposed cost and pricing for implementation of their HRP solution.

The Tier II evaluation began the last week of December 2018 based on a preliminary assessment of the Tier I evaluations. An orientation meeting with the HRP Evaluation Team kicked off the Tier II evaluation process. The HRP Evaluation Team was given approximately 6 weeks including non-working days to complete the evaluation of all the proposals that passed Tier I. The ITA HRP Team is facilitating this process and providing assistance as needed.

At the completion of the Tier II evaluation, the ITA HRP Team will collect the HRP Evaluation Team materials and prepare and submit a report to the Steering Committee for a determination of which vendor proposals will proceed to Tier III of the evaluation process.

### **Tier III (Solution Suitability for City of LA):**

Proposers who advance from Tier II will be evaluated by the HRP Evaluation Team as part of Tier III.

Successful proposers will be given three weeks to configure their product to present onsite demonstrations of their solution. Vendors will be asked to show how closely their product implements functional area scenarios that are specific to City operations. These presentations are intended to provide the proposers the opportunity to demonstrate their solution, the strength of their implementation team, their solution's ability to meet the City's requirements, and the solution's suitability for implementation as the new City HRP platform and PaySR replacement.

While proposers are preparing their onsite demonstrations, the ITA representatives of the HRP PMO Team will conduct Tier III-specific reference checks for the presenting proposers.

The ITA representatives of the HRP PMO Team will combine the reference check results and the HRP Evaluation Team Tier III evaluation materials and prepare and submit a final report to the HRP Steering Committee. The City will use the final report in their selection of one proposer out of all the Tier III candidates.

#### Evaluation Criteria:

In Tier II and Tier III the HRP Evaluation Team will evaluate proposals based on the following criteria:

- Adequacy of Business Solutions/Service Requirements
- Ability to Meet Technical Requirements
- Ability to Transition City from Current PaySR System to Proposed Solution With Minimal Business Impact
- Proposed Security & Access Protocols
- Reference Review
- Total Cost of Ownership for Solution

#### **PROJECTED COST**

The total one-time implementation cost of the PaySR Replacement Phase of the HRP system was previously estimated by KPMG to be between \$10 million to \$15 million. KPMG estimates ongoing annual maintenance costs to be \$1 million to \$2 million and estimates that any potential additional phases or new modules may cost between \$5 million to \$10 million. The range of vendor submissions was from \$20 million to \$26 million. It should be noted that these are non-discounted, pre-negotiation prices; some proposals do not include all functionality needed and some include more than required.

Due to the timing of the RFP release, selection, and contract negotiation, the System Development Phase is anticipated to cover the final one to two months of FY 2018-19. This

means the \$3 million for this project provided in the FY 2018-19 Budget is anticipated to be minimally sufficient to initiate work, assuming aggressive negotiation from the City.

**UPDATED PROJECTED DURATION AND SCHEDULE**

The initial phase of the HRP System will be limited to the HR functions required to successfully create an accurate payroll generation - functionality currently provided by the PaySR system. Maintaining this scope is essential for the City to be able to meet the projected 18 to 24-month system development schedule, and mitigate future risk to payroll operations.

Project Phase	Dates	Estimated Duration
Planning & Requirements Gathering	July 2017 - May, 2018	10 months
Prepare and Release RFP	June – July, 2018 (released July 11, 2018)	2 months
Proposers Prepare Responses	July - September, 2018	3 months
Proposal (RFP Response) Due	September 13, 2018	
Evaluate Proposals	September 2018– March 2019	7 months
Negotiate and Execute Contract with Selected Proposer	March - May, 2019	3 months
HRP System Development - PaySR Replacement	May, 2019 - October 2020 or April 2021	18 to 24 months (depending on proposal)

**POTENTIAL ISSUES AND/OR RISKS**

Potential issues and risks for the implementation of Phase 1 Scope (PaySR System Replacement), including plans to mitigate, are:

- *Underfunding or understaffing the project* - To complete a successful 18 to 24-month project, the City will need to properly fund and staff the project. Funding and staffing requirements can be detailed upon selection of the vendor solution chosen. At the request of the HRP Steering Committee, KPMG provided a suggested staffing plan before vendor selection (see Appendix A - KPMG Proposed HRP Staffing Plan)
  - PDFs of the following departments' requested budgets for the project are included with this report as addenda:
    1. Controller
    2. ITA
    3. Personnel

Plan to mitigate. We plan to spread out the cost of the implementation over a number of budget cycles so as to decrease the impact on the City Budget. The cost should

also be spread out based on the implementation timeline. With regard to staffing, as ITA and CAO have noted, existing staff resources will continue to be used to oversee the project. New staff resources have been prioritized and we will work with the Mayor's Office to ensure they have the most complete information when determining the appropriate level of new staff resources.

