

TRANSMITTAL

0280-01103-0051

TO The City Council	DATE JUN 19 2013	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT N/A	

Amendment No. 15 to Contract No. 105458 between the Information Technology Agency and Hess and Associates, Inc. for Programming Services for Software Support for the Payroll System Replacement (PaySR) Project

Transmitted for your consideration. See the City Administrative Officer report attached.


MAYOR

MAS:RES:1113052

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 06-14-13	C.D. No. All 0280-01103-0051
Contracting Department/Bureau: Information Technology Agency (ITA)		Contact: Sylvia Bergstrom, 213-978-1695
Reference: Submission from ITA dated April 11, 2013 and presented to the PaySR Steering Committee as instructed by Council		
Purpose of Contract: Payroll System enhancement and maintenance		
Type of Contract: () New contract (X) Amendment	Contract Term Dates: August 1, 2003 – July 31, 2015 (2 year extension)	
Contract/Amendment Amount: \$841,500 annually		
Proposed amount \$ 1,683,000 + Prior award(s) \$ 9,194,500 = Total not to exceed \$ 10,877,500		
Source of funds: ITA Contractual Services Account No. 3040		
Name of Contractor: Hess & Associates, Inc.		

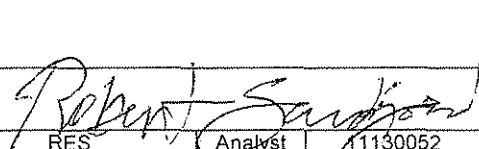
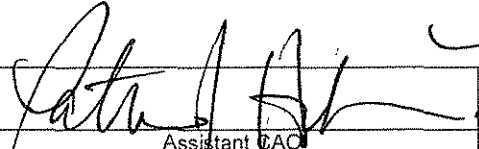
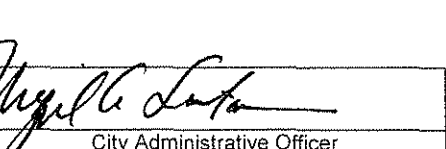
Address: 17853 Santiago Blvd. #107-506, Villa Park, CA 92861

	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose	x			a. Equal Employmt. Oppty./Affirm. Action	x		
2. Appropriated funds are available	x			b. Good Faith Effort Outreach**			x
3. Charter Section 1022 findings completed	x			c. Equal Benefits Ordinance	x		
4. Proposals have been requested		x		d. Contractor Responsibility Ordinance	x		
5. Risk Management review completed	x			e. Slavery Disclosure Ordinance	x		
6. Standard Provisions for City Contracts included	x			f. Bidder Certification CEC Form 50			x
7. Workforce that resides in the City: 0%				*N/A = not applicable ** Contracts over \$100,000			

COMMENTS

The Payroll System Replacement (PaySR) project was initiated in July 2000 to replace the City's legacy payroll system, which was obsolete, inflexible, and difficult to maintain. The continued support of the PaySR development contractor, Hess and Associates, Inc., will be required during the 2013-14 and 2014-15 Fiscal Years to work on the high priority projects that are needed as well as to provide production support and knowledge transfer to City staff.

ITA submitted a request to the PaySR Steering Committee to amend the City's contract with Hess and Associates, Inc. (Contractor) to continue PaySR project work. The PaySR Steering Committee was established by the City Council, and its voting membership includes representatives of the Mayor's Office and the Chief Legislative Analyst, as well as the City Administrative Officer who chairs the Committee. The PaySR Steering Committee also includes advisory representatives from the Controller, ITA, and the Personnel Department. The Council authorized the Steering Committee to approve contracts necessary for the implementation of a replacement City payroll system before those items are submitted to Council for approval (C.F. 99-1641). The Steering Committee recommends that Council approve Amendment No. 15 to Contract No. 105458 between the City and the Contractor.

 RES Analyst 11130052	 Assistant CAO	 City Administrative Officer
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PAYSR PROJECT

The scope of the PaySR project has expanded in response to new City and legal requirements as well as requirements that were not anticipated at the beginning of the project. While the need for additional project deliverables has extended the project timeline, PaySR has provided the City with systematic controls that result in more accurate paychecks and greater efficiency in Controller and departmental payroll processes. According to the American Payroll Association, an acceptable payroll error rate based on a 2009 Payroll Performance Study is two percent. In 2012, the PaySR payroll error rate was 0.009 percent for the 1.13 million City paychecks created. PaySR has also proven to be a very flexible system that has accommodated in a timely manner the multitude of changes required by cost-saving labor negotiations in recent years.

