County ERP Project Update
Workday Implementation and Ongoing Support

August 29, 2023

This item is on the agenda to provide an update on the County's Workday Enterprise Resource Planning (ERP) Project and augment staffing for the implementation and ongoing support of the County's new Workday system.

Recommended Actions

a)   Receive and file a County Enterprise Resource Planning (ERP) Project Update;

b)   Adopt a Resolution to add nine positions for implementation and ongoing support for the system: one (1.0 FTE) Admin Office Pro position and three (3) 1.0 FTE Team/Project Leader-General positions to the Human Resources Department; and one (1) 1.0 FTE Program/Business Leader, two (2) 1.0 FTE EDP Systems & Program Analyst Sr, one (1) 1.0 FTE EDP Office Automation Specialist I, and one (1) 1.0 FTE Computer Systems Specialist II positions to the Information Technology Department, effective as of September 4, 2023;

c)   Approve Budget Revision Request No. 0009097 which establishes the budget appropriation in the Auditor Controller, Human Resources and Information Technology departments for the implementation and ongoing support of the system at a cost of $1,815,500, to be funded from the Countywide ERP Project committed fund balance set-aside in General County Programs; and

d)   Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(5) of the CEQA guidelines because they consist of administrative activities of government that will not result in direct or indirect physical changes in the environment.

Project Steering Committee

- **Jeff Frapwell** *Assistant County Executive Officer*
- **Betsy Schaffer** *Auditor-Controller*
- **Maria Elena De Guevara** *Human Resources Director*
- **Nancy Anderson** *Assistant County Executive Officer*
- **Daniel Nielson** *Social Services Director*
- **Chris Chirgwin** *Chief Information Officer*
- **Kirk Lagerquist** *General Services Director*
- **Mary Sheffield** *Managing Director*
- **Kim Hallsted** *Delivery Lead*

Legend:
- County – Phase 1
- County – Phase 2
- County – All Phases
- Accenture
- Workday
- External Agency

County Workday Support Organization

- **Mark Garcia** *Workday Support Manager*

Project Management

- **Kyle Slattery** *Project Manager*
- **Alex Overbey** *Project Coordinator*
- **Keith Campbell** *Project Manager*

Delivery Assurance

- **Bill Hansen** *Workday Delivery Assurance Manager*

Phase 1 Financials Functional Leads

- **Wyeth Jorgensen** *Banking & Settlement, Supplier Accounts*
- **Joel Boyer** *Business Assets, Expenses*
- **Sean Burns** *Procurement*
- **Brant Markley** *Projects*
- **Robert Geis** *Foundation Data Model*
- **Jeremy Sturz** *Local Agencies*
- **Jonathan Rodriguez** *Functional Security*
- **Suzann Sturz** *Budgets*
- **Juan Izquierdo** *Financial Accounting*
- **Alex Overbey** *Customers*
- **Diana Estorga** *Grants*
- **Melissa Flett** *FDM, Accounting, Budgets, Banking & Settlement*
- **Ryan Morgan** *Procurement, Suppliers*
- **Damone Coachman** *Projects, Customers, Grants*
- **Cathy Holtestaul** *Business Assets, Expenses*

Phase 2 HCM & Payroll Functional Leads

- **Don Nguyen** *Human Capital Management*
- **Natalie Alvarado** *Recruiting*
- **Stefan Brewer** *Compensation*
- **Katie Torres** *Benefits, Absence*
- **Judy Doughty** *Talent Management, Absence*
- **Brandi Cass** *Payroll, Timekeeping*
- **Christina Sibley** *Timekeeping*
- **Lilla Smith** *Learning Management*
- **Ann Jalandoni** *Payroll, Time Tracking*
- **Keara Morris** *Payroll, Time Tracking*
- **Glen Galang** *Human Capital Management*
- **Maureen Nixon** *Absence, Benefits*
- **Carissa Garnett** *Recruiting, Talent*
- **Andrew Ayala** *Learning Management*

Technical Leads

- **Aimee Miller** *Integrations Lead*
- **Chris Rauzino** *Integrations Developer*
- **Jane Vanover** *Reporting Lead*
- **Cory Remick** *SBCEO Integrations*
- **Cristina Guillen** *Integrations*
- **Manish Kumar** *Integrations*
- **Alayna Weiss** *Integrations*
- **Natalie Knight** *Data*
- **Bhoomi Shah** *Reporting*

