



County of San Mateo

Inter-Departmental Correspondence

Department: HUMAN RESOURCES

File #: 23-875

Board Meeting Date: 10/17/2023

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Rocio Kiryczun, Human Resources Director
Juan Raigoza, Controller
Michael Wentworth, Director/Chief Information Officer
Iliana Rodriguez, Assistant County Executive

Subject: Amendment No. 5 with Workday, Inc. for the Master Subscription Agreement

RECOMMENDATION:

Adopt a resolution authorizing Amendment No. 5 to the Master Subscription Agreement with Workday Inc., extending services to the existing Workday subscription, increasing the amount by \$615,938 for a new not-to-exceed amount of \$13,117,539, and incorporating changes related to the transition from Iron Mountain to NCC Group for the software escrow service.

BACKGROUND:

On September 26, 2012, a new HR/payroll system was included as an IT initiative in the County's IT Strategic Plan. The new payroll system met the goal of the Strategic Plan by increasing access to and availability of County human resources and payroll services. The County's Human Resources Information Systems (HRIS) Payroll Steering Committee (represented by the Controller, Human Resources Director, Chief Information Officer, and Deputy County Manager) subsequently launched a formal Request for Proposals (RFP) process to select a vendor to provide a new HR/Payroll system. Workday ranked the highest overall based on the selection criteria and was recommended as the County's new HR/payroll system.

On September 10, 2013, the Board approved Resolution No. 072741 and the County entered into an Agreement (18120-14-R072741) with Workday, Inc. for new HR/Payroll system subscription services for the term of September 10, 2013 through September 9, 2018, and in the amount of \$3,834,450.

On September 4, 2018, the Board approved Resolution No. 076130 and the County executed Amendment No. 1 to Agreement No. 18120-14-R072741 with Workday Inc., extending the term through September 9, 2021, and increasing the amount by \$2,552,778 for a new not-to-exceed amount of \$6,387,228.

On July 21, 2020, the Board approved Resolution No. 077626 and the County executed Amendment No. 2 to Agreement No. 18120-14-R072741 with Workday Inc., for additional services, Prism and People Analytics, to the existing Workday subscription, increasing the amount by \$174,630 for a new not-to-exceed amount of \$6,561,858.

On August 3, 2021, the Board approved Resolution No. 078363 and the County executed Amendment No. 3 to Agreement No. 18120-14-R072741 with Workday Inc., for continued subscription services, extending the term through September 9, 2026, and increasing the amount by \$5,669,862 for a new not-to-exceed amount of \$12,680,769.

On August 3, 2021, the Board approved the aforementioned contract extension and not-to-exceed amount increase to \$12,680,769; however, due to a calculation error, the total amount should have been \$12,231,720.

On January 25, 2022, the Board approved Resolution No. 078696 and the County executed Amendment No. 4 to Agreement No. 18120-14-R072741 with Workday Inc., for additional services, Workday Expenses, to the existing Workday subscription, increasing the amount by \$269,881 and correcting the prior calculation error for a new not-to-exceed amount of \$12,501,601.

DISCUSSION:

The County currently uses Workday as human resources, payroll, compensation, absence management, and performance management system.

The County's HRIS Payroll Steering Committee approved continuing subscription to the People Analytics Module and adding the Workday Success Plans Module. People Analytics is a component in our long-term planning for Workforce Data Analytics Planning and HR has been using People Analytics to supplement data from Prism Analytics and dashboard reporting the last 2 years. People Analytics empowers the County to leverage HR and workforce data to drive better decision-making, improve workforce planning, enhance employee experience, address HR challenges, and align HR strategies with business objectives.

Workday Success Plans will support our HRIS/Payroll team to provide the assessments, tools, and resources to assist in our long-term strategies. Workday Success Plans allows the County to focus on deployment strategies, align business goals to technology capabilities, innovation, and elevate skills of the team in order to keep up with change efficiently and effectively.

In addition, in accordance with our original Master Services Agreement (MSA) with Workday, the County is designated as a beneficiary to a software escrow service agreement between Workday and Iron Mountain. Workday provided Iron Mountain with their source code related to the Workday software, for which the County has access for use in connection with the MSA. However, in 2021, Iron Mountain divested its escrow services division to a company named NCC Group. Consequently, we are requesting an amendment to the MSA to reflect this transition from Iron Mountain to NCC Group. This adjustment will ensure that our beneficiary status and access to the source code remain intact under the new ownership structure.

County Attorney has reviewed and approved the Resolution and Amendment as to form.

FISCAL IMPACT:

The new total not-to-exceed amount of this Agreement, including \$615,938 for this Amendment, is \$13,117,539. Funding for this Amendment is in the HRIS Payroll System project budget for Fiscal Year 2022-2023, and it will be included in future years' budget requests as net County Costs.