PROPOSED AMENDMENT

The cost of the 13th amendment was 10 percent less than the 12th amendment due to a reduction in monthly and hourly rates. The 14th amendment continued the same reduced rate, as does this 15th amendment. The firm's principal will be paid a flat rate of \$15,000 per month, for a total of \$360,000. Specific deliverables for needed knowledge transfer from the Contractor to City staff have been identified and tied to payments of \$199,520. The other staff of the Contractor will be paid on a time-and-materials basis using billing rates that are specified in the contract in an amount not to exceed \$1,123,480 and resulting in a total proposed compensation of \$1,683,000. The contract will be extended for two years through July 31, 2015 to provide continuing production support, system upgrades and enhancements and knowledge transfer.

The PaySR projects considered for Fiscal Years 2013-14 and 2014-15 are described in Attachment 1 of the proposed contract amendment (attached). Continuing production support is the highest priority and as time allows, work on various technical or functional projects will be performed.

CONTRACT COMPLIANCE

Pursuant to Charter Section 1022, this Office has determined it is more feasible to contract for this service than to use City employees. ITA surveyed several departments, each of which indicated that there are insufficient staff to perform the work proposed to be contracted, and additional staff cannot be employed and trained in a timely manner to meet ITA's needs.

Since this contract was executed on a sole source basis in 2003, a good faith effort outreach to minority, women-owned and other businesses was not required. The requirement for the City Ethics Commission Bidder Certification Form 50 is not applicable because it did not exist at the time the contract was executed. City Council approval is required because the term exceeds three years and the compensation exceeds \$137,319 and because Council has approved previous amendments.

RECOMMENDATION

That the Council approve, and authorize the General Manager of the Information Technology Agency to execute, Amendment No. 15 to Contract No. 105458 between the City of Los Angeles and Hess & Associates, Inc. to increase funding by an amount of \$1,683,000 for a total contract amount not to exceed \$10,877,500 and extend the term by an additional two years to July 31, 2015 for continued

support of the Payroll System Replacement (PaySR) Project, subject to the approval of the Mayor and the City Attorney as to form.

FISCAL IMPACT STATEMENT

The proposed amendment would add \$1,683,000 for a contract total not to exceed \$10,877,500. The funding complies with the City Financial Policies in that this amount is provided from ongoing revenue included in ITA's 2013-14 Adopted Budget for the first year of the amendment. This contract further complies with the Financial Policies because it limits the City's financial obligation to the amount appropriated by the Mayor and Council for this purpose. Since funds for this contract amendment are budgeted in ITA's 2013-14 Contractual Services Account, there is no additional impact on the General Fund resulting from the execution of Amendment No. 15 to Contract No. 105458.

Attachment

DRAFT FIFTEENTH AMENDMENT

TO THE PROFESSIONAL SERVICES AGREEMENT NUMBER C-105458

BETWEEN

**THE CITY OF LOS ANGELES
AND
HESS & ASSOCIATES, INC.**

This FIFTEENTH Amendment to the City Contract No. C-105458 is entered into between the City of Los Angeles, a municipal corporation, (hereinafter referred to as the "City"), and Hess and Associates, Inc., (hereinafter referred to as "Contractor").

WITNESSETH

WHEREAS, the City and Contractor entered into City Contract No. C-105458 for the implementation and maintenance of a new payroll system (PaySR), effective August 1st, 2003, which together with all amendments thereto, shall hereinafter be referred to as the Agreement; and

WHEREAS, the City and Contractor have agreed to amend the Agreement in order to require the Contractor to provide programming services for software modifications of the PaySR system and knowledge transfer to the City PaySR support staff; and

WHEREAS, changes to the Statement of Work and Payment Schedule are required to complete these enhancements;

NOW THEREFORE, in consideration of the premises and of the terms, covenants, and conditions set forth herein, the parties hereby covenant, represent, and agree as follows:

1. Section I. Statement of City Responsibilities reads:

The City is responsible to:

- Perform Project management.
- Prioritize the Modification Projects and the Work Orders that the Contractor will work on.
- Perform systems analysis and, with support and assistance as required from the Contractor, finalize the scope definition of modifications.
- Develop Functional Requirements documents.
- Develop Functional Design documents.

