



Enterprise Resource Planning (ERP) System Project Updates
Board of Commissioners

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Board of Commissioners Requested Agenda

1. Payroll/paycheck readiness.
2. Challenges and critical concerns.
3. Communications efforts with Labor partners.
4. Training efforts and execution.
5. Mitigation plan post go-live.

Project Highlights

Dress Rehearsal completed successfully

- ✓ ~60% participation from eligible employees
- ✓ Validation of Time, Time off and absence data flowing correctly into Workday
- ✓ Payroll simulation outputs, vendor files successfully generated
- ✓ Feedback from over 400 forms and insights from Readiness Fairs used to build FAQs on inaccurate schedules, supervisory orgs and time entry procedures (ASDO/ Overtime)

5 cycles of Payroll Parallel completed successfully

Reconciliation between EIS and Workday in PPT5 with all variances explained:

- ✓ Earnings: 99.54%
- ✓ Deductions: 98.93%
- ✓ Taxes: 99.33%

100% (101/101) Integrations Complete

99% (307/311) Reports Complete

On-going as planned

- ✓ Training sessions
- ✓ 18 Champion Meetings so far
- ✓ In-person office hours at operations sites
- ✓ Workday Hot Topic Series
- ✓ Practice Labs
- ✓ Training Materials preparation
- ✓ 287 Communications released since 2023

On track for go-live

- ✓ Gold Tenant Data validation
- ✓ Integrated Cutover Plan execution (including Catch Up Transactions and Post-Production tasks) with daily calls
- ✓ Hypercare Team in place
- ✓ AMS support team mobilized
- ✓ Post-production process in place

Why the Change?



Replace systems that have reached and exceeded end of life

Aging Legacy System (Mainframe)

<i>Business process</i>	<i>Application</i>	<i>Age</i>	<i>Not supported since</i>
Human Resources	PeopleSoft (HRMS)	25	2008
Payroll	EIS	35	Mainframe (single computer) without support plan. Written in a dated programming language (COBOL); LADWP not able to find expertise.
Time entry	Worktech	23	2020

Why the Change?



Aligning our digital transformation strategy by moving away from paper-based processes



Empower decision making with real-time data and a unified system



Improve the LADWP employee experience by implementing modern technologies and automation

