This is an informational report and no Council action is required.

BACKGROUND
At its July 22, 2002 meeting, Council directed staff to proceed with the project for a new Resource and Financial Tracking System (RAFTS). This included approval of: the purchase of a software license and services agreement with SAP, Inc; a professional services agreement with ea Consulting, Inc., to conduct the software implementation; and an agreement with the Government Finance Officers Association (GFOA) to assist with implementation oversight. Council requested that staff provide quarterly reports on the status of the project. This is the sixth status report, which contains an update on work completed since October 2003, for both Phases of the implementation.

DISCUSSION
The RAFTS project was implemented over two phases in an 18-month period. Phase I went live on July 1, 2003 and included the following functions: financials, project management, procurement and inventory management, and service and work orders. Phase II included payroll and human resources (HR), and it went live on December 13, 2003.

Since the last report to the Finance Committee, staff completed several milestones including a successful go live of Phase II. Payroll, HR and IT staff dedicate many extra hours to accomplish this significant challenge. They had great support by staff from across various departments. Exempt staff (managers and professionals) dedicated many extra hours, thereby keeping the use of overtime salaries to a minimum. For the most part, the desired results have been better than expected. The organization transition to a
new Payroll/HR system had minimal impacts and for the most part it was business as usual. There were some minor issues such as payroll coding errors and work schedule conflicts, but payroll staff is working on resolutions. Another important factor is that the project continues to be on time and within budget. Accomplishments for the period include:

**Phase I and II**

- Over 800 employees have been trained and have access to the new SAP system. Ongoing training continues with some refresher training included.
- Master data loading for HR and payroll was completed.
- Over 1,200 timecards were entered and approved online.
- Payroll processed approximately 1,200 electronic fund transfers and 200 checks for employees.
- Staff started the review of HR/Payroll system reports with live data, making modifications as necessary. Some of the reports being reviewed are retirement reporting, personal leave balances, and project time summaries.
- About 50 staff members from various departments were trained as “Super Users” to assist in end user training and support. This diverted many calls out of the payroll area, resulting in payroll staff allocated more time to citywide problem resolution.
- Training materials were completed for formal end user classroom and mass audience training, including manuals and user guides as well as data for classroom exercises for reinforcement of the lessons. An interactive web-based tutorial tool was also developed to complement the online help for users learning the timecard functions.
- The development and production environment for the Enterprise Portal and the Employee Self-Service (ESS) programs were installed and configured. The ESS program will allow employees to access certain personal information such as emergency contact, benefit information, and leave balances, as well as their detailed payroll stub information. The ESS configuration is complete, but the roll out and training will not occur until early 2004, to allow for sufficient training on timekeeping. This will also allow time for employees to assimilate the new timecard functionality before having to learn how to use the new secured ESS program.
- Minor adjustments were made to various Phase I modules to continue the development of the system.

**Items to be Accomplished in the Next Quarter**

- Continue the loading and configuration of the fixed assets module.
- Conduct the month-end closing process for financials.
- Continue to configure financial reports to address business needs resulting from new and/or changed business processes.
• Complete the rollout of ESS.
• Adjustments to Phase II modules as necessary.
• Roll out workflow (automated notification) to assist with payroll and purchasing transaction processing.

RESOURCE IMPACT
Staff has included a budget-to-actual report for the project (Attachment A). The project continues to be on time and on budget. The project expenditures to date total $4.3 million from a $5.2 million project budget.

ENVIRONMENTAL ASSESSMENT
Approval of this agreement does not constitute a project under the California Environmental Quality Act (CEQA); therefore, no environmental assessment is required.

ATTACHMENTS
Attachment A: Project Budget-to-Actual Report
Attachment B: Phase II status chart

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