MEMORANDUM

Date: September 3, 2026

To: Honorable Mayor and Commissioners

Via: Brian L. Barroso
City Manager

Christina Bervaldi
Director of Finance

From: Lucas Torres-Bull
Procurement Manager

Subject: **Modernizing City Operations through Workday ERP (File ID: 26-5661)**

Introduction

City Commission approval is requested to purchase and implement the Workday Enterprise Resource Planning (ERP) system through Iron Brick Associates, LLC, utilizing OMNIA Partners Contract No. 159124, at a base contract value of $4,674,962.62, exclusive of authorized reimbursable expenses. The agreement includes a ten-year Workday subscription and training commitment and fixed-fee implementation services intended to provide a unified, cloud-based platform for Human Resources, payroll, finance, timekeeping, scheduling, recruiting, procurement, contract management, financial planning, expense management, learning, absence management, and employee self-service.

Background

The City currently relies on multiple independent administrative and financial systems, including Central Square, Naviline, Bonfire Contract Management, Euna Grant Management, FREVVO, Telestaff, Oracle Human Capital Management, DebtBook, spreadsheets, shared drives, paper forms, email-based approvals, and department-specific applications. These tools perform separate functions but do not operate as a fully integrated enterprise platform.

As a result, employee, vendor, payroll, purchasing, budget, contract, and accounting information must frequently be entered, transferred, reviewed, and reconciled across multiple systems. This creates duplicate work, inconsistent records, limited real-time reporting, fragmented approvals, additional technology-support requirements, and increased risk of errors or incomplete audit trails. Workday is intended to consolidate these functions into a coordinated operational and financial environment with standardized workflows, improved reporting, stronger controls, and enhanced employee self-service.

Beginning in July 2025, the City initiated a comprehensive evaluation of enterprise resource planning (ERP) systems to improve operational efficiency and modernize its core business applications. City staff evaluated solutions from Workday, Oracle, and CentralSquare, including product demonstrations and functional reviews. The evaluation considered functional capabilities, system integration, implementation requirements, reporting and analytics, scalability, user experience, long-term support, and overall alignment with the City's operational requirements. Based on this evaluation, the Finance and Human Resources Departments determined that Workday best meets the City's operational and long-term strategic needs.

Agreement Scope and Contract Value

The revised agreement establishes a base contract value of $4,674,962.62, exclusive of reimbursable expenses. The agreement amount is supported by the fee summary and the payment schedules contained in Exhibits A and B, as follows:

Contract Component	Amount
Workday subscription and training — ten-year term	$3,709,755.82
Fixed-fee implementation services	$965,206.80
Total base contract value	**$4,674,962.62**

The Workday order term is October 31, 2026 through October 30, 2036. Invoices are payable within thirty (30) days after Iron Brick’s invoice. The base contract value does not include reimbursable travel and related expenses or separately authorized charges arising from growth, expansion, change orders, or support overages.

Financial Impact and Payment Obligations

The contract payment schedule is uneven during implementation and becomes primarily subscription and training costs beginning in 2029. Calendar-year obligations under the base agreement are summarized below; actual fiscal-year appropriations must be aligned with invoice dates, implementation timing, and the City’s budget calendar. Funding for amounts payable during FY2027 will be provided through the FY2027 adopted budget and any associated budget transfers or amendments necessary to align appropriations with the final implementation and invoice schedule.