Benefits to the Change



Secure: Enhanced protection against security threats and data breaches



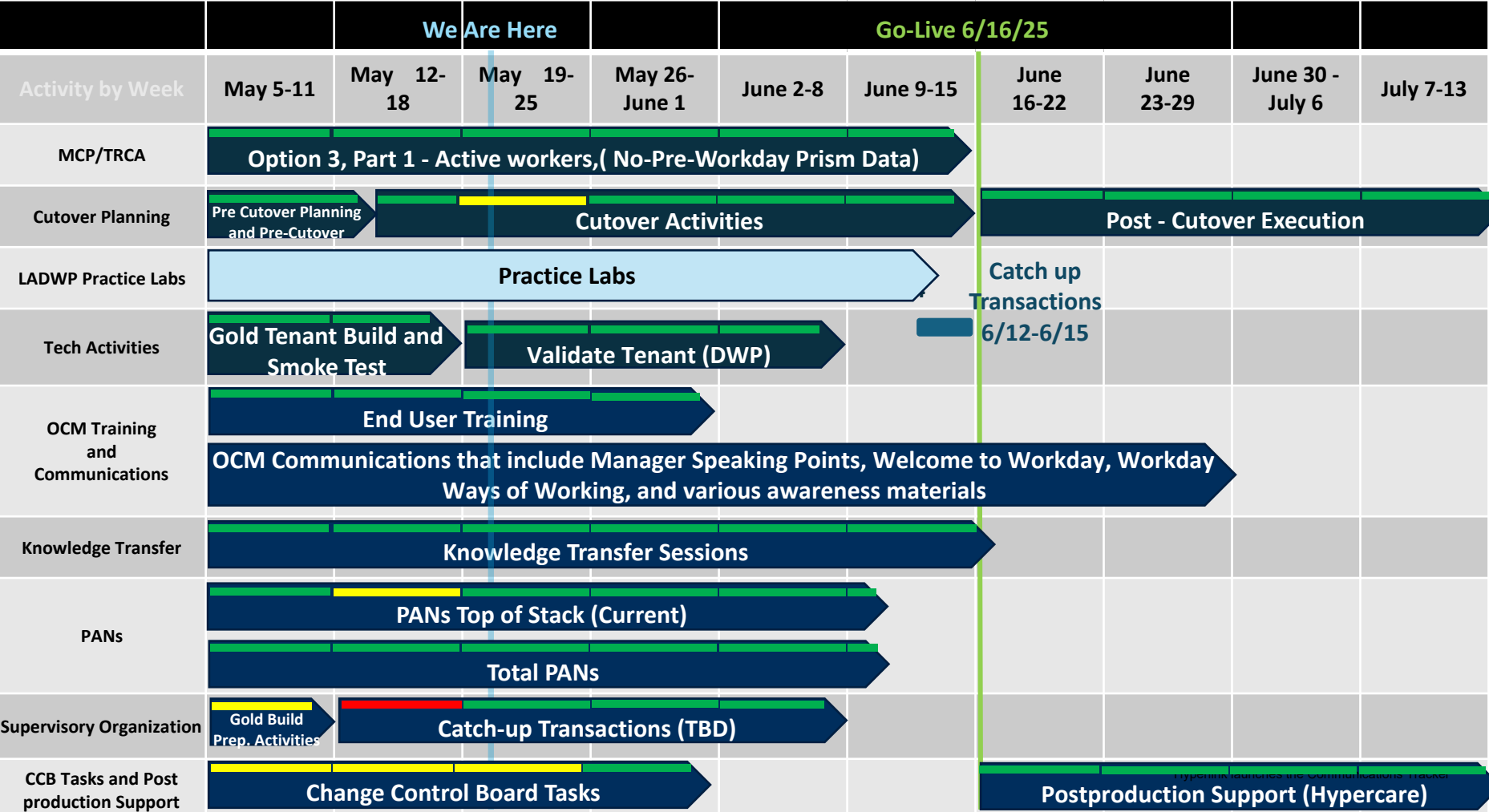
Self Service: Increased access to real-time data and transactions



Real-Time Data/Single Source of Truth: Having the same information across all platforms all in one place

Project Components & Timeline - 6/16 Go Live Date

Last Update – 5/20/25



Project timeline and extensions

- Original project timeline: approved **April 2021**.
 - Go-live plan dates: January 2024* and July 2024** – *postponed*.
 - Total not-to-exceed amount: **\$131,582,518**.
- Extension #1: approved **September 2023**.
 - Go-lives January 2025 and July 2025 – *postponed*.
 - Total not-to-exceed amount: **No change**.
- Extension #2: approved **February 2025**:
 - Go-lives June 2025 and July 2025 – *current planned*.
 - Total not-to-exceed amount: **No change**.



Total spend to date: \$ 91,555,605.

- Extension #3 – Part 1 & Part 2, to be submitted.
 - Proposed: go-lives June 2025 and July 2026 – *future & ongoing*.
 - Total not-to-exceed amount: **\$180,767,399** (additional \$ 49,184,881).

* First date is for Human Resources & Payroll modules. **Second date is for Finances module.

Payroll/Paycheck Readiness

Payroll/Paycheck Readiness

- Readiness considers several elements:
 - Configuration: Business requirements gathering & system setup.
 - Requirements include compliance with DWP policies & manuals as well as Federal & State regulations.
 - Testing: validate that requirements function properly.
 - Training: end user learning how to use the system. Part of change management.
- Configuration:
 - 100% of Integrations Completed (101/101).
 - 97% of Reports Completed (307/311).
- Testing:
 - A little over 2 years of testing.
 - Unit (48 weeks).
 - End-to-End (68 weeks).
 - Parallel (36 weeks).

Payroll Parallel Validation Exercise

- **What is Payroll Parallel?:**

- Payroll comparison between current payroll system (EIS) and Workday payroll processing, using the same data sample. **Steps:**
 1. Data from EIS is ingested in Workday.
 2. Calculations are run in both systems.
 3. Results compared: Current results are 99.5% accuracy.

- **Results Summary:**

Total Earnings Match = **99.54%**.

Total Deductions Match = **98.93%**.

Total Taxes Match = **99.33%**.

- Industry standard is 3 cycles. City of LA completed 4. DWP performed 5 cycles.
- Industry standard is 97% by Cycle 3.

