

Legislation Text

File #: 24-375, **Version:** 1

PRESENTER:

Jared Werner, Assistant City Manager

SUBJECT:

Approval of the Workday Enterprise Resource Planning (ERP) Software Purchase and Implementation.

DEPARTMENT:

Finance, Human Resources, Information Technology

COUNCIL DISTRICTS IMPACTED:

All

BACKGROUND INFORMATION:

The City's current Finance/Human Resource software system was purchased in 2011 as a "beta" test product. The product has been bought and sold multiple times since it was purchased in 2011 and support is regularly unavailable/ineffective. As a result, the current program is very limited in functionality. Therefore, to limit risk and ensure reliable financial data, the FY 2022 Adopted Budget began establishing funding to initiate the process to replace the current system.

The City engaged in the competitive process for ERP software. A formal solicitation was published resulting in responses for two different software systems. Purchasing was able to identify two additional software options via cooperative contract opportunities to include in the evaluation process. The evaluation process included demonstrations and analysis of the most effective solutions for our organizational needs and processes along with evaluation of total cost of ownership. Workday was selected unanimously after several demonstrations and internal discussions with team members, as well as in-depth price comparison to competing software.

The recommended contract will include the software license agreement for ten (10) years providing stability in pricing and support for this critical system, professional training, and on-going software maintenance.

This project has three phases; the first phase included the assessment, system reviews, solicitation, and evaluation of the software. Phase 2 is the award of a contract to Workday for the software and award of a contract to an implementation partner (Cognizant Inc - Collaborative Solutions) that will guide the City through the design and implementation of the software. The contract for Cognizant is a requisite part of the overall project as a system of this complexity requires expert support to ensure the City obtains a fully functional system. The third and final phase is the implementation and launching of the system. Implementation is expected to take approximately one year. This project is projected to be completed in CY 2025.

Workday Solution

The workday solution will provide functionality to cover Human Resources, Finance, Budget, Procurement, Timekeeping, and Payroll functions as well as offer self-service portals to staff not readily available with the

current solutions.

Some of the key benefits and reasons for the selection of the Workday proposal include the following:

- Workday is a significant provider to corporations worldwide that has successfully moved into the public sector over the last decade. Some of their Texas clients now include Galveston County, City of Dallas, City of Amarillo, City of Arlington, City of Dallas, City of Garland, City of Austin, City of Georgetown, City of Galveston, and others.
- The system uses the best technology architecture available to provide excellent system security from the IT perspective, maximum system uptime, and full functionality from any location and mobile devices.
- The system offers vast improvements over current processes and capabilities such as:
 - Improved reporting capabilities
 - Improved access to data
 - Enhanced workflow capabilities for transparency and oversight
 - Improved user experiences and ease of system use
 - Single access point for critical functions
- Workday is a true cloud-based ERP system where all customers are always on the same version of the software, resulting in large user groups that can provide assistance across organizations.
- The robust nature of the system reflects the needs of Workday's many clients and provides a mechanism for the City to dramatically improve its business processes and to automate more tasks, allowing staff to work on higher-level analysis and other work projects.
- Workday's methodology requires that the City's subject matter experts receive training on the Workday system prior to implementation, which will allow staff to make more knowledgeable decisions during the implementation process.
- Workday has powerful reporting and data analytic functionality that can be used easily by employees outside of IT, drastically reducing the amount of time that IT would need to spend creating and providing reports for its client departments.
- The implementation strategy for Workday heavily emphasizes change management and using the new system as an opportunity to reinvent budget processes, instead of "lifting and shifting" legacy processes into the new system. Furthermore, Workday's implementation partner, Collaborative Solutions, specializes in re-examining legacy practices and re-engineering them to meet current needs.
- Software updates and upgrades occur remotely reducing the need for IT staff to participate in after-hours upgrades and an overall reduction in downtime.

The full lifecycle cost of this project is \$7,500,000 which includes the following breakdown:

Workday Software and Support: \$4,997,603 paid out over a period of ten years.

Cognizant Implementation and Integration: \$2,502,397.

Staff is requesting a 10% contingency allowance be included in the approval of this contract to account for any unforeseen complications that may arise with a project of this size and scope in the amount of \$250,000 for an amount not to exceed of \$7,750,000.

ISSUE:

Strategic Priority: Maintain fiscal stability of City operations and achieve organizational excellence.

FISCAL IMPACT:

There is currently \$4.1 million funding set aside in the Equipment Replacement Fund committed to the purchase and implementation of the ERP project. This funding will provide for the purchase of Workday software, implementation costs, and recurring maintenance costs through FY 2028.

RECOMMENDATION:

Staff recommends approval of a contract with Workday for the ERP software and Cognizant for implementation services for the City.