Legislation Details (With Text)

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Title: City Council consideration to award bid RFP 18-030CG and approve the Purchase Order and Professional Services Agreement with Automatic Data Processing, Inc. (ADP) for the amount of $907,525 and authorize the purchase of Telestaff Licensed Software and Technical Support in the amount of $156,010 for the Time Entry, Payroll Processing and Human Resource Management System Project

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Attachments: 1. RFP 18-030CG Time Entry_Payroll_HRM_ PSA Vendor Executed

Date	Ver.	Action By	Action	Result
9/5/2018	1	City Council	approved	Pass

AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION

DATE: 9/5/2018

TO: Honorable Mayor and City Council Members

FROM: Administrative Services Department & Information Technology Department

SUBJECT:
City Council consideration to award bid RFP 18-030CG and approve the Purchase Order and Professional Services Agreement with Automatic Data Processing, Inc. (ADP) for the amount of $907,525 and authorize the purchase of Telestaff Licensed Software and Technical Support in the amount of $156,010 for the Time Entry, Payroll Processing and Human Resource Management System Project

RECOMMENDED ACTION:
That the City Council:

1. Award, Request for Proposal (RFP) 18-030CG, titled Time Entry, Payroll Processing, and Human Resources Management System to Automatic Data Process, Inc. (ADP) based upon the events and findings noted in this report.

2. Authorize the City Manager to execute the attached Professional Services Agreement with ADP, with a not to exceed amount of $907,525 for a three-year contract term and with noted terms modified from the City's standard

PSA as discussed herein, and approve necessary change orders and/or amendments up to 25% provided by Corona Municipal Code Section (CMC) 3.08.070(I) through June 30, 2021 pursuant to Ordinance No. 2790 and Council direction on June 20, 2018.

3. Authorize the Purchasing Agent to issue a purchase order to ADP in the amount of $907,525.

4. Authorize the City Manager to execute the License Agreement with Kronos for the Telestaff scheduling software, in the amount of $152,010 for a three-year agreement term and approve necessary change orders and/or amendments up to 25% provided by Corona Municipal Code Section (CMC) 3.08.070(I) through June 30, 2021 pursuant to Ordinance No. 2790 and Council direction on June 20, 2018.

5. Authorize the Purchasing Agent to issue a purchase order to Kronos in the amount of $152,010.

6. Authorize an estimated net $366,750 to $404,341 of recurring Internal Service Fund monies for the annual maintenance costs, to be effective in year two (FY 2019-2020), and year three (FY 2020-2021).

ANALYSIS:

Introduction:

The Time Entry, Payroll Processing, and Human Resource Management Software platform RFP arose from the need to have a modern, unified system, to accommodate the operational processes of the functions within the Human Resources Department, the Administrative Services Department - Finance Division, and the Information Technology Department. The City currently utilizes numerous software systems to deploy these services, including Microsoft Office software, manual data processing, and report processing. The goal of this RFP is to procure a software solution which integrates HR, Finance, and I.T. functions in one platform.

Human Resources Department

The Human Resources Department believes that ADP's proposed solution is superior because it simplifies compliance tracking of EEO, ACA, ADA, FMLA, and OSHA regulation requirements. The system provides all federally-mandated compliance reports as a standard feature. Currently, compliance reports are generated through various methods, or require customized programming which is extremely labor intensive.

ADP's proposed applicant tracking software offers a robust functionality such as an electronic "job interest" card that pushes notifications to anyone matching a specific job category and mass recruitment update notifications. It can also differentiate between internal and external recruitments, and has the ability to deploy electronic interview materials, all from one cohesive system. The new software platform will reduce duplicate data entry efforts by allowing the City to onboard an employee without the need to rekey information.