- **Parallel Results Overview:** All parallel earning, deduction, and tax variances have been investigated and explained.

- Less than 1% of variances remain, categorized as either acceptable (following current practices in error handling) or explainable (such as calculations made by year-end in EIS vs by each pay period in Workday).

Payroll Parallel Cycle 5 Variance-Examples

- **Imputed Income Calculation Frequency:**

EIS calculates Domestic Partner Fringe/Imputed Income at year-end. *Workday will calculate this each pay period.*

- **Tax Calculation Marital Status Difference:**

We currently miss W4 data for a subset of employees. When handling this lack of data, EIS defaults to 'Married'. *Workday defaults to 'Single'.*

- Solution: ask employees to submit W4.

- **Other HR Data Issues:**

Variances due to discrepancies between EIS & HRMS currently done via Time Role Correction Adjustments or TRCAs (late enrollment, back-dated entries, benefit enrollment, compensation, leave of absence, organization assignment).

- This will be mitigated by a final transition catch-up process.

Payroll Parallel Cycle 5 Variance-Examples

- **Tax Calculation Supplemental Difference:**
For earnings like Take Home Vehicle (CMVH), EIS uses supplemental Federal tax rates. *Workday calculates supplemental rates for both Federal and State.*
- **Time Entry Issue - Validation Rules:**
Workday's stricter time entry validation rules (which don't exist in EIS) prevented incorrect time code usage, ensuring accurate payments (e.g., employees entering codes for Regular Time or Holiday while on leave). *These rules will be active in Workday post-go-live.*
- **Explainable Variances (Not expected to replicate post-go-live):**
Work Schedule/Work Shift Data Issue:
Employee work schedule/work shift updates in Payroll system that were not updated in the HR system timely resulted in a variance during testing. *Since both systems will be one in Workday, this variance will not occur.*

Challenges and Critical Concerns

Challenges and Critical Concerns

- **Training will continue through go-live.**
 - Multiple modalities (with tutor, self-paced) and formats (video, written tip sheets).
- **Supervisory Organizations/Org Charts:** Workday business processes are based on Supervisory Organizations. This includes time approval.
 - **Current situation: the lack of supervisory organization leaves vague who reports to whom.**
 - Reporting structure vary between HR system and EIS payroll system (employees assigned to an organizational unit in EIS may not be assigned to the same reporting structure in HRMS).
- **READY TO GO LIVE: Cost of Living Adjustments (COLAs) :**
 - COLAs are included in the Mass Change Process (MCP) 3.1 solution. This solution has been tested in 4 different sprints with accurate results. *Workday is ready for COLA implementation at the go-live.*
- **POST GO LIVE**
 - **Retroactive Changes on data from before Workday goes live:** The solution (MCP 3.2) for retroactive changes on data is currently in development and testing. Retro payments for periods prior to go-live will be held until the solution is fully ready.
 - Should an urgent situation arise for an individual, those will be handled on a case-by-case basis manually.
 - **Time Role Correction Adjustments (TRCAs):** There is a go-live solution for TRCAs that is being tested, with verification is pending.
 - Special cases handled as needed.

Communication with Labor Partners

Communications with Labor Partners

Followed the engagement cadence decided in the Organizational Change Management Plan:

- ~45 Monthly meetings with labor groups.
 - Discussion of Project Updates.
 - Job Changes:
 - DDRs that have changes in Workday have been validated by Labor Partners.
 - 106 Change Champions nominations approved:
 - Individuals designated to be part of the project as champions.
 - 648 testing nominations approved.
 - Preview of key communications.
 - Presented payroll parallel outcomes.
- Weekly meetings with technical groups to report on integrations and reports.
- Special meetings to discuss Project Concerns.
- Identified training day (June 5th) to support staff training completion.

Training Efforts and Execution

Training

Completion to date:

- Over 8,000 employees have taken “Welcome to Workday” training. 135 sessions held.
- Over 2,500 staff have attended specialized training specific to their role, such as Timekeeper.
- 100% completion for the bulk of training targeted by 5/30.
- Focused training day on June 5th.
 - Executive leadership and Union committed to prioritizing employees' attendance.