- Document Test Plans, and execute those plans, to ensure successful implementation of projects into production.
- Review and determine acceptance of deliverables in a timely manner.
- Perform System Security Administration.
- Perform System Change Management.
- Develop and maintain User Manuals.
- Develop Training materials and perform user training.
- Perform Production Implementation of code.
- Maintain PaySR documentation once modules are moved to production.

2. Section II. Statement of Work reads:

The Contractor shall provide the services required to:

For Modification Projects:

- Provide input during the planning, discovery, and requirements analysis for new projects. This input may include estimated level of effort, technical feasibility and considerations based on the contractor's business and system knowledge.
- Develop and document the high-level and detailed system solution, to be approved by the City before coding.
- Develop Functional Requirements documents as assigned.
- Develop Functional Design documents as assigned.
- Develop Technical Design documents, to be approved by the City before coding.
- Estimate level of effort to code and unit test the accepted Functional and Technical designs.
- Complete coding and unit testing within 5% of the estimated level of effort.
- Provide input to the City for the development of User Manuals.
- Provide input to the City for the development of the integrated and user acceptance test strategies, plans and scripts.
- Provide a Deliverable Package for each delivered project which includes confirmation that development and unit testing are complete, the name of the environment Contractor used for testing, and instructions for City staff to follow to install the project to other environments.
- Provide documentation of the actual screens, batch job streams, major processes, and inputs/outputs of the modified module, before projects are implemented in production.
- Provide technical support and code remediation for City testing in a timely manner, to support the testing schedule.
- Assist the City in successfully implementing these projects into production.

- Provide the first month of production support for new projects implemented into production, and then facilitate a smooth transition to the Production Support team for ongoing support.

For PaySR Production Support:

- Provide on-call support for production problems.
- Develop bug fixes and small modifications to production modules. The City will identify the work orders to be assigned to Contractor, and the priority order for them to be performed.

Delivered Code:

Delivered code should be in a production-ready state, completely meeting the requirements and design as documented in the approved Requirements Document and Functional and Technical Design Documents, or in the case of Production Support, the Work Order. Changes to these documents must be approved by the City's PaySR Project Manager before the Contractor codes them. The prototyping approach should be used only on an exception basis; if the Contractor would like to use a prototyping approach during development of a project, approval must be obtained from the PaySR Project Manager in advance.

Knowledge Transfer:

The Contractor will provide specific Knowledge Transfer deliverables for the purpose of training City staff on the architecture and processing of the existing PaySR system, to prepare City staff to perform Production Support on all modules in the system without the Contractor's assistance. These deliverables will be paid on a per-deliverable basis, according to the Payment Schedule. No additional payments (including hourly time) will be paid for work on these deliverables.

Following are the specific deliverables:

Technical Documentation and Training Sessions for the following:

YEAR 1:

QTR 1: High-Level Payroll Flow

Document the major work the system does in the Biweekly, Monthly, and Retro payrolls; inventory the job streams (7-10); and describe what each job stream does, including where the major inputs/outputs (including interfaces) come from or go to. Provide 8 hours of training sessions to walk City staff through the documentation.

QTR 2: Mid-Level Payroll Flow: Gross Pay

Document all the jobs and controlling programs that make up the part of the payroll flow which calculates the employee's Gross Pay. Provide index of topics 3 ways: by work being done (the topic), which payroll (biweekly, monthly, retro), and the frequency (ex: biweekly, annual). Provide 8 hours of training sessions to walk City staff through the documentation.

QTR 3: Mid-Level Payroll Flow: Deductions

Document all the jobs and controlling programs that make up the part of the payroll flow which calculates the employee's Deductions. Add related topics to the index of topics 3 ways: by work being done (the topic), which payroll (biweekly, monthly, retro), and the frequency (ex: biweekly, annual). Provide 8 hours of training sessions to walk City staff through the documentation.

