



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

Submitted on:
(COB Stamp)

Department Name: Auditor Controller,
Information Technology
Department No.: 061, 067
Agenda Date: February 10, 2026
Placement: Administrative Agenda
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: 4/5

TO: Board of Supervisors
FROM: Department Director(s): Betsy Schaffer, Auditor-Controller
Chris Chirgwin, Chief Information Officer
Contact: Mark Garcia, Workday Support Organization Program Manager
SUBJECT: Second Amendment to Workday Board Contract No. 21273 to authorize additional supplemental services and increase the maximum contract amount

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a. Approve, ratify, and authorize the Chair of the Board of Supervisors to execute the Second Amendment to Board Contract No. 21273 to:
 - i. Execute Order Form #00439537.0 for training to reflect additional training credits purchased in support of the project and ongoing support team
 - ii. Execute Order Form #00535852.0 attached hereto as Attachment B for a new development tenant (New Development Tenant) in a maximum aggregate amount not to exceed \$43,200;
 - iii. Increase the maximum not-to-exceed contract amount of Board Contract No. 21273 by \$519,952, for an amended maximum not-to-exceed contract amount of \$26,960,589 through June 2037, which includes the following: (A) \$76,752 for additional training purchased in support of the Phase I project team, (B) \$43,200 for the New Development Tenant, and (C) the Supplemental Services Amount in the not-to-exceed amount of \$400,000;

- b. Authorize the Chief Information Officer or their designee, until otherwise ordered by the Board, to execute new Order Forms under Board Contract No. 21273, in the form of Order Form #00535852.0 attached hereto as Attachment B, to order additional training products and development tenants, on an as-needed basis, in an aggregate amount not to exceed \$400,000 (Supplemental Services Amount) with Order Form Term(s) ending no later than June 30, 2030;
- c. Approve Budget Revision Request 0010917 to increase appropriations by \$143,200 in the General County Programs General Fund for services and supplies funded by transfers of \$93,200 from Auditor-Controller General Fund (funded by a release of Committed Auditor systems fund balance) and \$50,000 from Information Technology IT Services Fund (funded by a reduction in services and supplies); and
- d. Determine that the above actions are not a “project” within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline 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 Text:

The Information Technology Department is requesting that the Board of Supervisors approve, ratify, and authorize the Second Amendment to Workday Board Contract No. 21273. The amendment would increase the maximum aggregate contract amount by \$519,952, resulting in a new not-to-exceed total of \$26,960,589 through June 2037. This increase includes \$76,752 for the procurement of additional training products, \$43,200 for an additional development tenant, and up to \$400,000 to execute additional order forms for Supplemental Services consisting of training products and development tenants on an as-needed basis.

Discussion:

The County entered into a long-term agreement with Workday in May 2022 to implement and support a countywide financial system through June 2037. The original contract included Workday software subscriptions, implementation training, and delivery assurance services, with a total not-to-exceed amount of \$28.0 million. In June 2024, the contract was amended to remove financial planning functionality, reducing the total contract value by approximately \$1.6 million.

During the Phase 1 implementation, staff turnover required additional training for new team members to ensure continuity and project success. The County incurred \$76,752 in training costs, which are detailed in Attachment D. Looking ahead, continued training will be necessary to support system enhancements, onboard new staff, and maintain internal expertise. For this purpose, the agreement includes \$184,000 over the next five years for optional Workday training and related services.

To support ongoing development, testing, and system enhancements, the Auditor-Controller’s Office and the Information Technology Department jointly agreed to fund a dedicated Workday development tenant for one year at a cost of \$43,200. This environment supports future feature development, integrations, reporting, and testing activities. In addition, the Auditor-Controller’s Office has requested the option for the County to purchase a second development tenant, renewable annually for up to five years at an estimated cost of \$43,200 per year. Having separate development environments allows teams to work in parallel, reduces the risk of conflicts, and provides a stable space for training and troubleshooting without impacting active development. Up to \$216,000 is included over five years to support this optional additional tenant.

