

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE REPORT relative to the Human Resources and Payroll Project and related matters.

Recommendations for Council action:

1. AUTHORIZE the General Manager, Information Technology Agency (ITA), to negotiate an amendment to the contract between the City of Los Angeles and Workday, Inc., C-135368, for a change order to implement a phased deployment approach of the HRP system. The phased approach should begin no sooner than April 2022, and the HRP steering committee should report to PAAW Committee in January with a phasing plan that is supported by all four lead HRP departments.
2. TRANSFER appropriations in the amount of \$1,000,000 from the Unappropriated Balance Fund No. 100/58, Account No. 580329, Human Resources and Payroll System Replacement, to the Information Technology Agency Fund No. 100/32, Account No. 003040, Contractual Services, to fund anticipated expenditures.
3. INSTRUCT the HRP Steering Committee to begin providing monthly reports to the Personnel, Audits, and Animal Welfare Committee, beginning January 2022, using the template described in September 30, 2021 report from the Steering Committee to Personnel, Audits, and Animal Welfare Committee with possible changes to the report format should they be requested by the Personnel, Audits, and Animal Welfare Committee Chair. Monthly reports should include an assessment of the implementation of Controller recommendations one through four under adjustments to project communication.
4. INSTRUCT the City Administrative Officer (CAO) to lead the effort to promptly establish a contract with a highly respected Quality Assurance (QA) consulting firm, issue a Request for Proposal, Request for Qualifications, or other appropriate bid solicitation using the Controller's Bench contractors (and requesting the Controller to administer the contract), identify funding for a consulting firm, and report to the Council with the recommended contract for approval. In developing the contract, the CAO should ensure that each of the four departments (CAO, ITA, Personnel, Controller) have the opportunity to develop input and review/approve of the tasks required of the QA, including the leadership team communication issues raised in the Controller's report, which should be addressed at the earliest possible point.
5. INSTRUCT the CAO to discuss with the Executive Employee Relations Committee the practical value of new Memorandum of Understandings having compensation change dates no earlier than January 2023.
6. INSTRUCT the CAO to explore any or all costs that can be reimbursed by the Federal Emergency Management Agency (FEMA).

Fiscal Impact Statement: The ITA reports that the estimated General Fund impact of the proposed phased implementation is \$10.8 million. This impact includes increased costs totaling \$12.3 million (\$11.2 million for Workday, Inc., \$688,000 for the PaySR contractors including Hess & Associates, and \$450,000 for additional consulting support requested by the Controller's Office) offset by overall savings and available contingency funding in the HRP project budget of \$1.5 million. It is requested that \$1 million in available Unappropriated Balance contingency funding be transferred to the Information Technology Agency to fund a portion of 2021-22 estimated costs for the project delay. For the \$10.8 million in additional project costs, it is currently unknown at this time how much of these funds will be required in 2021-22 and which costs will be incurred in 2022-23 as the City is still in the process of negotiating a contract amendment with Workday, Inc to implement the phased go-live approach. ITA will submit an interim 2021-22 funding request and a 2022-23 budget request for these funds once the cost breakdown per Fiscal Year has been finalized.

Community Impact Statement: None submitted

SUMMARY

At the meeting held on October 21, 2021, your Information, Technology, and General Services Committee considered Information Technology Oversight Committee, ITA, and Controller reports relative to the Human Resources and Payroll Project.

After an opportunity for public comment was held, the Committee moved to concur with Personnel, Audits, and Animal Welfare Committee action of October 6, 2021 and added one instruction as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
RAMAN	YES
BLUMENFIELD	YES
PRICE	YES

ME 10/21/21

-NOT OFFICIAL UNTIL COUNCIL ACTS-