QTR 4: Mid-Level Payroll Flow: Everything else in the High-Level Payroll Flow

Document all the jobs and controlling programs that make up the rest of the payroll flow, outside of calculating Gross Pay and Deductions. Add related topics to the index of topics 3 ways: by work being done (the topic), which payroll (biweekly, monthly, retro), and the frequency (ex: biweekly, annual). Provide 8 hours of training sessions to walk City staff through the documentation.

YEAR 2:

QTR 1: Detail-Level Code Walkthrough: Sick to IOD Conversions

Document the processes and calculations which enable PaySR to do "Sick to IOD Conversions"; document any screens, batch job streams, and major tables which support these calculations. Provide 6 hours of training sessions to walk City staff through the documentation.

QTR 2: Detail-Level Code Walkthrough: CPTO

Document the processes and calculations which enable PaySR to do "CPTO" balance maintenance; document any screens, batch job streams, and major tables which support these processes and calculations. Provide 6 hours of training sessions to walk City staff through the documentation.

QTR 3: Detail-Level Code Walkthrough: FLSA

Document the processes and calculations which make up the "FLSA" balance maintenance; document any screens, batch

job streams, and major tables which support these processes and calculations. Provide 6 hours of training sessions to walk City staff through the documentation.

QTR 4: Detail-Level Code Walkthrough: DTime and Time Reporting

Document all the screens, batch job streams, and major tables which makeup the DTime and Time Reporting modules. This includes DTime, MDTIME, and FDTIME, as well as the sworn "smoothing" processes and OLOTS. Provide 8 hours of training sessions to walk City staff through the documentation.

Functional Documentation and Training Sessions for the following:

YEAR 1:

QTR 1: Control Tables – Part 1

Document one-quarter of the control tables in the system, including what each controls, and what effect the different values have on PaySR. Greatest emphasis is on the control tables that affect Gross Pay. Provide 8 hours of training sessions to walk City staff through the documentation.

QTR 2: Control Tables – Part 2

Document one-quarter of the control tables in the system, including what each controls, and what effect the different values have on PaySR. Greatest emphasis is on the control tables that affect Deductions. Provide 8 hours of training sessions to walk City staff through the documentation.

QTR 3: Control Tables – Part 3

Document one-quarter of the control tables in the system, including what each controls, and what effect the different values have on PaySR. Greatest emphasis is on the control tables that affect other payroll processes. Provide 8 hours of training sessions to walk City staff through the documentation.

QTR 4: Control Tables – Part 4

Document one-quarter of the control tables in the system, including what each controls, and what effect the different values have on PaySR. Greatest emphasis is on the control tables that affect Human Resources processes (ex: Form 41). Provide 8 hours of training sessions to walk City staff through the documentation.

YEAR 2:

QTR 1: Functional Walkthrough: High-Level Calendar Year-End and Fiscal Year-End Processes

Document the high-level processes the system does in the Calendar year-end and Fiscal year-end pay periods (PP26, PP01, PP02, PP13, PP14, PP15); identify the timing of each process, document what have been the high-level changes to that process over the last 3 years, and provide a checklist of items that need to be setup in the system to support these processes. Provide 8 hours of training sessions to walk City staff through the documentation.

QTR 2: Functional Walkthrough: How PaySR calculates IS Rates (Injury on Duty) for Civilians, Desert Storm Pay, and Military Pay

Document the processes and calculations which enable PaySR to do "IS Rate Calculations for Civilians," Desert Storm Pay, and Military Pay; document any screens, batch job streams, and major tables which support these calculations from data entry onward. Provide 6 hours of training sessions to walk City staff through the documentation.

QTR 3: Functional Walkthrough: How PaySR calculates Half Time and Part Time Vacation and Sick Accruals

Document the processes and calculations which enable PaySR to calculate Half Time and Part Time Vacation and Sick accruals; document any screens, batch job streams, and major tables which support these calculations from data entry onward. Provide 6 hours of training sessions to walk City staff through the documentation.

QTR 4: Functional Walkthrough: Leave Adjustment Codes and Garnishments

Document what the current Leave Adjustment codes are and what effect each has on the system if they are used. Document the processes and calculations which makeup the Garnishment processes; document any screens, batch job streams, and major tables which support these processes and calculations. Provide 8 hours of training sessions to walk City staff through the documentation.