The table below summarizes the requested contract changes:

Workday Contract Summary and Requested Increase			
Category	Description	Requested Contract Changes	Revised Contract Amount
Original Contract (May 24, 2022)	15-year Workday contract (through June 30, 2037)		\$ 28,035,644
First Amendment (June 25, 2024)	Removal of financial planning services		(1,594,998)
Current Not-to-Exceed Amount	Amended contract total		26,440,637
Phase 1 Training (Actuals)	Training required due to staff turnover (Attachment D)	\$ 76,752	
Future Training (5-year estimate)	Optional training and related services	184,000	
Development Tenant (1 year)	Jointly funded by ACO and ITD	43,200	
Additional Development Tenant (5-year option)	Optional annual renewal for segregated development	216,000	
Total Requested Contract Increase	Supplemental services and development support	\$ 519,952	\$ 519,952
Proposed Amended Not-to-Exceed Contract	Through FY ending June 30, 2037		\$ 26,960,589

The recommended increase of the maximum aggregate contract amount by \$519,952, to an amended not-to-exceed maximum aggregate contract amount of \$26,960,589, will allow for these purchases through the fiscal year ending June 30, 2030. These services support staff training, system testing, and ongoing configuration and development needed to sustain the Workday platform as staffing changes occur and system needs evolve. These costs represent less than 2.0% of the total contract value for a system that will support Countywide financial operations through 2037. These limited additional costs are necessary to protect the County’s original return on investment and ensure the Workday system is effectively adopted, maintained, and leveraged.

Background:

In fiscal year 2021-2022, the County completed a competitive procurement process that resulted in the selection of the Workday Enterprise Resource Planning system with professional implementation services from Accenture.

During the Phase I project, there was staff turnover, and new staff required training to support the Workday project. As such, training was ordered to ensure support staff could complete the project work and provide future support for the Workday Phase I project.

In preparing for the August go live of Workday Financials, the Steering Committee and project team agreed that some functions of the system would need to be released in a limited capacity to focus on priority functions and ensure a successful launch. In reviewing functions that still require development, Auditor-Controller’s office and the Information Technology Department agreed that supporting a development tenant would allow for a more accessible development environment to complete the release of Phase 1 modules. This development tenant will be available to teams working to improve or release Phase 1 functionality. The tenant will be active for one year. The Auditor-Controller’s Office has also requested the option to purchase an additional tenant with optional annual renewals over the next five years. To support continued staff training and development, the Auditor-Controller’s office and the Information Technology Department agreed that some allowance should be made to support additional training purchases.

Fiscal and Facilities Impacts:

Budgeted: No

Budget Revision request number 0010917 transfers \$143,200 of available funding for fiscal year 2025-26 from Auditor-Controller \$93,200 and Information Technology \$50,000 to the General County Programs Department General Fund where the Workday contract is administered and expended. The Auditor-Controller portion includes half the cost of the shared development tenant \$21,600, the full cost of the optional additional development tenant \$43,200, and \$28,400 for additional training. The Information Technology portion includes half the cost of the shared development tenant \$21,600 and \$28,400 for additional training. Appropriations for further usage of the Supplemental Services amount in future years will be included or amended into future budgets.

Fiscal Analysis:

Funding for the original components of the Workday contract, consisting primarily of the annual subscription payment, is provided by General County Programs General Fund Committed Countywide ERP Project fund balance where funds have been set aside to fund the implementation of the Workday ERP software. Funding for the additional training and development tenants is provided to General County Programs General Fund by transfers from Auditor-Controller General Fund and Information Technology IT Services Fund. The source of Auditor-Controller funding is committed Auditor Systems fund balance. The source of Information Technology funding is internal service fund charges for Workday Support services. Actual amounts transferred from each source in future years will be based actual needs and usage of the Supplemental Services.

	Years 1-3	Year 4	Years 5-15	Total
Funding Source	FY 2023-2025	FY 2025-2026	FY 2027-2037	15 Years
General Fund				
General County Programs Dept 990	\$4,376,238	\$1,667,393	\$20,473,758	\$26,517,389
Transfers from Auditor Controller Dept 061	-	\$93,200	\$236,400	\$329,600
IT Shared Services Fund				
Transfers from Information Technology Dept 067	-	\$50,000	\$63,600	\$113,600
Total	\$4,376,238	\$ 1,810,593	\$20,773,758	\$ 26,960,589

Special Instructions:

1. Provide one (1) duplicate original of the Second Amendment and a Minute Order to Mark Garcia, Workday Organization Support Program Manager, Information Technology Department.
2. Please email one (1) copy of a duplicate executed original of the Second Amendment and a Minute Order to OneliaRodriguez@CountyofSB.org.

Attachments:

Attachment A – Second Amendment to Workday Contract

Attachment B – Workday Tenant Order Form #00535852.0

Attachment C – Training Credit Invoices

Attachment D – Original Contract for Subscription Rights, Delivery Assurance Services, and Training (Board Contract 21273)

Attachment E – Amendment #1 to Order Form #00344646.0 for Subscription Rights

Attachment F – Budget Revision Request 0010917

Contact Information:

Mark Garcia

Workday Organization Support Program Manager

mkgarcia@countyofsb.org