

This delay is one of the reasons why the cost of this project has increased.

In addition to the above, the original High Line contract included the software and consultant services for system set-up, testing and training. The original project plan included 100% of payroll and benefits staff and an ITSD programmer's time on this project. The implementation process includes several steps that need to be completed in a particular order to ensure that the new system works properly. There are several tables, rules, and procedures that must be set up to accommodate the various payroll calculations for benefits, pays, and attendance banks before payrolls can be run. Most of these initial steps have been completed and testing is in progress.

During the implementation process, however, City staff time was re-directed to work on a number of salary issues that required changes to the current payroll set-up and additional testing has been necessary. Additionally, the City moved ahead with the Flexible Benefit Option Plan (FBOP). As discussed with the City Council at the time this program was approved, there would be implementation costs associated with this project. A portion of these costs included additional modifications to the system and also required payroll and benefits staff, as well as IT staff to spend a portion of their time on ensuring the proper implementation of these programs. As a result, some tasks associated with the implementation of the new system were redirected to Highline instead of being handled with City personnel. The original cost associated with the implementation of the Flexible Benefit Option Plan was projected to be over \$50,000. Of the additional dollars now being requested, \$40,000 is associated with the FBOP.

Funds are also being requested to obtain:

1. Programming assistance to create interfaces which are necessary to feed other City financial systems, as well as assistance creating forms and reports currently being used by the City (\$74,000).

Staff time originally scheduled for creating interfaces and reports for the implementation has been re-directed to update the current system with recent MOU changes. As a result an outside consultant has been retained. Although staff has been given training in the new tools used by this system, they do not have the expertise to create some of the above items in time to make the January 1, 2001 implementation date. It is anticipated that the additional programming assistance will alleviate this situation.

2. Documentation assistance to create user training manuals (\$10,000).

High Line Corporation provides manuals for the software but these manuals are used for system set-up and not for user training. The documentation assistance will create manuals for every day use and personnel action form training.

3. Additional staff time to complete the conversion programs and associated reports (\$60,000).

The original project budget created in December 1998 included \$60,000 for internal staff services. Because of the added complexity and the nature of this system it has become clear that the initial estimate was too low. Approval of additional internal staff assistance will allow the implementation and upgrade to be completed.

FISCAL IMPACT:

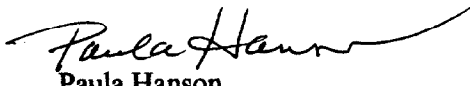
This action will allow the transfer of sufficient funds from the Benefits and Insurance Fund to the Capital Improvement Budget, Project Number 71898, Payroll and Human Resources Information System Upgrade. (See Attachment A for complete budget details.) This will complete the project and no additional funds will be required.

Respectfully submitted,



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