



STAFF REPORT

DATE: 09/03/2025

TO: Honorable Mayor and City Council Members

FROM: Finance and Information Technology Departments

2025-344

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:

CHANGE ORDER WITH WORKDAY AND REQUEST FOR CHANGE ORDER
AUTHORIZATION

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve a Change Order to increase the Workday Inc. Purchase Order, P23756, by \$4,620 to a new total of \$613,093 and to approve future change order authority for this vendor.

RECOMMENDED ACTION:

That the City Council:

- a. Authorize the City Manager, or his designee, to issue a Change Order to increase Purchase Order P23756 with Workday Inc. by \$4,620, from \$608,473 to \$613,093 for additional integration training hours for in-house staff for the Enterprise Resource Planning system.
- b. Authorize the City Manager, or his designee, to negotiate and execute non-substantive extensions, change orders, and amendments up to 10% per year of the multi-year contract as authorized in the Corona Municipal Codes Section [3.08.070\(I\)](#).

BACKGROUND & HISTORY:

The City Council approved a multi-year contract with Workday, Inc. on November 6, 2024, for the implementation of a new Enterprise Resource Planning (ERP) system and ongoing maintenance. The original first-year amount was \$541,813. A change order authority of 20% was requested with the original approval on November 6th, however, no change order authority was approved, which means all adjustments need the Council's approval. On February 5, 2025, the City Council approved Change Order #1 in the amount of \$66,660 for additional user training, bringing the cumulative first-year amount to \$608,473.

ANALYSIS:

Staff has identified a need for further integration training for in-house Information Technology (IT) staff to ensure the successful implementation and long-term sustainability of the Workday system. This additional training will be provided through Change Order #2 in the amount of \$4,620. Change Order #2 will bring the first-year cumulative total from \$608,473 to \$613,093. The additional training hours will save the City money in the long term by removing the need to rely on third-party resources for integration management.

Based on the contract's approval on November 6, 2024, staff does not currently have any change order authority for this vendor. In line with best practices for technology projects, staff recommends including a change order authority of up to 10% of each year's contract amount. For the first year, this amounts to \$61,309 based on the updated purchase order total. The change order authority request is to efficiently address any minor unforeseen costs that may arise during the project.

	Workday Contract Amount Approved 11/06/2024	Adjusted with Change Orders (Year 1 includes Change Order #1 and #2)	Requested Change Order Authority Up to 10%
Year 1	\$541,813	\$613,093	\$61,309
Year 2	\$669,354	\$669,354	\$66,935
Year 3	\$908,732	\$908,732	\$90,873
Year 4	\$569,908	\$569,908	\$56,990
Year 5	\$581,306	\$581,306	\$58,130
Year 6	\$592,929	\$592,929	\$59,292
Year 7	\$604,789	\$604,789	\$60,478
Year 8	\$616,885	\$616,885	\$61,688
Year 9	\$629,221	\$629,221	\$62,922
Year 10	\$641,807	\$641,807	\$64,180
Totals	\$6,356,744	\$6,428,024	\$642,797

FINANCIAL IMPACT:

Funding for the recommended actions is available in the ERP System, Operating and Maintenance Project No. 77880 within General Fund 110. Staff is requesting an increase of \$4,620 to Purchase Order P23756 with Workday Inc. to incorporate the additional integration training hours. Change Order #2 will bring the first-year amount to \$613,093.

No additional funding is needed as the change order will utilize contingency funds included in the project's budget.

Additionally, staff recommends that the City Council approve future change order authority to address small change orders as they occur. Future change orders would utilize contingency funds included in the project's budget. If a future proposed change order exceeds the requested 10% authorization or contingency funds are exhausted from changes with other vendors, staff will return to the City Council for the appropriate approvals.

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 a change order for Workday, Inc. 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: CHRIS MCMASTERS, CHIEF INFORMATION OFFICER