Change Management & Training

- **June Mighty** *Change Manager*
- **Susie Troutner** *Change Coordinator*
- **Lilla Smith** *Training Coordinator*
- **Alex Overbey** *Training Content Developer*
- **Jane Zbyszynski** *Change Management*
- **Andrew Ayala** *Change Management*

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Presentation Overview

Presented By

Kyle Slattery
County Project Manager

Chris Chirgwin
Chief Information Officer

Mark Garcia
Workday Support Manager

Nancy Anderson
Assistant County Executive Officer

1. **Workday Implementation Project Update**

2. **Ongoing Workday Support Organization**

3. **Workday Fiscal & Staffing Update**

Workday Implementation Project Update

Kyle Slattery
County Project Manager

Overview of County ERP Project

With professional implementation services from Accenture, the County is implementing Workday's Enterprise Resource Planning (ERP) software for all County Departments and Local Agencies that hold cash in the Treasury. *This will:*

- Unify the County's Finance, Human Capital, and Payroll software into one system

- Retire existing Countywide systems used for these core business functions

- Provide a Countywide platform to advance the County through the future

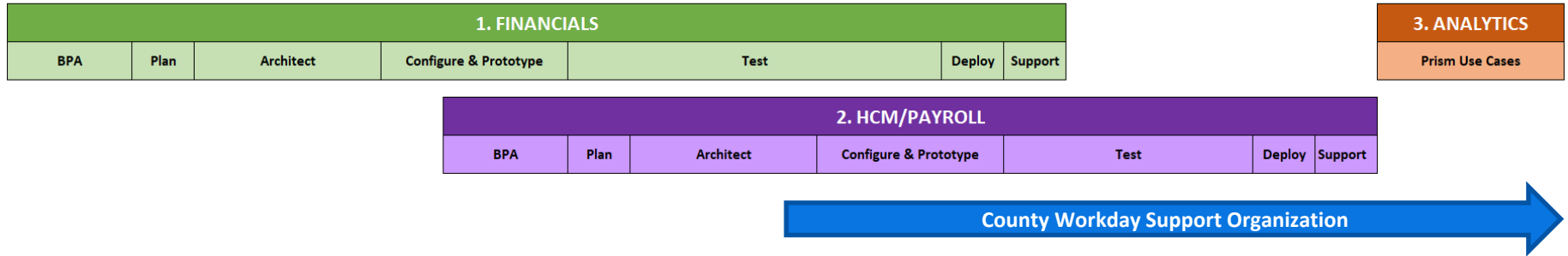| Standardize and further automate business processes	Simplify the County's software landscape
Meet the expectations of the County workforce	Facilitate the modernization of County business operations

Project Schedule

The County is implementing Workday in three phases grouped by major functions:

FY 2022-23												☆ FY 2023-24												
Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25

1. FINANCIALS

BPA	Plan	Architect	Configure & Prototype	Test	Deploy	Support

3. ANALYTICS

Prism Use Cases

2. HCM/PAYROLL

BPA	Plan	Architect	Configure & Prototype	Test	Deploy	Support

County Workday Support Organization

- **Phase 1** Financials is underway **SCHEDULED GO-LIVE:** 11/1/23 **
- **Phase 2** Human Capital Management & Payroll is underway **SCHEDULED GO-LIVE:** 4/1/24 **
- **Phase 3** Analytics begins in 2024 **COMPLETE BY:** 7/31/24

*** Subject to successful testing of critical functionality and concurrence by the Steering Committee*

Accenture Change Orders Processed

In May 2022, the Board delegated authority to the County Executive Officer to authorize Change Orders with Accenture in an amount not to exceed $725,150. The following Change Orders have been processed pursuant to this authority.