3. **Section VIII. Term of the Agreement** is amended to add the following sentences at the end thereof:

The term of this Agreement is extended to add the period from August 1, 2013 to July 31, 2015. Unless further extended by written amendment by the parties, this Agreement shall terminate on July 31, 2015.

4. Section XI. City Total Obligation, Part A is amended to read:

- A. For complete and satisfactory performance of the terms and conditions during the entire term of this Agreement, City shall pay Contractor a total amount not to exceed Ten Million Eight Hundred Seventy Seven Thousand Five Hundred Dollars (\$10,877,500).

An amount not to exceed Eight Hundred Forty One Thousand Five Hundred Dollars (\$841,500) shall be paid to the CONTRACTOR for performance of the work set forth in Section II, to be performed during each of the two years of this amendment:

- August 1, 2013 to July 31, 2014
- August 1, 2014 to July 31, 2015

for a total of One Million Six Hundred Eighty Three Thousand (\$1,683,000). This amount shall be billed on a monthly basis in accordance with the Payment Schedule in Section XII. Said amount includes payments for all services performed by the CONTRACTOR in accordance with the Statement of Work in Section II. No payment shall be made for any expenses incurred by the CONTRACTOR in connection with the completion of the Statement of Work identified in Section II. Payment will be made only in accordance with the Payment Schedule.

5. Section XII. Payment Schedule is revised to read as follows:

#	Task	Payment Amount	Target Due Date
1	Bob Hess' time: providing oversight of development, production implementation, and support, as well as development work.	\$15,000 / month	Monthly
2	Technical Knowledge Transfer – Year 1 Quarter 1	\$13,760	October 31, 2013
3	Technical Knowledge Transfer – Year 1 Quarter 2	\$13,760	January 31, 2014
4	Technical Knowledge Transfer – Year 1 Quarter 3	\$13,760	April 30, 2014
5	Technical Knowledge Transfer – Year 1 Quarter 4	\$13,760	July 31, 2014
6	Technical Knowledge Transfer – Year 2 Quarter 1	\$13,760	October 31, 2014
7	Technical Knowledge Transfer – Year 2 Quarter 2	\$13,760	January 31, 2015
8	Technical Knowledge Transfer – Year 2 Quarter 3	\$13,760	April 30, 2015
9	Technical Knowledge Transfer – Year 2 Quarter 4	\$13,760	July 31, 2015
10	Functional Knowledge Transfer – Year 1 Quarter 1	\$11,180	October 31, 2013
11	Functional Knowledge Transfer – Year 1 Quarter 2	\$11,180	January 31, 2014

12	Functional Knowledge Transfer – Year 1 Quarter 3	\$11,180	April 30, 2014
13	Functional Knowledge Transfer – Year 1 Quarter 4	\$11,180	July 31, 2014
14	Functional Knowledge Transfer – Year 2 Quarter 1	\$11,180	October 31, 2014
15	Functional Knowledge Transfer – Year 2 Quarter 2	\$11,180	January 31, 2015
16	Functional Knowledge Transfer – Year 2 Quarter 3	\$11,180	April 30, 2015
17	Functional Knowledge Transfer – Year 2 Quarter 4	\$11,180	July 31, 2015
18	Production Support – Other Staff time	Hourly Rate per Developer	To be agreed upon with City Project Manager
19	Modification Projects – Other Staff time	Hourly Rate per Developer	Each project to be agreed upon with City Project Manager

The Contractor will invoice the City Fifteen Thousand Dollars (\$15,000) a month as compensation for Bob Hess providing full time oversight of development, production implementation, and support as well as his development work. This total of Three Hundred Sixty Thousand Dollars (\$360,000) for two years is to be the only billing for Bob Hess' time.

The Knowledge Transfer deliverables will be billed as listed in the table above. The total of One Hundred Ninety Nine Thousand Five Hundred Twenty Dollars (\$199,520) is to be the only billing for these deliverables (documentation and training). The dollar increments in the Payment Schedule for Knowledge Transfer deliverables are fixed; the deliverable(s) to be provided in each billing period may be revised by mutual written agreement between the Contractor and the City's manager. In the event no Knowledge Transfer takes place in a billing period, no payment will be approved for this deliverable during that period. Regardless of the order in which the Knowledge Transfer deliverables are provided, they must all be accomplished prior to the expiration of the contract.