Calendar Year	Subscription + Training	Implementation	Total City Liability
2026	$201,460.00	$482,603.40	$684,063.40
2027	$165,250.00	$289,562.04	$454,812.04
2028	$384,511.00	$193,041.36	$577,552.36
2029	$393,668.34	$0.00	$393,668.34
2030	$403,010.12	$0.00	$403,010.12
2031	$412,539.52	$0.00	$412,539.52
2032	$422,258.66	$0.00	$422,258.66
2033	$432,176.02	$0.00	$432,176.02
2034	$442,289.48	$0.00	$442,289.48
2035	$452,592.68	$0.00	$452,592.68
Total	**$3,709,755.82**	**$965,206.80**	**$4,674,962.62**

The initial implementation fee of $482,603.40 will be billed in two monthly installments of $241,301.70 during calendar year 2026. An additional implementation payment of $289,562.04 is scheduled for January 30, 2027, bringing cumulative implementation payments through that date to $772,165.44. The final implementation payment of $193,041.36 is scheduled for January 30, 2028, resulting in total fixed-fee implementation costs of $965,206.80. No scheduled base payment is due in calendar year 2036 because the tenth annual subscription and training payment is due in 2035 and the order term ends October 30, 2036.

Legacy-System Cost Comparison

The eight systems identified for replacement currently cost approximately $291,636 annually: CentralSquare ($156,000), Naviline ($42,836), Bonfire Contract Management ($5,200), Euna Grant Management ($2,400), FREVVO ($9,200), Telestaff ($11,000), Oracle HCM ($42,000), and DebtBook ($23,000). Without implementation of Workday, the City's Oracle HCM subscription is expected to increase to approximately $80,000 annually beginning in FY2027, increasing the estimated annual cost of maintaining the identified legacy systems to approximately $329,636.

These amounts represent gross software-cost avoidance, not net savings. The financial justification also depends on timely retirement of legacy systems, reduced duplicate data entry and reconciliation, faster payroll and approval processing, improved budget and contract visibility, stronger audit trails, enhanced cybersecurity, and capabilities that the City does not currently possess in one enterprise platform.

In addition to legacy-system cost avoidance, the City estimates approximately $122,951 in first-year productivity value associated with efficiencies in timekeeping and payroll administration. This estimate reflects staff time expected to be redirected through process improvements and should not be interpreted as a direct reduction in personnel expenditures.

Additional productivity improvements are anticipated as business-process reviews identify opportunities to automate existing manual processes within the Finance and Human Resources Departments.

Procurement

The City proposes to purchase the Workday subscription, training, and implementation services from Iron Brick Associates, LLC through OMNIA Partners Contract No. 159124 (Region 14 ESC-TX), pursuant to Section 2-797(3) of the City Code governing purchases through cooperative contracts. The agreement identifies Iron Brick as an authorized prime contractor for Workday and ERPA services and incorporates the applicable Workday order form and implementation statement of work as Exhibits A and B.

Approval of the agreement represents a long-term contractual commitment extending through October 30, 2036, subject to the terms and conditions of the agreement.

Contract Controls and Additional Cost Exposure

The agreement establishes a fixed-fee implementation price for the defined scope and schedule. The following items are outside the base annual-payment totals and require active management and separate authorization when applicable:

- Actual and necessary travel and related reimbursable expenses incurred in connection with the services;
- Growth or expansion fees if City usage exceeds the contracted subscription rights and metrics;
- Approved implementation change orders billed at $243 per hour;
- OPTIMA support hours above the included allocation billed at $254 per hour; and
- Any renewal after the initial ten-year term, including the contractual renewal pricing provisions.

Recommendation

The City Manager's Office recommends that the City Commission approve the purchase and implementation of the Workday Enterprise Resource Planning system through Iron Brick Associates, LLC, utilizing OMNIA Partners Contract No. 159124, at a base contract value of $4,674,962.62, exclusive of separately authorized reimbursable expenses and other charges permitted under the agreement; authorize any necessary budget transfers, adjustments, or amendments; and authorize the City Manager to execute the agreement and all related documents, subject to review and approval by the City Attorney as to form and legal sufficiency.

Approval will allow the City to replace fragmented administrative and financial systems with a unified enterprise platform while strengthening reporting, financial controls, auditability, organizational continuity, employee service, and operational efficiency. Implementation should be supported by formal governance, budget-to-actual monitoring, written change control, performance baselines, and a documented legacy-system retirement schedule.