Change Order	Date	Changes	Cost
#1	8/26/2022	Revised the timing of certain Phase 1 Deliverables	$0
#2	12/6/2022	Revised the timing of certain Phase 1 Deliverables	$0
#3	8/3/2023	Revised Phase 1 Go-Live date to November 2023 and refined scope	$358,500
		Removed implementation of Workday Adaptive Planning from project	($358,500)*
		Net Cost of Change Orders Processed with Accenture	**$0**

This reduction in cost to Accenture's Workday Implementation Services is a deferred cost to the County as funds will be needed at a future date for a separate contract with a different vendor to implement an alternative (non-Workday) Countywide budget development software solution.
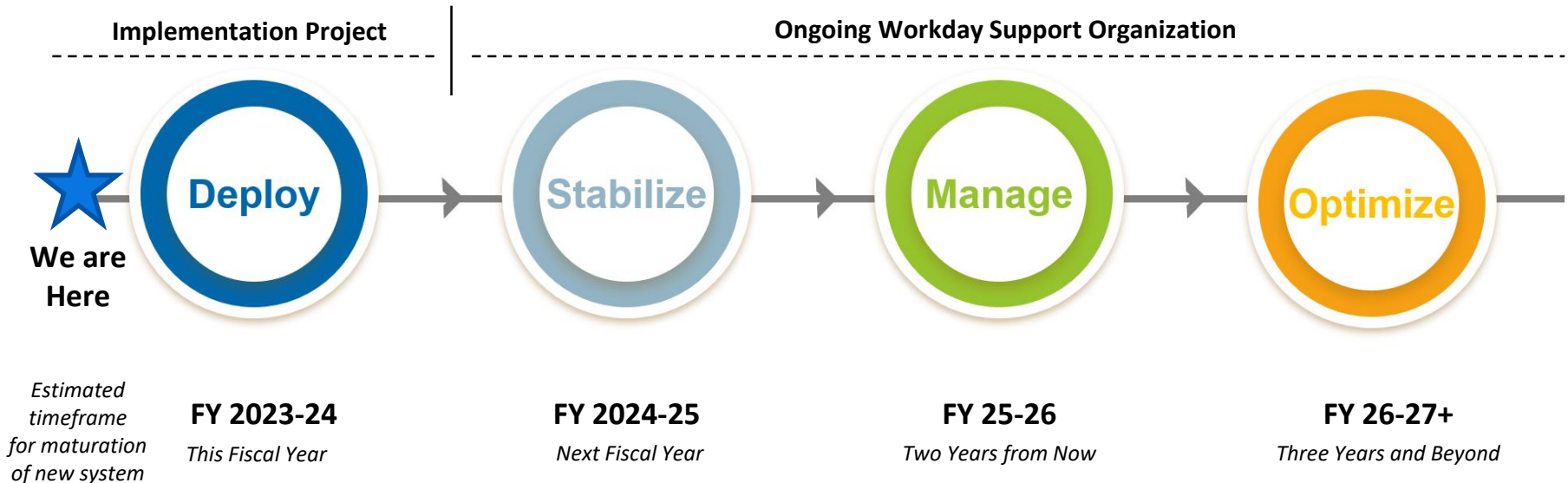
Examples of Business Impacts

The transition to a new ERP system will result in numerous changes with varying levels of impact to County business operations. Some examples include:

#	Change in Workday	Business Impact
1	**Earlier budget checks** Departments will need sufficient budget available when entering most supplier contracts in Workday	**Reduced likelihood of overcommitting resources** This will provide a more accurate picture of a department's remaining budget before invoices are paid
2	**Some unused budget may roll forward to next year** Unspent appropriations for certain multi-year contracts may roll-forward to next year's budget	**Reduced need to re-budget for multi-year contracts** This will allow some appropriations to be approved only once for certain multi-year funded contracts
3	**Countywide system for capital projects** Workday Projects will provide a countywide system for tracking and managing capital projects	**Project Managers will become users of financial system** This will allow Project Managers to track and manage capital projects directly in the County's financial system

The County's readiness to experience the impacts of these changes is supported by a Change Management Team responsible for communications and training.

Life of the County's New Workday System

The County's subscription to Workday spans a 15 year period ending in 2037. Typically, it can take several years for an organization's usage and support of a new ERP system to stabilize and mature so that the full value may be realized.