- *Timely decision-making* - A successful project requires a balance between timely decision-making and quality of work. If project decisions or departmental participation are not properly managed, the implementation of the HRP System may exceed the projected timeline and require additional funding. In addition, a lengthy delay will undermine the quality of the initial requirements and reduce the quality of the project. Plan to mitigate. We will continue to have steering committee meetings to get decisions made.
- *Ineffective testing* - System testing is a key function to ensure the new system will meet City requirements. A lack of dedication and diligence to fully test processes within the new system could have major impacts on the schedule, cost, and quality of the implementation. This was a consistent theme in "lessons learned" from other organizations. Plan to mitigate. The steering committee will hold departments accountable for testing.
- *Lack of departmental participation* - Departmental participation in the development, testing, data conversion, and training for the new system will be key to the implementation of a system that meets department needs. Plan to mitigate. The steering committee will hold departments accountable for participation. Change management and engagement techniques will be employed to continue to engage departments in high levels of participation.

If you have any further questions, please contact me or Joyce Edson, Assistant General Manager, at 213-978-3311.

cc: Miguel Sangalang, Office of the Mayor  
Emmett McOsker, Office of the Mayor  
Erich King, CD12  
Georgia Mattera, Office of the Controller  
Vijay Singhal, Office of the Controller  
Wendy Macy, Personnel  
Bill Weeks, Personnel  
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Trina Unzicker, CAO  
Karen Kalfayan, CLA  
Matias Farfan, CLA  
Tim Plummer, CLA  
ITA Executive Team

# Appendix A - KPMG Proposed HRP Staffing Plan

## HRP PHASE 1 STAFFING PLAN by FTE - Core Departments

Core Dept	Calendar Year-->	Strategy and High-level Design		Detailed design			Build				Implement			
		Current Year	Year 1			Year 2				Year 3				
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Controller	2-3 FTEs <u>Recommended Job Classification:</u> 1-2 Financial Management Specialist IV/V 1-2 Fiscal System Analyst 1-2 Payroll Analysts / Systems Analyst	1.75	1.75	3.25	5.25	5.25	3.25	3.25	3.25	5.25	5.25	3.25	3.25	3.25
ITA	3-5 FTEs <u>Recommended Job Classification:</u> 1-2 Information Systems Manager 2-3 Systems Analyst 1 Systems Programmer	3	3	4	4	4	3	3	3	5	5	3	3	5
Personnel	2-4 FTEs <u>Recommended Job Classification:</u> 1-2 Personnel Director 1 Senior Personnel Analyst 1-2 Personnel Analyst	1.5	1.5	3.25	3.25	3.25	3.25	3.25	3.25	4.25	4.25	3.25	3.25	3.25
CAO	1-2 FTE <u>Recommended Job Classification:</u> 1-2 Senior Administrative Analyst	0.5	0.5	1	1.25	1.25	1	1	1	1.75	1.75	1	1	1
Internal Audit	N/A	0	0	0	0.25	0.25	0	0	0	0.25	0.25	0	0	0
City Attorney	N/A	0	0	0	0.5	0.5	0	0	0	0	0.5	0	0	0
Core Department Total by Quarter:		6.75	6.75	11.5	14.5	14.5	10.5	10.5	10.5	16.5	17	10.5	10.5	12.5
Fiscal Year ->		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
		Current Year			Year 1				Year 2				Year 3	

## HRP PHASE 1 STAFFING PLAN by FTE - Implementing Departments

Implementing Departments	Calendar Year-->	Strategy and High-level Design		Detailed design			Build				Implement			
		Current Year	Year 1			Year 2				Year 3				
Implementing Departments Complex	2-3 FTEs <u>Recommended Job Classification:</u> 1-2 Payroll Analyst 1 Senior Personnel Analyst	0.15	2.5			2.5				1				
Implementing Departments Standard	1-1.5 FTEs <u>Recommended Job Classification:</u> 0.5 Payroll Analyst 0.5 Senior Personnel Analyst	0	1			1.25				0.5				



