



**BOARD OF SUPERVISORS  
AGENDA LETTER**

**Agenda Number:**

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** County Executive Office  
**Department No.:** 012  
**For Agenda Of:** June 25, 2024  
**Placement:** Administrative  
**Estimated Time:** NA  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

**TO:** Board of Supervisors

**FROM:** Department Director(s)

Mona Miyasato, County Executive Officer

DocuSigned by:  
*Mona Miyasato*  
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Contact Info:

Jeff Frapwell, Assistant County Executive Officer  
Nancy Anderson, Chief Assistant County Executive Officer

**SUBJECT: Amendment #1 to Order Form #00344646.0 with Workday for Subscription Rights**

**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute Amendment #1 to Order Form #00344646.0 with Workday to remove the Financial Planning software and costs from the County’s subscription; and
- b) Determine that the above actions are not a “project” within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(5), because they are government organizational and administrative activities that will not result in direct or indirect physical changes in the environment.

**Summary:**

The County entered into a contract with Workday in May 2022 that included Order Form #00344646.0 for Subscription Rights in a not to exceed amount of \$27,689,587 for a 15-year term ending June 30, 2037. These Subscription Rights included Workday Financial Planning software for budget development. The County has since entered into a contract with Sherpa Government Solutions for separate budget development software that integrates with Workday. This Amendment #1 to Order Form #00344646.0 removes Financial Planning from the County’s Workday subscription rights, resulting in a reduction in the subscription payment by \$109,856 for fiscal year 2024-25 and \$1,594,998 over the remaining term.

Board of Supervisors  
June 25, 2024  
Page 2 of 3

### **Background:**

In fiscal year 2021-22, the County completed a competitive procurement that resulted in the selection of the Workday Enterprise Resource Planning (ERP) system consisting of a full suite of Financial, Human Capital Management, and Payroll software services. The resulting subscription included the Workday Financial Planning software for budget development and forecasting, which was included in Phase 3 of the County's Workday project with professional implementation services from Accenture. No work has been performed on Phase 3 of the project as Phase 1 and Phase 2 of the project remain in progress.

On May 7, 2024, the Board approved an agreement with Sherpa Government Solutions for the implementation and ongoing provision of Sherpa budget development software as a service. The Sherpa software was selected after it was determined that the Workday Financial Planning solution was limited regarding public sector and county budgeting needs. As a result, Workday agreed to remove Financial Planning from the County's subscription beginning with the next subscription payment due for fiscal year 2024-25. In anticipation of this change, the implementation of Workday Financial Planning was already removed from the scope of Accenture implementation services, with the associated work effort repurposed to perform additional Phase 1 work pursuant to change order authority delegated by the Board to the CEO.

### **Fiscal Impact:**

**Budgeted:** The annual Workday subscription payment is included in the County's FY 2024-25 Recommended Budget for the General County Programs Department 990 General Fund 0001. This annual subscription payment was \$1,747,641 for fiscal year 2024-25 per the original contract and will be reduced to \$1,637,785 upon approval of this amendment. The resulting \$109,856 reduction in the Workday subscription payment for fiscal year 2024-25 will partially offset the new subscription fees to be incurred for the Sherpa budget development solution. Subscription fees for Workday and Sherpa beyond fiscal year 2024-25 will be included in future budgets, subject to Board approval.

### **Fiscal Analysis:**

<b>Software Subscriptions</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Remaining Term to 6/2037</b>	<b>Total</b>
Workday Subscription - Original	\$ 1,005,404	\$ 1,310,240	\$ 1,747,641	\$ 23,626,293	\$ 27,689,578
Remove Financial Planning	-	-	(109,856)	(1,485,142)	(1,594,998)
Workday Subscription - Amended	1,005,404	1,310,240	1,637,785	22,141,151	26,094,580
Add Sherpa Subscription	-	159,260	164,515	2,704,265	3,028,040
<b>Total Software Subscriptions</b>	<b>\$ 1,005,404</b>	<b>\$ 1,469,500</b>	<b>\$ 1,802,300</b>	<b>\$ 24,845,416</b>	<b>\$ 29,122,620</b>

Narrative: The reduction in Workday Subscription payments of \$1,594,998 as a result of removing Financial Planning will partially offset Sherpa's total software as service fees of \$3,028,040. The additional overall software subscription cost of \$1,433,042 over the 15-year term of the Sherpa agreement was anticipated and recommended by the County Executive Office with the approval of the Sherpa agreement given the enhanced functionality of Sherpa with regard to the County budget process.

Board of Supervisors  
June 25, 2024  
Page 3 of 3

**Attachments:**

Attachment A: Amendment #1 to Order Form #00344646.0

Attachment B: Workday Contract for Subscription Rights, Delivery Assurance Services, and Training

**Authored by:**

Kyle Slattery, ERP Implementation Director, Information Technology Department

**cc:**

Betsy Schaffer, Auditor-Controller, ERP Project Steering Committee Member

Chris Chirgwin, Chief Information Officer, ERP Project Steering Committee Member

Kristy Schmidt, Human Resources Director, ERP Project Steering Committee Member

Daniel Nielson, Social Services Director, ERP Project Steering Committee Member

Kirk Lagerquist, General Services Director, ERP Project Steering Committee Member