

**To the Mayor and Members of the City Council****January 24, 2023**

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SUBJECT: UPDATE ON POLICE AND FIRE PAYROLL IMPROVEMENTS

The purpose of this informal report is to provide an update on the status of the Public Safety Payroll Solution (PSPS) project, the need to extend the project timeframe and to increase the project budget.

Project Background

The PSPS project was initiated to resolve the repeated challenges associated with Fire and Police payroll processing. In an Informal Report to the City Council dated September 28, 2021 (Informal Report No. 21-10680), the Payroll Task Force (PTF) recommended the UKG suite of products to address time and absence tracking and payroll time calculations for all Fire and Police personnel (Civil Service & Civilian). The project was approved, and the kick-off meeting was held on November 17, 2021. The project had an anticipated go-live date in June/July 2022 and a total project cost of \$2,109,400.

Project Challenges

As the project team conducted process reviews, they discovered significant gaps in existing processes and a lack of process documentation for multiple key aspects of scheduling, time and labor, and payroll. As a result, the PTF directed project resources to engage with Fire and Police departmental subject matter experts (SMEs) to capture those identified gaps. This major process documentation effort allowed the project team to become aware of multiple opportunities for process improvement as well as to identify additional points of concern that need to be addressed. Additionally, the team worked through a UKG cyber security breach, project resource turnover (employee and contract), and technical requirements to separate Fire and Police payroll environments.

Project Timeline Update

At project initiation, the project timeline estimated a June/July 2022 completion; however, due to the project challenges referenced above, the project timelines have been adjusted to an anticipated go-live of April 8, 2023 (Pay Period 9) for Fire and May 6, 2023 (Pay Period 11) for Police. Please note these dates are contingent upon successful user acceptance and parallel testing outcomes.

Increase in the Project Budget

Along with the timeline impacts, the project will require an additional \$1,265,000 in funding to complete, making the adjusted total project budget \$3,896,400. The budget adjustment is due to several factors:

- The billing rates of the project contract resources are higher than originally estimated with the ongoing tight labor market conditions, and the elevated demand for contract resources.
- The initial project plan provided for UKG technical staff resources to facilitate solution design workshops remotely. However, the PTF determined it would be more effective to have UKG technical staff present on-site for the Solution Design Workshops and during testing to provide critical support.



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The additional funding has been identified and will be included in the FY22 close-out M&C, which is tentatively scheduled for Council consideration on January 31, 2023.

The table below provides a summary of the project budget and additional funding necessary to implement the solution.

| Budget Detail | Amount | Driver/Justification |
|--|--------------------|---|
| Initial Project Budget | \$2,109,400 | M&C 21-0731 |
| Project Budget Adjustments | | |
| <ul style="list-style-type: none"> Extend Project Backfill Contractor Resources | \$1,418,000 | Higher than anticipated project contractor rates; extend project contractor backfill resources through duration of project and parallel testing |
| <ul style="list-style-type: none"> Separate Hosting Instances & Other Ancillary Costs | \$204,000 | Separate cloud instances for Police & Fire; Costs associated with on-site solution design workshops |
| <ul style="list-style-type: none"> Contingency | \$165,000 | 15% contingency |
| Revised Total Project Budget | \$3,896,400 | |
| Variance | \$1,787,000 | |
| Use of IT Capital Program funds | (\$522,000) | Funded by temporary reprioritization of existing IT Capital Program projects |
| Additional Funding Needed to Complete the Project | \$1,265,000 | |

Next Steps

The next steps for the project team include working with UKG to finalize the new system processes and rules, continue with change management efforts, and develop plans for testing and training. The revised schedule will include parallel testing, in addition to user acceptance testing, to support go live dates of April for Fire and May for Police. A subsequent update on the status of this project will be provided to the Mayor and City Council as the project team works through system testing.

For questions regarding this report, please contact Valerie Washington at Valerie.Washington@fortworthtexas.gov, Fernando Costa at Fernando.Costa@fortworthtexas.gov, John Samford at John.Samford@fortworthtexas.gov, or Donlen Ruffin at Donlen.Ruffin@fortworthtexas.gov.

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