The remainder of the work, not to exceed a total of One Million One Hundred Twenty Three Thousand Four Hundred Eighty Dollars (\$1,123,480) for two years, shall be provided on a time-and-materials basis by other staff of Contractor for the purpose of providing production support, and modification projects as time permits. Following are the billing rates for the other staff:

Class	Range
Developer 4	\$ 85.01/hr to \$100.00/hr
Developer 3	\$ 75.01/hr to \$ 85.00/hr
Developer 2	\$ 60.01/hr to \$ 75.00/hr
Developer 1	\$ 45.01/hr to \$ 60.00/hr
Business Analyst / Technical Writer	\$ 70.00/hr to \$ 90.00/hr

Total Payment to Bob Hess for Oversight of Development, Production Implementation, and Production Support, as well as

	modifications:	\$ 360,000
Total payment for Knowledge Transfer deliverables:		\$ 199,520
Total Not to Exceed Payment for all other staff work:		\$ 1,123,480
		=====
Total Contractor Payment:		\$ 1,683,000

Before the contract amendment period begins, the Contractor will provide the City's Project Manager, in writing, the list of continuing staff (Contractor-compensated employees and subcontractors) for approval by the City's Project Manager. Subsequent changes to the list of Contractor-compensated employees or subcontractors will require prior written approval by the City's Project Manager.

6. Section XXI. FIRST SOURCE HIRING ORDINANCE

Unless otherwise exempt in accordance with the provisions of this Ordinance, this contract is subject to the applicable provisions of the First Source Hiring Ordinance (FSHO), Section 10.44 et seq. of the Los Angeles Administrative Code, as amended from time to time.

(A) CONTRACTOR shall, prior to the execution of the contract, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that CONTRACTOR estimates they will need to fill in order to perform the services under the Contract.

(B) CONTRACTOR further pledges that it will, during the term of the Contract,

1) At least seven business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the Community Development Department (CDD), which will refer individuals for interview;

2) Interview qualified individuals referred by CDD; and

3) Prior to filling any employment opportunity, the CONTRACTOR shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the CONTRACTOR interviewed and the reasons why referred individuals were not hired.

(C) Any Subcontract entered into by the CONTRACTOR relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.

(D) CONTRACTOR shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time. Where under the provisions of Section 10.44.13 of the Los Angeles

Administrative Code the designated administrative agency has determined that the CONTRACTOR intentionally violated or used hiring practices for the purpose of avoiding the article, the determination must be documented in the Awarding Authority's Contractor Evaluation, required under Los Angeles Administrative Code Section 10.39 et seq., and must be documented in each of the Contractor's subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40 et seq. This measure does not limit the City's authority to act under this article. Under the provisions of Section 10.44.8 of the Los Angeles Administrative Code, the Awarding Authority shall, under appropriate circumstances, terminate this contract and otherwise pursue legal remedies that may be available if the designated administrative agency determines that the subject CONTRACTOR has violated provisions of the FSHO.

7. Section XIX. Funding Clause

The City's obligation to make payments under this Contract shall be limited to the current appropriation(s) for that purpose. At the time of execution of this Contract, the total appropriation(s) for this Contract, and the City's obligation hereunder, is limited to \$841,500. If the City appropriates additional funds for this Contract, the City payment obligation shall be expanded to the extent of such appropriation(s), subject to the terms and conditions of the Contract, and an amendment implementing that change shall be executed by the parties. The Contractor shall not be required to provide any services, goods, materials or equipment, and the City shall not pay for any services, goods, materials or equipment provided, in excess of the funds appropriated by the City for this Contract. If the available funding is exhausted, or is inadequate to complete all of the work under the Contract, the City shall have the unilateral right to terminate the Contract in whole or in part without any charge or penalty.

