

AGENDA ITEM SUMMARY

City Council



STAFF

Tyler Marr, Deputy City Manager

SUBJECT

First Reading of Ordinance No. 002, 2024, Appropriating Funds for Change Management Resources to Support Legislative Management Software Implementation Funds.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate \$375,000 of general fund reserves to contract with Prosci, Inc., to provide change management support for the Legislative Management Software project throughout its implementation in 2024. Council Finance Committee recommended this move forward to Council at their December 19 meeting.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

The City organization is actively pursuing at various stages a number of projects that seek to modernize our digital footprint for the community and the internal operations of the organization. These projects span many city services, including:

- Customer information system for utility billing
- Licensing, permitting, and inspection software
- Recreation registration system
- Legislative management software - including council agenda packets
- Enterprise Resource Planning

Taken individually, each of these projects represent different degrees of resourcing, both in terms of dollars and staff time, complexities and process or operational changes that will be required to be successful. A critical component staff believes applies to each project is our ability to effectively manage the change from current state operations to the future state under new tools and systems. Previous examples where we have not invested in adequate change management support and a holistic project management approach have resulted in suboptimal outcomes. While the City has invested in staff capacity and in creating positions

for change practitioners to some degree, it is leadership's opinion that each of the projects above will require dedicated change management support which simply does not exist in the organization today.

The legislative management software specifically is a near term project which has critical milestones in 2024. These milestones carry significant changes related to how staff will perform their work and the change management support needed is not currently able to be absorbed in the project costs that were originally budgeted primarily for software costs alone. More details on the project are provided below.

Project Details

Legislative management software (LMS) is a tool to improve efficiencies and transparency of the legislative process which includes Council agendas and minutes, in addition to materials for boards and commissions and Council subcommittees. Council approved a 2023-2024 Budget Offer for \$250,000 (\$150,000 in 2023 and \$100,000 in 2024) to fund implementation of a new LMS. This proposal was included in a larger Digital Transformation Request for Proposal (RFP) to include a new citywide website. Staff wanted to consolidate multiple applications into a single, streamlined resident and community experience. Staff are currently in the final stages of selecting a vendor.

Executive leadership felt that this project was a critical one to provide dedicated change management support to; given the scale of the project, the number of staff that interact with the LMS, the critical functions pertaining to agenda management, record keeping, and the associated risks to public trust if the project does not go successfully.

The requested appropriation of \$375,000 includes dedicated support for project execution, training in change management to upskill impacted groups across the organization, and building capability in change management execution for the organization more broadly.

If appropriated, staff is planning on exercising an existing contract option with Prosci, Inc., to provide these services. Prosci is a locally based global thought leader in the practice of organizational change management. With over twenty years of research backing its industry leading methodology, their advisors have extensive experience both leading change initiatives and developing organizational capabilities related to organizational change management to successfully deliver results for organizations. The proposal Prosci, Inc., has provided the City offers project execution support to successfully implement solutions that will assist staff and the community in engaging with City organization. In addition, the experienced Prosci Change Advisors will develop staff's ability to manage change on an ongoing basis through coaching and training. This additional service supports the City's enterprise wide capability in organizational change management.

There is a possibility that the chosen LMS vendor will also offer assistance with change management services. If this is the case, staff's intent would not be to fund duplicative contracted help. Rather, staff will analyze the vendor's offerings with Prosci's proposal and reduce the scope of the contract with Prosci accordingly, up to potentially not using any additive services. Given the intended project timelines of trying to launch the software this year, however, staff feels it's important to appropriate these dollars so work can begin as soon as possible with either the LMS vendor or Prosci.

Other Information

Staff acknowledges that the cost of these change management resources can seem severe when compared to existing project budgets. This is partially a function of historically budgeting only what the product being implemented costs. In the future, it is executive leadership's expectation that software budget offers are more holistic in nature, including any needed staff backfill for project work and dedicated change or project management support. This is undoubtedly a change in philosophy that staff believes provides greater transparency into what it actually takes to get software migrations across the finish line and that will ensure the organization delivers on committed projects to better serve the community.

Leadership is also committed to continuing to develop these change management skills internally as a staff team, so that internal support might be better leveraged to reduce the need for contracted help in the future. This is a multi-year process to achieve results, however, and with the number of digital transformation efforts underway and on the horizon, staff believes the organization will need contracted assistance on these bigger software projects for some time to come.

CITY FINANCIAL IMPACTS

This ordinance will reduce General Fund Reserves by \$375,000.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

Council Finance Committee favorably considered this item at their December 19, 2023, meeting. One important difference to note from that item to what is presented here is that staff also presented a resourcing need for change management support for the Daysmart Recreation Registration system. Given the timeline of that project, current status, and the earliest availability of funds from this appropriation, staff is not recommending proceeding with an appropriation for that particular project.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Ordinance for Consideration
2. Council Finance Committee Meeting Draft Minutes, December 19, 2023