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# CITY OF POMONA COUNCIL REPORT

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December 16, 2024

To: Honorable Mayor and Members of the City Council

From: Anita D. Scott, City Manager

Submitted By: Sam Wong, Innovation and Technology Director

**SUBJECT: AMEND THE FY 2024-25 CIP BUDGET AND AWARD OF CONTRACTS FOR ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM SELECTION**

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## **RECOMMENDATION:**

It is recommended that the City Council take the following actions:

- 1) Adopt the following resolution:

**RESOLUTION NO. 2024-202 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, TO AMEND THE FY 2024-25 CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET BY APPROPRIATING \$280,000 OF WATER FUND RESERVES, \$120,000 OF SEWER FUND RESERVES, \$105,000 OF CAPITAL IMPROVEMENT PROJECT FUND RESERVES, AND \$290,616 OF ARP FUNDS ALLOCATED TO TECHNOLOGY UPGRADES TO “FINANCIAL SOFTWARE PROJECT”, PROJECT 428-2590-XXXXX-71048**

- 2) Award a Professional Services Agreements (PSA) to Workday, Cognizant Technology Solutions (“Cognizant”), and Can/Am Technologies (“CanAm”) for ERP system selection and implementation. The agreements are in amounts not-to-exceed the following over a 10-year term:
  - a. Workday in the amount of \$3,837,964;
  - b. Cognizant in the amount of \$2,872,885;
  - c. Teller in the amount of \$1,062,330;
- 3) Authorize the City Manager to execute the agreement and any extensions or amendments thereto on behalf of the City, and any memoranda of understanding with City Departments necessary to effectuate the same, subject to review by the City Attorney.

**EXECUTIVE SUMMARY:**

Adoption of Resolution No. 2024-202 (Attachment No. 1) will allocate funding from various City reserves and ARP funds to support technology upgrades. The City is proposing to enter into agreements with Workday and CanAm Teller to provide and manage a new ERP system, and Cognizant acting as the expert to help implement the system. Staff conducted a Request for Proposal (RFP) to award contract for ERP system selection and migration services. Based on thorough evaluation of proposals and due-diligence, Workday, Cognizant, and CanAm Teller were the most qualified, responsible, and responsive firm for the services needed. An ERP system is the City’s central software platform that will improve day-to-day operations, including everything from handling employee payroll and performance tracking to managing purchases and contracts. The system will streamline these processes, making them more efficient and easier to manage.

**SB1439/GOVERNMENT CODE §84308 APPLICABILITY:**

When this box is checked, it indicates the agenda item is subject to the Levine Act SB1439 requirements. Councilmembers are reminded to check their campaign contributions and determine whether they have received a campaign contribution of \$250 or more that would require disclosure and/or recusal from discussing or acting on this agenda item. Campaign contributions of \$250 or more made 1) by any person or entity who is identified in the agenda report as the applicant or proposer or 2) on behalf of the applicant or participant, including a parent, subsidiary or otherwise related business entity, or 3) by any person who has a financial interest in the agenda item requires a councilmember to comply with SB1439.

**FISCAL IMPACT:**

The proposed contracts with Workday, Cognizant, and CanAm are for FY 2024-25 and the next year Implementation Costs, which will be charged to the CIP Project. The cost of the contract with Workday is \$385,677, with Cognizant is up to \$2,872,885, and with CanAm is up to \$331,615 beginning in February 2025 with anticipated completion in December 2026. There is currently \$3,587,231 of Capital Improvement Program (CIP) funds allocated to “Financial Software Project,” Project No. 428-2590-XXXXX-71048 that can be used for the new ERP system. This action will appropriate another \$290,616 of ARP Funds allocated to Technology Upgrades, \$280,000 of Water Fund Reserves, \$120,000 of Sewer Fund Reserves, and \$105,000 of Capital Improvement Project Reserves to the same project for a total increase of \$795,616.

<b>Category</b>	<b>“Financial Software Project” Project No. 428-2590-XXXXX-71048</b>
Project Budget	\$4,167,617
Appropriation of ARP Funds – Technology Upgrades	\$290,616
Appropriation of Water Fund Reserves	\$280,000
Appropriation of Sewer Fund Reserves	\$120,000
Appropriation of Capital Improvement Project Fund Reserves	\$105,000

Revised Total Budget	\$4,963,233
Expenditures/Encumbrances for prior system upgrades done prior to 7/1/24 (as December 4, 2024)	(\$580,386)
Remaining Budget Available for New ERP System	(\$4,382,847)
Expenditures/Encumbrances for New ERP system (as December 4, 2024)	(\$500,000)
Contract Award	(\$3,590,177)
<b>Available Budget Remaining</b>	<b>\$292,670</b>

The remaining funds are primarily reserved for staffing and optional support services needed. Sufficient funding for the remainder of the contracts for future fiscal years will be budgeted accordingly from the Innovation and Technology Fund for system maintenance, support, and licensing.

#### **PREVIOUS RELATED ACTION:**

On February 27, 2017 City Council adopted Resolution No. 2017-22 Creating a new CIP project, “Finance Software Project,” Project No. 428-2590-XXXXX-71048, appropriating \$632,675 of Series “AV” Bond Proceeds to the project.

On April 3, 2017 City Council adopted Resolution No. 2017-41 appropriating \$116,675 of Series “AV” Bond Proceeds to the project.

On July 7, 2017 City Council adopted Resolution No. 2017-108 appropriating \$21,663 of Series “AV” Bond Proceeds to the project.

On March 19, 2018, the City Council adopted Resolution No. 2018-26 approving the FY 2017-18 amendment to the CIP budget by reappropriating \$50,000 of General Funds from operating budget to the project.