8. Section XX. Incorporation of Attachments

The first bullet of this section is amended to replace Attachment 1A as follows:

- (a) Attachment I – Fifteenth Amendment – Contract # C-105458 – PaySR Modification Projects Considered for Fiscal Years 2013-14, 2014-15

9. Section XXI. Order of Document Precedence

Section (ii) (b) is amended to read as follows:

- (ii) (b) Attachment I – Fifteenth Amendment – Contract # C-105458 PaySR Modification Projects Considered for Fiscal Years 2013-14, 2014-15

Except as amended herein, all terms and conditions of the Agreement and all prior Amendments shall remain in full force and effect.

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

THE CITY OF LOS ANGELES

Hess and Associates
17853 Santiago Blvd #107-506
Villa Park, CA 92861

By _____
Steve Reneker, General Manager
and Chief Technology Officer
Information Technology Agency

By _____

Date _____

Date _____

APPROVED AS TO FORM

ATTESTED

CARMEN A. TRUTANICH, City Attorney

JUNE LAGMAY, City Clerk

By _____

By _____

Date _____

Date _____

City Business License Number: _____

Internal Revenue Service ID Number: _____

Said Agreement is Number _____ of City Contract

Attachment I – Fifteenth Amendment – Contract # C-105458
PaySR Modification Projects Considered for Fiscal Years 2013-14, 2014-15

Production Support is a required activity to keep the PaySR system functioning. It is the group of activities which, at a high level, consist of researching reported problems, and delivering fixes and small modifications to PaySR modules that are already in production. This includes:

- Implementing negotiated labor agreements that affect Payroll
- Implementing legally-mandated changes, including for tax reporting
- Personnel Support for the Layoff Process
- Production Support Work Orders from Controller and Personnel.

The City will prioritize the order in which these fixes and enhancements will be worked.

The following modification projects are being considered for FY 2013-14 and FY2014-15 as time allows outside of Production Support:

Technical Projects:

1. Upgrade PaySR Application (Visual Basic to .Net Conversion)

The PaySR user community logs in to most of PaySR through our Citrix servers. This Citrix infrastructure cannot be expanded due to limits on the version of licenses and the end-of-life state of our Citrix servers. This limits our ability to expand concurrent user capacity in PaySR, which is sorely needed as we add more modules to PaySR and more people want to use them. By moving our PaySR application to instead use current web services technology, we can eliminate the Citrix licenses and servers, and instead use fewer, more easily upgraded web servers with expanded concurrent capacity. This project began in FY12-13.

2. Server Refreshes and Operating System (AIX) Upgrades

Infrastructure upgrades are necessary to continue to bring the PaySR database servers up to current levels. This project will refresh servers, and upgrade the AIX operating system on those that are not being refreshed.

3. Convert PaySR Reports from Oracle Reports to Jasper

This project will move our current PaySR reports from the expensive Oracle Reports tool, which we are not upgrading, to the open source (free) Jasper tool. This project starts with a review of the 600+ PaySR reports first to determine if all are still needed.

4. Create alternative to GoogleDocs Delivery of Vendor Deduction Files

This project is to create an alternative method (email) of delivering Vendor Deduction Files as a backup to the GoogleDocs delivery method. This will give us

Attachment I – Fifteenth Amendment – Contract # C-105458
PaySR Modification Projects Considered for Fiscal Years 2013-14, 2014-15

the certainty that we can still deliver files to vendors after each payroll, even if the GoogleDocs interface changes without warning.

Functional Projects:

1. Paperless Form 41

Approximately 167,000 Form 41's are generated each year to process personnel changes. Five paper copies of each are made for distribution. This project will make Form 41 information available electronically so most of the paper copies, and the time to distribute them, can be eliminated. It will also:

- Create a "consolidated" Form41 on a biweekly basis to make it easier to see what changed that pay period
- Create an online workflow for Personnel's approval of the relevant Form 41's into the Personnel Approved Record
- Flow the Personnel Approved Records to the Employee Work History.

This project began in FY12-13.

2. Tax Analyzer

This project will provide Controller's Office an online query tool to view the "Unchangeable Record of Taxes" tables that were built during the Legacy Replacement project. It will also provide the ability to produce the various tax reports that must be filed (ex: Tax Deposits, Quarterly/Annual Tax Reporting) from the same database where reconciliation takes place.

This project began in FY12-13.