



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Barry Ng

SUBJECT: OFFICE OF EQUALITY ASSURANCE SOFTWARE SOLUTION **DATE:** May 18, 2017

Approved

Date

5/18/17

RECOMMENDATION

Accept this progress report and direct staff to return to the City Council via an information memorandum with a software solution projected cost no later than winter 2017-2018.

BACKGROUND

At the April 11, 2017 City Council meeting (Item 4.1), the City Auditor presented the audit report of the Office of Equality Assurance (OEA) that included eight recommendations. During discussion of the audit report, the Council included in the approved motion to accept the report that staff identify, evaluate and analyze the cost of a software solution to address Recommendation #1 (a), "Procure a software solution to automate payroll review to free up staff time for other responsibilities", and bring forward a budget addendum prior to the adoption of the annual budget.

ANALYSIS

A software solution for OEA has the potential to increase efficiency, and cloud-based data storage has the potential for removing the need for storing immense amounts of paper reports, and also allows for easy location and access to important documents. Should the Council approve a Local Hire Program in the future, workforce reporting software will be a necessity.

Other jurisdictions have automated the submittal and wage calculation step in their payroll review process. For example, the State of California Department of Industrial Relations (DIR), the cities of Oakland and Long Beach, and East Bay Municipal Utility District (EBMUD) use a web-based program that requires all contractors to enter their payroll electronically. Jurisdictions differ in vendors, software solution needs, and cost recovery methods. For example, the DIR requires all contractors performing on public works contracts to pay an annual registration fee (\$300), whereas the City of Oakland charges contractors a monthly service

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charge based on the value of the contract. EBMUD had a one-time installation fee of \$4,000, and pays approximately \$17,000 per year when active contract values less are than \$80 million and approximately \$22,000 per year when active contract values are between \$80 million and \$160 million. For reference, the City of San Jose FY 16-17 Capital Improvement Program has active contract values of more than \$225 million, which does not include active contract values for Service and Maintenance contracts or Housing agreements.

City staff need to perform additional research, analysis, and outreach before making a recommendation. City staff will continue to collect data from other jurisdictions and software solution vendors, including costs associated with administration and implementation.

COORDINATION

This memorandum was coordinated with the City Manager's Budget Office and the City Attorney's Office.

/s/
Barry Ng
Director, Public Works

For questions, please contact Christopher Hickey at 408-535-8481