Implementation Project | **Ongoing Workday Support Organization**

We are Here

Deploy → **Stabilize** → **Manage** → **Optimize**

Estimated timeframe for maturation of new system

FY 2023-24
This Fiscal Year

FY 2024-25
Next Fiscal Year

FY 25-26
Two Years from Now

FY 26-27+
Three Years and Beyond

Ongoing Workday Support

Chris Chirgwin
Chief Information Officer

Mark Garcia
Workday Support Manager

Role of County Workday Support Organization (WSO)

While Workday will host, maintain, further develop, and support the delivered functionality of the Workday ERP software throughout the subscription period, *the County will be responsible for the following ongoing support activities:*

Facilitating shared governance of the new ERP system	Overall management of County Workday Support Staff
System authentication (access) and authorization (roles)	Help desk and system support for County users
Biannual Workday upgrades and new release testing	Functional configuration, optimization, and innovation
Developing and maintaining integrations and reports	Ongoing change management and Workday user training

These ongoing activities will be performed by the Workday Support Organization managed by the Workday Support Manager within a dedicated unit of ITD along with a team of dedicated finance and payroll functional analysts in Auditor-Controller.

Workday Support Organization Structure
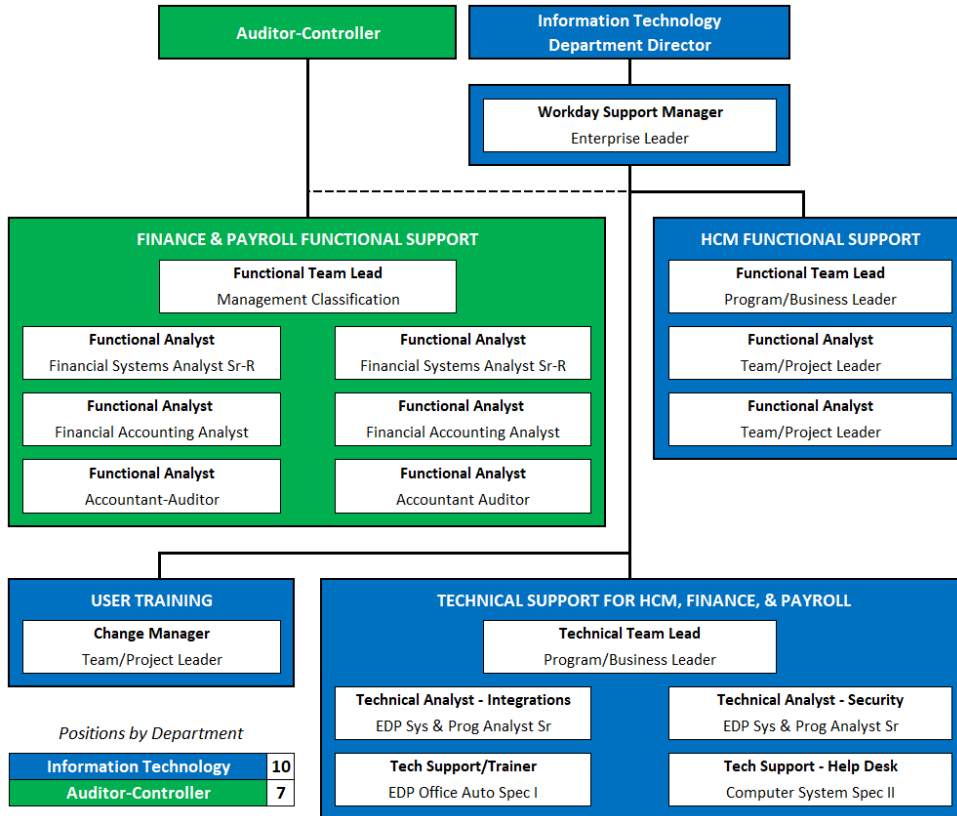
17 dedicated positions needed to support Workday

- Structure developed through coordination with Auditor-Controller, Human Resources Director, Chief Information Officer, and CEO's Office

- Support Organization will implement biannual updates and continually improve the system

- Roles and number of positions vetted through various sources to determine appropriate functions and sufficient staffing level, including:

  - Workday's Support Model Estimator tool
  - Accenture sustainability workshop and guidance
  - Discussions with stabilized peer County (Placer)

- Structure will be periodically reevaluated and refined as necessary based on actual experience

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Steps to Stand Up Workday Support Organization

Standing up the Workday Support Organization is a critical component of the County's readiness to Go-Live with Workday as scheduled this fiscal year.

