



STAFF REPORT

DATE: 12/04/2024
TO: Honorable Mayor and City Council Members
FROM: Finance Department

2024-142

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:

APPROVAL OF ENTERPRISE RESOURCE PLANNING (ERP) PROJECT
TEMPORARY STAFFING AND CONSULTING PROFESSIONAL SERVICES
AGREEMENTS AND AUTHORIZATION OF LIMITED-TERM CITY POSITIONS

EXECUTIVE SUMMARY:

This staff report proposes that the City Council approve professional services agreements for temporary staffing and consultant services and authorize limited-term positions to backfill existing staff to support the implementation of the new Enterprise Resource Planning (ERP) system.

RECOMMENDED ACTION:

That the City Council:

- a. Authorize the City Manager, or his designee, to approve and execute the professional services agreements with Remy Corporation, Express Employment Professionals, and Theresa Lee Consulting as follows:
 1. Remy Corporation in the amount of \$497,250 through June 30, 2026.
 2. Express Employment Professionals in the amount of \$315,900 through June 30, 2026.
 3. Theresa Lee Consulting in the amount of \$360,490 through June 30, 2026.

- b. Authorize the City Manager, or his designee, to issue Purchase Orders to Remy Corporation for \$497,250, Express Employment Professionals for \$315,900, and Theresa Lee Consulting for \$360,490.
- c. Authorize the City Manager, or his designee, to execute any non-substantive extensions, change orders, purchase orders, and amendments necessary with Remy Corporation, Express Employment Professionals, and Theresa Lee Consulting within a contingency of up to 10% of the original contract amount.
- d. Authorize the following limited term City staff positions:
 - 1. Payroll Technician I, full-time, limited-term through June 30, 2025.
 - 2. Intern II, part-time, limited-term through June 30, 2026.
 - 3. ERP Administrator, full-time, limited-term through June 30, 2026.
 - 4. Applications Analyst, full-time, limited-term through June 30, 2026.

BACKGROUND & HISTORY:

City staff has been working on a project to replace the current ERP system, ONESolution, which has been in place since 1997. In 2022, a process mapping project was initiated to conduct a comprehensive review of the current business processes for finance and human resources (HR) functions. Building on that analysis, an RFP was conducted to find a more modern ERP system that would fit the City's current needs. Workday was selected as the ERP software platform, and Cognizant was identified as the implementor. Additionally, CanAm Technologies was selected as the cashiering software platform. These actions were approved by the City Council on November 6, 2024.

ANALYSIS:

The ERP implementation is a significant undertaking scheduled to begin in January 2025 and culminate with the system's "go live" in 2026. Given the project's vast size and scope, it will demand approximately 17,000 hours of dedicated staff time from the City's Finance, HR, and Information Technology (IT) departments.

Due to the extensive commitment required, the City's current staff cannot manage their regular responsibilities alongside the ERP implementation. To address this, the City will utilize a combination of temporary staffing services and hire City part-time and full-time employees for limited-term positions. This strategic move will backfill essential roles, ensuring that impacts on daily operations are minimized while supporting the ERP system's successful rollout.

Once the staffing hours were estimated for project implementation, the departments evaluated the available resources and where shortfalls existed. Due to time constraints, quotes were obtained for the Finance and Human Resources positions. Five vendors were contacted and provided the same information. Five quotes were received and evaluated based on availability of resources, qualifications of resources, and cost. Two vendors were selected based on the criteria. The Remy Corporation was selected for the two Human Resources positions noted in the Backfill Resources table. Express Employment Professionals was selected for the three Finance positions noted in the

Backfill Resources table. Finance will utilize a part-time Intern II position and a full-time limited-term Payroll Technician I to assist with project implementation, backfill, or daily tasks. Additionally, the City will contract with a payroll consultant, Theresa Lee Consulting, who is highly qualified and has been instrumental in multiple payroll module Workday implementations in other cities.

The Information Technology Department also received quotes for additional staffing resources. Due to the significant additional costs for the Information Technology backfill, it was determined that the most cost-effective option is to hire two (2) full-time, limited-term positions now instead of using temporary staffing. This will allow the new employees to become familiar with the system from the outset. After full project implementation, staff will re-evaluate the need to continue funding the Information Technology positions.

The positions and consultants identified below will be charged to the ERP System Project until the project is fully implemented or their respective portions are completed. The budget totaling \$1,683,387 includes the full amount of the backfill resources, as those are specifically project-based.

The recommended backfill staffing resources include the following:

BACKFILL RESOURCES – Needed through project term

Department	Position	FY 2025 Cost	FY 2026 Cost	Total
Finance	2 Purchasing Assistants (Temp Services) Express Employment	\$85,313	\$119,438	\$204,750
Finance	1 Accounting Technician (Temp Services) Express Employment	\$46,313	\$64,838	\$111,750
Finance	1 Limited-term Payroll Technician	\$62,360	--	\$62,360
Finance	1 Intern II (Part-Time)	\$11,232	\$15,725	\$26,957
Finance	Payroll Consultant Theresa Lee Consulting	\$168,980	\$191,510	\$360,490
Human Resources	2 HR Analysts (Temp Services) Remy Corporation	\$207,188	\$290,063	\$497,250
Information Technology	1 Limited-Term ERP Administrator	\$91,191	\$127,668	\$218,859
Information Technology	1 Limited-Term Applications Analyst	\$83,988	\$117,583	\$201,572
TOTALS		\$756,564	\$926,824	\$1,683,387

When the ERP project was approved at the November 6, 2024, City Council meeting, staff was still working on the professional services agreements for the temporary staffing services and payroll consulting. Those professional services agreements are now presented for the City Council’s consideration. Approval of the professional services agreements and the limited-term positions will provide the resources essential to the project’s success.

FINANCIAL IMPACT:

Approval of the recommended actions will not have any additional financial impact. The budget for the temporary staffing services, payroll consultant, and limited-term positions was included with the appropriation request for the ERP system, which the City Council approved on November 6, 2024. Funding for the recommended actions is available in the ERP System Project #77880 in the General Fund 110 and Measure X Fund 120.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action is to approve temporary staffing agreements and limited term positions related to the implementation of an ERP system, and there is no possibility that approval of the recommended actions will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: KIM SITTON, FINANCE DIRECTOR

REVIEWED BY: BRETT CHANNING, ASSISTANT CITY MANAGER

ATTACHMENTS:

1. Exhibit 1 – Professional Services Agreement with Remy Corporation
2. Exhibit 2 – Professional Services Agreement with Express Employment Professionals
3. Exhibit 3 – Professional Services Agreement with Theresa Lee Consulting