## 2019-20 Budget Program Request

<u>Department Name</u>	<u>Program Name</u>	<u>Program Code</u>	<u>Total Request Amount</u>
Office of the Controller	Citywide Payroll Administration	FF2605	\$472,117

### Name/Description of Budget Request

*Name: New Payroll System*

*Provide a general description on what resources are being requested. If the positions requested are exempt, explain why an existing civil service classification cannot perform these functions.*

Continuation of 2018-19

New Request

Provide staffing to support the selection of a new HRP system for the City and implement the City's payroll processes and requirements in the new HRP system. This request will utilize existing resources in addition to positions requested in this package. Requested positions are:

- 1 Financial Management Specialist V (\$131,352)
- 1 Financial Management Specialist IV (\$111,274)
- 1 Fiscal Systems Specialist II (\$105,024)
- 1 Continuing resolution of the Senior Systems Analyst I (\$116,966)
- 1 Fiscal Systems Specialist I (\$0 - existing resource)
- Expense – 3 new PCs (\$7,500)

### Departmental Collaboration

If this request was developed in conjunction with other departments, list the departments below.

N/A

### Justification

*What problem is being addressed and how will this request address it?*

The City has elected to implement a new human resource/payroll system (HRP). For the Controller's Office, the first year will require intensive analysis of business processes in complex departments such as LAPD & LAFD; development of new policies, procedures and MOU requirements; and expansive change management activities that will involve unions and all departments. The Controller's office will need staff with strong technical skills, business process analysis experience, and experience in the City's financial/payroll processes. The requested positions cover all the necessary skills and experience needed for this phase of the project.

2 *What are the 2019-20 goals of this request?*

- Develop a plan based on the intensive city-wide analysis lead by the Controller's office that will be used by the vendor as a foundation for its own implementation plan.

*What are the long-term goals of this request?*

- Guarantee the success of the project by giving the vendor clear directions on how to align and configure its product with the City's payroll processes.

3 *If this request is to increase or expand services, or to address backlog/workload issues, has the Department undergone a process improvement or another service efficiency exercise (including but not limited to technology and automation)?*

Yes.

*If yes, what changes were made and what were the results? Provide evidence of results.*

The Controller's office hired KPMG to do a risk assessment of the current Payroll System. KPMG determined that PaysR is not the long term payroll and human resources (HRP) solution for the City, is not sustainable and will need to be replaced. KPMG recommended that a new payroll and HR system be implemented, and in addition, include employee self-service and HR functionality. The new HRP system streamlines and optimizes payroll and HR processes that make them far more efficient which substantially increases productivity and transparency. The new HRP will have payroll and HR fully integrated with work distributed between the Controller's office, the Personnel Department, the City departments, and City employees. Each entity will have clearly defined roles to ensure that personal information is accurate and protected, that payroll is calculated correctly and on time, and that the City is meeting its legal obligations.

4 *If no, why has this not been done?*

*Why is this approach better than the alternative approaches that were considered?*

The only alternative is to fix and enhance PaysR—which, after objective analysis, was deemed unacceptable.

5 *What special funds are eligible to be used for this request? What is the General Fund impact of this request?*

\$472,117 General Fund impact.

### Supporting Performance Metrics

Please provide (a) metric(s) to support the above justification. The department must have direct influence/control over each metric. Metrics should support the goals above and relate to an increase in service or efficiency. Output or outcome metrics should be included.

1. Provide metrics that measure either the amount of services produced (output) and/or the impact of those services on your stakeholders (outcome).

#### Outcomes:

- Create Payroll rules within the City (by July 2019)
  - Create timeline of milestones to be completed (by August 2019)
  - Implement a change management plan (by September 2019)
  - Train staff of independent roles and duties (by July 2019)
  - Discovery Phase: Align various departments payroll requirements with our requirements (by December 2019)
  - Design Phase: Begin creation of new Payroll System to prepare for upcoming FY's user acceptance testing and implementation (by June 2020)
2. Explain how the investment in resources will directly impact the metrics that measure the goals identified in question 2 of the Justification area above.  
Ensure Controller has necessary staff for this major initiative.
  3. What is the impact on the metrics above if requested resources are not received?  
There will be no HRP team in the Controller's office, existing resources will need to be used which will put PaySR operations at substantial risk. It was concluded by KPMG in its PaySR assessment that PaySR's current staffing levels must be maintained until a new HRP is implemented.