Training

- Training plan was reassessed with project extension decision in August/Sept 2024 to provide additional training opportunities and resources for staff.
- Workday’s Practice Sandbox is open for staff to continue practice until 6/13.
- Job aids have been sent to all security roles to practice their responsibilities.
- Timekeepers and Time Approvers also have access to 24 hours of facilitated Virtual Office Hours with Program SMEs that began 4/30 and extend to 6/5.
 - All employees also have access to near daily (currently Tuesdays through Thursday) Virtual Office Hours with Workday Instructors from 11am-Noon.
 - Specialized training with subject matter experts held same days from 9-11am.

Example of Job Aid

Welcome to Workday (Self Time Entry) Job Aids



ENTER TIME BY PERIOD

Introduction

Workday Time Tracking provides workers with many options for entering time. This guide covers how to enter your time by week and for a project, project phase, or project task. This guide is applicable for the following security groups.

- Employee as Self

By following the steps in this document, you will be able to view and modify previously submitted time, use high-volume time entry, and submit your time.

Enter Time by Week One Entry at a Time

Follow steps in this section to manually enter time for one day at a time.

1. From the **Menu**, navigate to and open the **Time App**.
2. From the **Enter Time** section, click the **Select Week** button.
3. In the **Date** field, enter a date corresponding to the week you are entering time for.
4. Click the **OK** button to open the Enter Time page.
5. Click anywhere under the desired date in the time calendar to begin entering the time for that day.
6. In the **Enter Time Window**, enter a code in the **Time Type** field and the number of hours applicable to the time type in the **Hours** field.



Note: Depending on the Time Type code entered, other fields may be marked as required by a red asterisk. Enter information in all fields indicated as required.

7. Click the **OK** button to enter your time.
8. Repeat steps 5 – 7 for each time entry to enter for the week.

General Training Attendance

Statistics as of 5/19

Training Title	# of Training Sessions Held	# of Employees Trained	# of Employees Identified for Training	% Completion
New Employees hired after 3/8 (self assigned)	NA	176	304	58%
Welcome to Workday (Timekeeper Time Entry) eLearning	NA	1682	2638	64%
Welcome to Workday (Timekeeper Time Entry) Webinar	19	1113	2428	56%
Welcome to Workday (Timekeeper Time Entry) In-Person	3	244	0	NA
Welcome to Workday (Self Time Entry) eLearning	NA	2826	3448	82%
Welcome to Workday (Self Time Entry) Webinar	71	2610	3205	81%
Welcome to Workday (Self Time Entry) In-person	42	337	394	86%
TOTALS:	135	8988	12417	72%

Specialized Training Attendance

Statistics as of 5/19

Training Title	# of Training Sessions Held	# of Employees Trained	# of Employees Identified for Training	% Completion
Workday for Division HR Security Roles Webinar/In-Person (HR Analyst, HR Partner, HR Executive, and Hiring Coordinator)	36	778	806	97%
Compensation in Workday	3	274	402	68%
Workday Timekeeper Instructor-Led Training	22	346	376	92%
Workday for Managers Webinar	17	1058	1466	72%
Workday for Executives In-Person	4	36	50	72%
Managing Safety in Workday Webinar	3	52	101	51%
Running Payroll in Workday In-Person	5	26	28	93%

Mitigation Plan Post Go-Live

Mitigation and Post-production Plan

Hypercare:

- **Change Champion Network** available to point employees to resources such as job aids, ticketing system etc.
- **Continued Workday Support:** 20 Weeks of Project Team and Workday Support post go-live (Hypercare).
- **AMS:** Additional hands-on support by AMS provider until April 2026.
- **Support:** provided via dedicated phone line (213-367-5377 or ex. 75377 if in office), ServiceNow ticketing system and walk-ins at JFB 6th floor hub (first 6 weeks post go-live 6/16-7/11):
 - Calls and tickets will be triaged and responded to at lowest appropriate level and escalated to SMEs as needed for resolution.
 - Project team will be maintaining daily standups to triage tickets and provide support to users.

