City of **San Leandro**

Finance Committee| January 28, 2026

PROJECT ELEVATE STATUS:

Current Status, Budget, and Schedule

AGENDA

- Roadmap: How we got here

- Roadmap: Where we are today

- Current Status

- Payroll Testing Complexity

- Delivery Strategy: Phased vs Single Transition

- How we are managing the transition

- Budget Status

ROADMAP: HOW WE GOT HERE

Needs Assessment & Requirement	RFP Process & Evaluation	Vendor Selection & Contracting	Implementation Launch	Planning, Design, Configuration & Testing
Apr 2022 - Jul 2022	Jul 2022 - Feb 2023	Mar 2023 - Jul 2024	Oct 2024	Oct 2024 - Jan 2026

WHERE WE ARE TODAY

Implementation, Transition, & Optimization Timeline

Testing, Training & Readiness → Citywide Transition → Stabilization, System Optimization & Transition → Ongoing: Continued Improvement and consolidation

Jan 2026 - Jun 2026

July 2026

Jul 2026 - Jun 2027

2027 and beyond

CURRENT STATUS

Current Focus

- Benefits, Compensation and Talent Management complete

- Payroll: Parallel Testing and Validation

- Finance: Configuration, design and confirmation sessions

What this means

- Real payroll data is being validated

- Issues are being identified and resolved before go-live

PAYROLL TESTING COMPLEXITY

- Payroll cycle conversion (semi-monthly to bi-weekly)

- Overtime and FLSA calculations

- Allowances, premiums, and accrual timing

- Results don't always match between systems, time consuming to resolve one by one

- Accuracy Requirements – Approaching 100%

- Taking extra time to get it right

PHASED vs. SINGLE TRANSITION

- Single, coordinated, citywide transition

- Simpler operational cutover

- Reduce reconciliation and integration risks

- Unified stabilization and support model

- Allow for extended payroll testing and improved accuracy

- July go-live still on-target
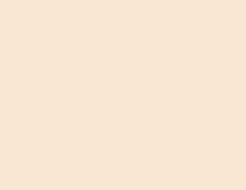
RISKS TO JULY 2026 TARGET

- Potential constraints in resolving payroll issues during final testing

- Possible testing challenges with core financial systems

- Risk of reduced availability of team or vendor resources

- Potential operational emergencies or priority shifts affecting timelines

Successful Citywide Transition

SCOPE
Fixed
Core ERP replacement

BUDGET
Controlled
Within approved funding

QUALITY
Non-Negotiable
Financial data must be accurate

SCHEDULE
Managed Flexibility
Readiness based timing

WHY SCHEDULE FLEXIBILITY IS BEING USED

What we will **<u>not</u>** compromise

- Pay Accuracy

- Financial Integrity

- Audit and Compliance Readiness

Why Adjustments Were Made

- Issues surfaced during detailed testing

- Fixing issues now avoids higher risk later

BUDGET STATUS

	Budget	Expenditures	Remaining
Software, Services, Consulting, Training and Equipment (til Jun 2027)	$6.7 M	$3.4 M	$3.3 M

	FY24	FY25	FY26 (TO DATE)
Staffing Costs	$713 K	$1.07 M	$615 K