### Alignment with Strategic Documents

Check all that apply:

- Mayor's Expectations Letter
- Comprehensive Homeless Strategy
- Sustainable City pLAN
- Equitable Workforce and Service Restoration Plan
- Strategic Plan(s)

# 2019-20 Budget Program Request

<u>Department Name</u>	<u>Program Name</u>	<u>Program Code</u>	<u>Total Request Amount</u>
Information Technology Agency	Enterprise Applications	3207	\$ 529,043

## Name/Description of Budget Request

Name: PaySR Support

*Provide a general description on what resources are being requested. If the positions requested are exempt, explain why an existing civil service classification cannot perform these functions.*

Continuation of 2018-19       New Request

### REQUIRED RESOURCES

#### 1010 – Salaries, General – Continuation of Resolution Authorities

(2) Programmer Analyst IV	(1431-4)	\$239,398
(1) Systems Analyst	(1596)	\$ 84,835
(1) Programmer Analyst III	(1431-3)	<u>\$ 99,914</u>
Subtotal		\$424,147
Less 2.5% Salary Savings		\$ (10,604)
Total		\$413,543

#### 3040 – Contractual Services

Additional Contract Support	\$100,000
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#### 6010 – Office and Administrative

Staff Training	\$ 15,500
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Salaries, Account 001010 \$ 413,543

- Continue Resolution Authority for (2) Programmer/Analyst IV – 1431-4 and (1) Systems Analyst – 1431-3

This technical support group is needed for knowledge transfer from the PaySR architect, Bob Hess, who is retiring in Dec 2018. This group will be responsible for the support of Form 41, time reporting, quality assurance, testing, security, self-service applications and other applications. These positions are expected to transition to the new HRP project.

- Continue Resolution Authority for (1) Programmer/Analyst III 1431-3

For succession planning, in addition to providing operational support of PaySR, we are using this position to continue cross-training the next generation of PaySR support staff so we can support this critical application. This position is part of the KTLO team (Keep the Lights On) in supporting PaySR as other members of the team transition to the HRP project

Contractual Services, Account 003040: \$ 100,000

- Additional Contract Support \$100,000

For FY 18 - 19, the Hess and Associates contract was significantly reduced, from \$875,000 to \$425,000 because of a reduction of Hess staff resources, the retirement of Bob Hess and the change in support paradigm to maintenance mode that freezes all enhancements to PaySR and keep the system running until it gets replaced with a new system.

For FY19-20, we foresee that the work Hess will be asked to do will require a \$100K increase. The City has already requested the implementation of state law 1522, Healthy Workplaces, Healthy Families to be done in PaySR for next fiscal year, with this work requiring substantial development and programming time for the contractor. This funding will also provide an allowance for additional work to be done by Hess and Associates for unforeseen mandatory enhancements to PaySR because of new federal laws, state laws, or enhancements because of city contractual obligations, or enhancements that will result in a reduction of city financial risk or enhancements needed as a result of MOU contract negotiations.

Office Admin Account, 006010: \$15,500

- Staff Training: \$15,500

The backbone of PaySR is approx. 950,000 lines of PL/SQL code. Knowledge of PL/SQL is now a highly specialized skill, not being taught in computer science programs. New programming staff needs Oracle training in order to support PaySR; Oracle PL/SQL Fundamentals for \$6,200 (4 staff@\$1550) and Oracle PL/SQL Advanced Technical Training for \$9,300 (4 staff @\$2325)

## Departmental Collaboration

If this request was developed in conjunction with other departments, list the departments below.

None

## Justification

*What problem is being addressed and how will this request address it?*

1 This budget request is needed to ensure that PaySR remains a viable payroll solution until a replacement is in place. The continuation of the resolution authorities ensures that ITA continues its PaySR support while preparing for the new HRP project. Staff will be transitioning to the new system while some staff becomes part of the KTLO team (Keep The Light On) responsible for maintaining PaySR.