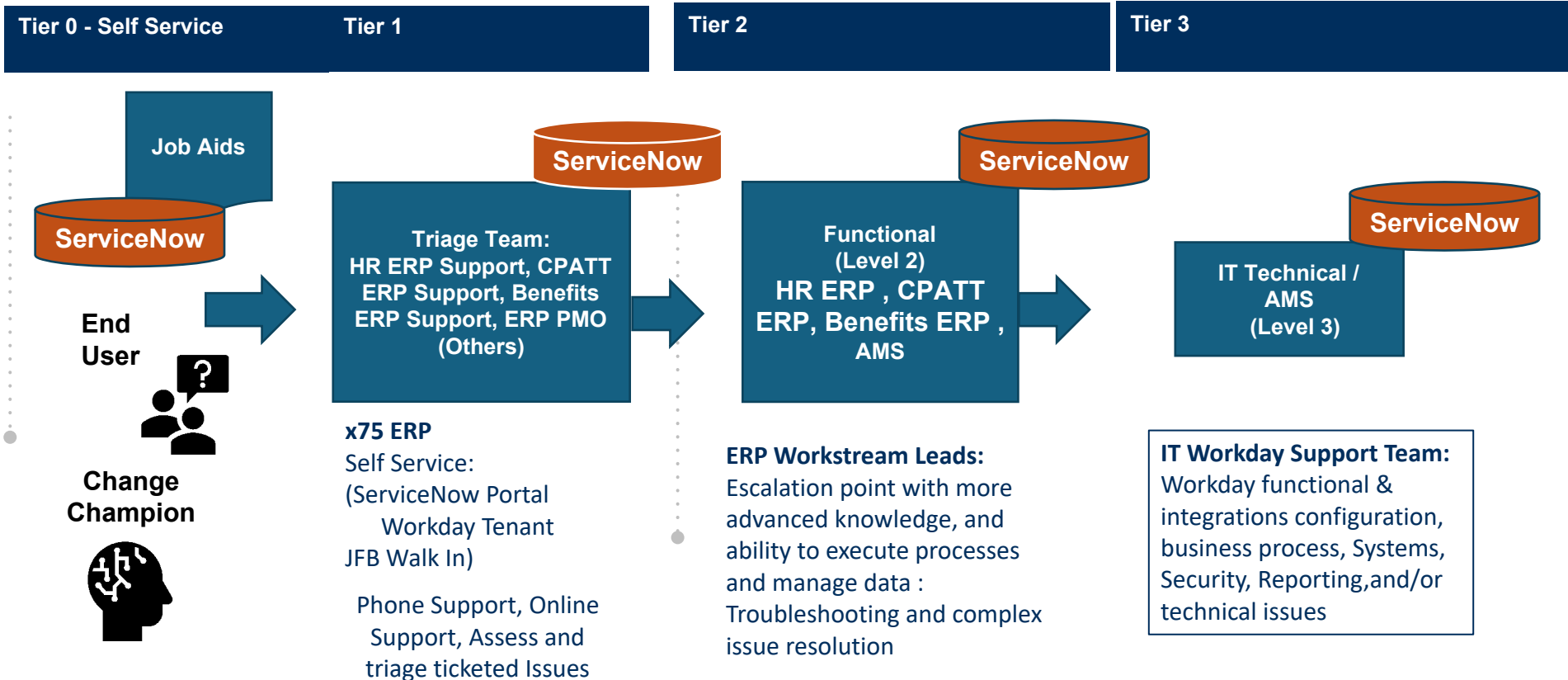
Mitigation Plans:

- Being documented for any areas not expected to be complete by go-live.

Rollback Plan:

- Technical Rollback and Contingency Plan in development should it be needed following go-live.

Postproduction Support Hypercare Model



Lessons Learned from City of LA Deployment

Lessons Learned

Uniform Allowances/Bonuses

- **Issue:** Certain bonuses or allowances were not allocated to staff.
 - Staff hired after data snapshots were taken did not receive special bonuses (such as marksmanship or uniform allowance) or compensation code not added to all required staff.
- **Resolution:** Staff with missing bonuses were identified and bonuses were funded via emergency check or in a subsequent payroll date.
- **Key Lesson for LADWP:** Ensure divisions/units review and update compensation codes for staff who may onboard after data snapshots are taken and prior to go-live.

Lessons Learned

MOU Payments

- **Issue:** Retro adjustments were applied to base salaries and may not have included overtime.
- **Resolution:** Workday and City worked with LAFD to provide an EIB file to provide missing over time amounts. Train staff to utilize error reports in Workday to identify potential pay differences or errors.
- **Key Lesson for LADWP:** Ensure retro payments include all applicable compensation.

Questions