On December 17, 2018, the City Council adopted Resolution No. 2018-173 approving the FY 2018-19 amendment to the CIP budget by appropriating \$26,604 from Series “BG” Bond Proceeds to the project.

On July 1, 2024, the City Council adopted Resolution No. 2024-103 approving FY 2024-25 amendment to the CIP budget by appropriating \$3,320,000 from American Rescue Plan (“ARP”) funds to the “Financial Software Project.” The City Council also approved to award a PSA to Plante Moran, PLLC (“Plante Moran”) for ERP project management and advisory services.

## **DISCUSSION:**

In January 1989, the City of Pomona awarded purchase contract to Mitchell Humphrey and Company of Missouri for FMS-80 General Ledger, Accounts Payable, Report Writer, and Automatic Transactions Modules, or collectively an ERP Financial Management System (FMS) for staff to perform and upkeep the City's financial functions and financial record keeping. FMS remains in use by the City as the system of record for finances and have had various upgrades and new modules since its inception.

In December 1998, the City of Pomona awarded purchase contract to Governmentjobs.com dba NeoGov (formerly High Line Corporation) for Personality Payroll, Time & Attendance, and Human Resources software. Personality remains in use by the City for payroll, benefits, and timesheet tracking. General upkeep of the system and adoption of new modules and upgrades were also performed since its inception.

The City identified the need to move to a more modern ERP system that meets more of their functional needs to improve efficiency, business processes, and access to information in real-time. This led the City to embark on an ERP selection and implementation project. In July 2024, the City of Pomona and Plante Moran assessed the City's ERP systems and procedures to guide the City's efforts on potential ERP system replacement. Plante Moran worked closely with City of Pomona Executive Team and staff from all departments to understand current practices and identify business requirements for a modern ERP system replacement Request for Proposal (RFP).

In September 2024, RFP No. 2024-51 – "ERP SYSTEM SELECTION" was issued on the City's electronic bidding platform. The solicitation notified 959 potential bidders, of which 72 prospective bidders downloaded the RFP, resulting in the City receiving nine proposals. The nine companies that submitted proposals are: Carahsoft Technology Corporation, Cognizant Technology Solutions, Governmentjobs.com DBA Neogov, IntelliTime Systems Corporation, Oracle, Strada, Tyler Technologies, UKG Kronos Systems, and Workday.

Of the nine proposals, six met minimum qualifications and were evaluated on a 1000-point scale based on Functionality, Implementation Approach, Vendor Viability, Technical, and Cost Proposal. The Evaluation Committee that consisted of ten panelists from six departments selected Tyler Technologies' and Workday as the top two highest-ranking platforms but three different implementation specialists—Tyler and Workday each with its own implementation team while Cognizant's implementation also utilizes the Workday platform.

In October 2024, the top three proposers were invited to present and demonstrate its system capabilities, digital infrastructure, and elaborate on data migration and system implementation. The demonstration was evaluated on another 1000-point scale for a total of 2000 points by carrying points over from the previous round. Plante Moran then led an in-depth debrief with the Evaluation Committee to finalize the assessment.

In November 2024, the Evaluation Committee submitted its final scores that resulted Workday as the ERP system of choice, CanAm Teller as the system's cashiering module, and Cognizant as the implementation specialist. The adoption of Workday is expected to benefit the City in many ways including:

1. Modern system – Workday integrates Human Resources and Finance functions in a user-friendly way under a single platform, reducing manual processes and duplicate efforts. This will result in significant savings in staff time and efficiency across the City.
2. Resilient digital infrastructure – Workday and CanAm Teller are cloud-based solutions that can provide full functionality from any location or device, offering maximum system uptime and modern system recovery time and objective standards.
3. Cybersecurity – selected vendors are SOC1 and SOC2 compliant (Service Organization Control) that ensures industry best practices are followed for security, availability, data processing, confidentiality, and privacy.
4. Data analytics – Workday has powerful reporting tools and data analytics functionality. This is a critical component of modern technology so that users can obtain information in real-time via an easy-to-use analytical tool.
5. Centralized system of record – Workday will be a "single system of record" since it serves as a central data repository for Human Resources and Financial data. This will allow business functions, tasks, approvals, and analytics to be completed in a single system.
6. Reputable with vast support – Workday is a provider to organizations all over the world and has moved into serving public sector within the past decade. Its California clients include the City of Los Angeles, City of Ontario, City of Rancho Cucamonga, and City of Ventura.

**Combined Scores**  
**ERP System Selection**  
**RFP No: 2024-51**

<b>Rank</b>	<b>Firm</b>	<b>Total Evaluation Score</b>
	<i>Total Possible Points</i>	<i>2000</i>
1	Cognizant Technology Solutions	1723.84
2	Workday	1647.58
3	Tyler Technologies	1605.37
4	Strada	756.88
5	Carahsoft Technology Corporation	704.47
6	Governmentjobs.com dba Neogov	658

The ERP implementation will span across two years with staff first replacing the City’s Mitchell & Humphrey Financial Management System (FMS), then Governmentjobs.com dba NeoGov (formerly High Line Corporation) for Personality Payroll, Time & Attendance, and Human Resources system, followed by Human Capital Management systems that include Performance and Learning Management.

**COUNCIL PRIORITIES & GOALS:**

This item supports the 2021-2022 City Council Priority 1: Fiscal and Operational Responsibility – Goal B: Improve efficiency and effectiveness of City services to businesses and residents.

Prepared by: Sam Wong, Innovation and Technology Director

**ATTACHMENT(S):**

Attachment No. 1 – Resolution No. 2024-202

Attachment No. 2 – Workday Agreement and Order Form

Attachment No. 3 – Cognizant Agreement

Attachment No. 4 – Cognizant Statement of Work

Attachment No. 5 – CanAm Teller Agreement and Statement of Work