The additional contractor funds will ensure that mandatory changes can still be implemented in PaySR while the new replacement system is in progress.

*What are the 2019-20 goals of this request?*

2 The goals of this request is to continue the support and maintenance of PaySR in order to continue to pay city employees and prepare the team to transition to the new payroll system while still maintaining a KTLO team.

*What are the long-term goals of this request?*

KPMG has concluded that PaySR is not sustainable in the long term and will need to be replaced. The HRP project released its RFP and has received proposals and this budget request will help keep PaySR continue until the new system has been selected and implemented.

*If this request is to increase or expand services, or to address backlog/workload issues, has the Department undergone a process improvement or another service efficiency exercise (including but not limited to technology and automation)?*

3 Not applicable. KPMG has already concluded that PaySR is not a sustainable payroll solution for the city and that it needs to be replaced.

Y	<i>If yes, what changes were made and what were the results? Provide evidence of results.</i>
N	<i>If no, why has this not been done?</i>
4	<i>Why is this approach better than the alternative approaches that were considered?</i>
5	<i>What special funds are eligible to be used for this request? What is the General Fund impact of this request?</i>

**Supporting Performance Metrics**

Please provide (a) metric(s) to support the above justification. The department must have direct influence/control over each metric. Metrics should support the goals above and relate to an increase in service or efficiency. Output or outcome metrics should be included.

- 1. Provide metrics that measure either the amount of services produced (output) and/or the impact of those services on your stakeholders (outcome).*

PaySR metrics is currently using the Service Now system to track tickets, projects and project task.

- 2. Explain how the investment in resources will directly impact the metrics that measure the goals identified in question 2 of the Justification area above.*

The investment in resource will help PaySR continue to pay city employees accurately and in a timely manner.

- 3. What is the impact on the metrics above if requested resources are not received?*

It will severely impact the ability to deliver fixes and important mandatory changes to PaySR related to federal and state laws, city risk obligations and city admin code requirements including obligations related to MOU negotiations.

Alignment with Strategic Documents

Check all that apply:

- Mayor's Expectations Letter*
- Comprehensive Homeless Strategy*
- Sustainable City plan*
- Equitable Workforce and Service Restoration Plan*
- Strategic Plan(s)*



## 2019-20 Budget Program Request

<u>Department Name</u>	<u>Program Name</u>	<u>Program Code</u>	<u>Total Request Amount</u>
PERSONNEL DEPARTMENT	LIAISON SERVICES	FE6609	\$440,644

### Name/Description of Budget Request

Name: HRP Project Staffing

Provide a general description on what resources are being requested. If the positions requested are exempt, explain why an existing civil service classification cannot perform these functions.

Continuation of 2018-19       New Request

Positions	Salaries	Expenses
Personnel Director I Sr. Personnel Analyst II 2 - Sr. Personnel Analyst I Sr. Administrative Clerk	\$430,644	\$10,000

This is a request for staff for Phase I of the HRP. The department requires one Personnel Director I, three Sr. Personnel Analysts, and one Sr. Administrative Clerk for the project. The HRP will create an integrated human resources system and payroll system. An a core department for the HRP, staff for the Personnel Department are not only required as part of the City's team, but also to be the primary change agent for policy and procedural changes with City departments. Currently, PaySR is primarily a payroll system. Its replacement is a complex project that will include human resources functionality, necessitating staff to plan and implement in partnership with the CAO, ITA and the Controller's Office.

A Personnel Director I is the Personnel Department's Project Manager for HRP and will conduct research, develop policy, ensure that standardized methods and procedures to facilitate system implementation, and work closely with the vendor and other City Departments on planning, design, development, testing and implementation of Phase I.

One Sr. Personnel Analyst II and two Sr. Personnel Analyst I are required as the technical experts of existing City human resources processes. The Sr. Personnel Analyst II is required to recommend and implement solutions across all City Departments and ensure policy and procedures are standardized. The two Sr. Personnel Analyst I will liaise with all City Departments, ensure processes are uniform, and work closely with City Departments on system deployment and education, process and policy uniformity, and ultimately testing and implementation of Phase I.

The Sr. Administrative Clerk will provide clerical support to this important function.