Key Steps Completed		Next Steps	
✅ Conducted research and discovery on effective Workday support models	Fall 2022	◌ Seek Board approval of additional positions and funding for support staff	8/29/23
✅ Formed executive subcommittee to develop recommendations	Winter 2022/23	◌ Open recruitments for support positions needed for Go-Live	Sept 2023
✅ Steering Committee approved recommended County support model	Spring 2023	◌ Establish County Workday Help Desk and ticketing system for user support	Fall 2023
✅ Conducted recruitment and hired Workday Support Manager	Summer 2023	◌ Pursue an initial Managed Services contract to supplement Support roles	Fall 2023
✅ Determined the positions needed to staff the Support Organization	Summer 2023	◌ Hire/appoint, onboard, and train Support Organization staff	by Go-Live Dates

Workday Fiscal & Staffing Update

Workday Fiscal Update

The actual costs incurred for the ERP Project in the General County Programs General Fund in FY 2023-23 and budgeted costs for FY 2023-24 are as follows:

General County Programs General Fund	FY 2022-23 Actual	FY 2023-24 Revised Budget	Estimated Ongoing
Workday Software & Services	$ 1,343,961	$ 1,317,800	$ 1,748,000
Accenture Implementation Services	3,604,833	4,053,800	-
Implementation Project Staffing	254,691	626,450	-
Ongoing Support Staffing	-	2,441,550	3,002,800
Additional Vendors	-	250,000	-
Miscellaneous Expense	-	50,000	50,000
Total Cost	$ 5,203,485	$ 8,739,600	$ 4,800,800
LESS: Estimated Recovery from Other Funds			(2,962,800)
Estimated Net Cost to the General Fund			$ 1,838,000

- **$9.81M** is set-aside for the Countywide ERP Project, with **$6.92M** budgeted to use this fiscal year.

- An additional **$1.82M** of the funds set-aside is being requested to use this fiscal year (**$8.74M** total)

- The total estimated ongoing cost of Workday (after implementation) is **$4.8M** in today's dollars

- Approximately 55% of actual implementation and ongoing support costs incurred by the General Fund will be recoverable in future years from other funds through the Countywide Cost Allocation Plan

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Workday Staffing Impacts

Over the past two years, the County added and funded **9** positions for the project. Now, funding for 13 additional FTE (**9** new positions, **4** previously unfunded) are needed to further augment staffing for the project and staff the ongoing Support Organization.

Department	Position Adds		Funding for Existing Position	FY 2023-24 Adjusted Budget	Ongoing Support Role	Estimated Annual Ongoing Cost
	Prior	New				
Auditor-Controller	3.0	0.0	4.0	$ 916,100	7 Positions	$ 1,139,900
Human Resources	3.0	4.0	0.0	961,600	(4 move to IT)	716,000
General Services	1.0	0.0	0.0	85,500	0 Positions	-
Social Services	0.0	0.0	0.0	182,000	0 Positions	-
Information Technology	2.0	5.0	0.0	922,800	10 Positions	1,146,900
TOTAL	**9.0**	**9.0**	**4.0**	**$ 3,068,000**	**17 Positions**	**$ 3,002,800**

17 positions at an estimated annual cost of **$3M** are needed for ongoing support. The remaining 5 temporary positions will be deleted post-implementation.

Conclusion

Recommended Actions

a) Receive and file a County Enterprise Resource Planning (ERP) Project Update;

b) Adopt a Resolution to add nine positions for implementation and ongoing support for the system: one (1.0 FTE) Admin Office Pro position and three (3) 1.0 FTE Team/Project Leader-General positions to the Human Resources Department; and one (1) 1.0 FTE Program/Business Leader, two (2) 1.0 FTE EDP Systems & Program Analyst Sr, one (1) 1.0 FTE EDP Office Automation Specialist I, and one (1) 1.0 FTE Computer Systems Specialist II positions to the Information Technology Department, effective as of September 4, 2023;

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