



Board Report 22-28

Date: April 19, 2022
To: Board of Deferred Compensation Administration (Board)
From: Staff
Subject: Human Resources / Payroll (HRP) Project Update

Board of Deferred Compensation Administration
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Discussion:

Presentation regarding the progress of the Human Resources / Payroll (HRP) transition as it relates to the Deferred Compensation Plan.

A. Background

At its August 17, 2021 meeting, the Board considered Board Report 21-44 regarding the status of the transition from the City's legacy payroll system, PaySR, to the new HRP system from Workday and its impact on the Deferred Compensation Plan (DCP). In the report, staff outlined the transition and implementation process, including multiple months of testing leading up to a targeted December 2021 go-live date. Staff further described certain project risks that could impact the DCP.

At its September 21, 2021 meeting, the Board considered subsequent Board Report 21-48, which provided an update that the HRP transition had been delayed with a target go-live of December 2022 for the benefits and payroll components of the project. The initial phase of the project, comprising the human resources and compensation components, was slated to go live on April 10, 2022, but has been subsequently delayed until May 8, 2022.

B. Requests from EBD Management

On February 28, 2022, Employee Benefits Division (EBD) management met with staff from the Information Technology Agency (ITA) and Workday in the HRP Project Management Office (PMO) to discuss certain processes that could improve the payroll system transition for all of the EBD's programs, including the DCP.

EBD staff requested the following, as it pertains to the DCP:

1. **Comprehensive documentation detailing current payroll/benefits operations** – A well-documented foundation of current interrelated processes and functions related to benefits administration would greatly assist in building the future system. PaySR leverages complex, custom programming that is needed for the various types of DCP contributions to deduct properly. Fully understanding the system’s current state would be instrumental in accurately designing/testing a new system.
2. **Process to identify risks and develop contingency plans** – Given the complexity of the project and the unique needs of the City, EBD staff requested the development of a jointly agreed-upon plan for monitoring and managing project risks and the development of contingency plans in the event that one or more components of the system are not ready for go-live at the scheduled time.
3. **Mutually agreed-upon project plans with benefits service providers** – EBD staff requested thorough project plans, particularly those involving impacted contracted service providers like Voya, to ensure service providers have adequate time to implement necessary changes to their systems and to ensure adequate staffing resources.
4. **Workday coordinator resource** – EBD staff requested a staffing resource at Workday capable of addressing challenging cross-workstream issues unique to benefits programs, including the DCP.
5. **Stakeholder communication** – EBD staff requested regular status reviews and updates from the HRP project team to augment the HRP updates DCP staff will provide to the Board.

The PMO’s response to the EBD’s requests was generally favorable, with all parties agreeing that additional dialogue would be necessary.

Through the course of public discussions about the HRP project at the Personnel, Audits, and Animal Welfare (PAAW) Council Committee, Councilmember Paul Koretz asked that the City procure an independent quality assurance consultant to provide go-live readiness assessments for each phase of the project. To that end, the City Administrative Office (CAO) procured the services of Gartner, Inc. in early 2022 to support this effort. The Gartner team will be meeting with EBD management to gather to ascertain the project’s readiness as it relates to benefit programs, including the DCP.

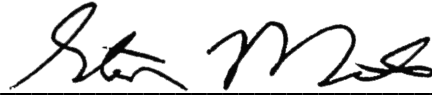
DCP staff will continue to provide ongoing HRP updates to the Board, particularly as it relates to the second phase of the project, which will have a more direct impact on the DCP. Staff expects that the success and timeliness of phase one will have an impact on the planning and trajectory of phase two. If phase one occurs as scheduled, the project’s focus should quickly transition to the second phase and staff intends to provide the Board with a substantial update at its June meeting that details a phase two project plan. If phase one is again postponed, staff will need to assess the impact on phase two and will provide the Board with an update accordingly.

Submitted by:



Daniel Powell, Senior Personnel Analyst II

Approved by:



Steven Montagna, Chief Personnel Analyst