#### Departmental Collaboration

If this request was developed in conjunction with other departments, list the departments below.

This Request is not being developed in conjunction with other departments, however, this is a multi-departmental project, and other departments will also require resources to ensure successful Phase I implementation of the HRP.

#### Justification

*What problem is being addressed and how will this request address it?*

The problem being addressed is the replacement of the City's current payroll system. The City is planning not only to replace the current payroll system, but also to enhance it by building a human resources system around it. The City already has embarked on the design of a Human Resources and Payroll (HRP) system project. The HRP will create an integrated human resources system and payroll system. As one of the core departments that will jointly manage the project, the Personnel Department requires resources to staff the multi-phase, multi-year project.

Based on the recently published draft staffing plan for Phase I of the HRP dated October 19, 2018, KPMG has recommended various staffing levels for the core, critical departments managing the project. KPMG has determined that the Personnel Department requires approximately four staff persons for Phase I. Based on the work completed to date for the project, and to meet the expected timeline, the Personnel Department is requesting a Personnel Director I, and three Sr. Personnel Analysts. A Sr. Administrative Clerk is required to provide clerical support to this project.

A Personnel Director I is the department lead on the Project. Three Senior Personnel Analysts will assist the Personnel Director with research, development and implementation of Phase I across all City Departments. The Personnel Director and Senior Analysts will work closely with the vendor to design process changes, get buy-ins from departments, and conduct extensive testing and training prior to implementation of Phase I. While Phase I of the Project includes a number of payroll-related items, a number of other items directly affect personnel management, and include on-boarding, employee work history, position control, and separations and absence management. For this multi-year Phase the Personnel Department requires staffing in the numbers and classifications detailed to ensure the Project progresses

accordingly, to coordinate with all City Departments, and to ensure that all milestones are met.

*What are the 2019-20 goals of this request?*

- Obtain position authorities and hire staff for the multi-phase, multi-year HRP project
- Work with other HRP Steering Committee departments to evaluate proposals and select the successful vendor
- Start work toward completing Phase I of the HRP

*What are the long-term goals of this request?*

- Work closely with core departments and the selected vendor to implement Phase I
- Identify resources for subsequent phases of the HRP

*If this request is to increase or expand services, or to address backlog/workload issues, has the Department undergone a process improvement or another service efficiency exercise (including but not limited to technology and automation)?*

*If yes, what changes were made and what were the results? Provide evidence of results.*

This is a new request to provide resources to the Personnel Department for the City's HRP Project.

*If no, why has this not been done?*

*Why is this approach better than the alternative approaches that were considered?*

The department currently does not have resources to manage the HRP. Resources are required to ensure the success of the City's efforts to replace existing human resources systems and payroll with a new, integrated system.

*What special funds are eligible to be used for this request? What is the General Fund impact of this request?*

There are no special funds available to fund this request.

#### Supporting Performance Metrics

Please provide (a) metric(s) to support the above justification. The department must have direct influence/control over each metric. Metrics should support the goals above and relate to an increase in service or efficiency. Output or outcome metrics should be included.

1. Provide metrics that measure either the amount of services produced (output) and/or the impact of those services on your stakeholders (outcome).

- Complete the work necessary to identify the successful bidder for the HRP Project
  - Complete the work necessary to implement Phase I of the HRP
  - Identify staffing and resource requirements necessary to implement Phase I (future Phases may require additional staffing)
2. *Explain how the investment in resources will directly impact the metrics that measure the goals identified in question 2 of the Justification area above.*

Investment in resources for the HRP Project ensures that the Personnel Department can fulfill its role as a lead in the Project. Resources are necessary to staff the Project and participate as one of the critical departments.

3. *What is the impact on the metrics above if requested resources are not received?*

If resources are not received, the Personnel Department will not be able to fulfill its role as one of the lead departments in the HRP Project. To date, the department has provided one staff member to work on this project. To complete the work necessary for the success of the Project, position authorities are necessary, as there are no existing authorities that the department is able to lend to the Project on an on-going basis.

#### Alignment with Strategic Documents

Check all that apply:

- Mayor's Expectations Letter*
- Comprehensive Homeless Strategy*
- Sustainable City pLAN*
- Equitable Workforce and Service Restoration Plan*
- Strategic Plan(s)*