The proposed software platform also offers an intuitive, user-friendly experience, and Wizard tools that walk employees through various software functions (E.g. from "requisition", to "new hire processing", to the rare "life changing events and benefits eligibility"). This platform also provides standard tools that help measure, compare, predict, and apply ADP workforce data. This application may help disclose potential issues, patterns, and trends in performance, turnover, engagement, compensation, and generating data for compliance initiatives. The feature also allows the City to benchmark data against the broader ADP market. The Turnover Probability Explorer may help identify the likelihood of future voluntary turnover and help the City understand key factors contributing to employee turnover. ADP's software platform boasts a robust performance management option which includes 360 performance reviews, configurable performance review templates, including 30 competency templates that are available for use and/or editing, and a self-assessment option.

The City will also receive additional service benefits through ADP's strategic alliance with The Hackett Group. The Hackett Group will assist with the alignment of Human Capital benchmarking tools, monthly webinars on leading research, findings, and trends along with best use of ADP portal resources including a semi-annual review to update benchmark tools. Additionally, the Hackett Group will provide the City with best practices accelerators and research paving the way for entirely new ways of doing business creating opportunities for HR to reengineer service offerings and delivery processes. In essence, paving the way for digital transformation. Partnering with the Hackett Group will ensure we maximize the functionality that ADP offers by providing resources and engagement with the ADP community.

Recruitment

The City currently uses the NEOGOV Applicant Tracking System (ATS) for its recruiting needs. NEOGOV is a web-based service which allows the City to create and maintain classification specifications, create and advertise job openings, receive and track applications, and screen and certify candidates for hire. Currently, recruitment requests are paper-based, requiring manual routing for initial approval, and are manually entered into NEOGOV. NEOGOV offers the ability to conditionally format these requests and route them to the appropriate approving parties. Once a recruitment is complete, on-boarding candidates is completed through NEOGOV. However, all new hire information must be entered into a separate system. This creates redundancy during the recruiting and on-boarding process because a majority of the information that is captured up-front, needs to be re-entered at a later time.

While NEOGOV provides for basic ATS capabilities, there are multiple facets which could help streamline the recruitment process. ADP's proposed software solution has the potential to provide a number of customizations which NEOGOV is not able to accommodate. For example, screening applications in NEOGOV can be completed using an automated process, but the process is limited in its capabilities. NEOGOV does not always recognize qualification equivalencies and staff must manually review applications that may qualify for a position under an equivalency. ADP's proposed software solution will allow for a more efficient screening process by using more dynamic criteria in determining candidate qualifications and identifying the most competitive candidates. An additional example is data acquisition and data entry. Data captured in NEOGOV does not automatically transfer over to OneSolution. OneSolution is the City's financial system that houses the payroll system. Instituting one system with ADP will allow the City to streamline candidate data acquisition and data entry process by using candidate-generated data across multiple processes. ADP's software solution offers the ability for a candidate to enter his/her information only once on the job application and be used again in subsequent on-boarding phases.

An additional area of importance in which ADP's solutions will improve the current system is the interview process. ADP can deliver a solution to allow the City to conduct the entire interview process electronically. At the beginning of FY 18/19, the City began using a new electronic software solution to reduce the amount of materials and preparation for the interview process. This temporary process involves many steps, working with multiple data sources, multiple software programs, and exporting applications from NEOGOV, but has already proved effective in reducing the amount of time needed to generate interview materials from days to mere hours. Rather than using a bulky, paper binder with handwritten feedback, raters now use iPads to view electronic applications and type their feedback. ADP offers the potential for an even greater reduction in preparation time and materials because the entire process may be completed in one system. This will significantly reduce the City's recruitment process while securing the most competitive candidates to place on-board with the City.

Overall, ADP will be able to automate classification, recruiting, and on-boarding functions, saving both time and money while increasing the Department's level of service to both internal and external customers.

On-boarding

The City's current on-boarding process requires the use of multiple software programs and paper driven processing to complete the process. This creates an on-boarding process that is inefficient and tremendously time consuming. For example, background checks, which are conducted by third-party, must be printed and added to the candidates personal file. New Hire Orientation forms are another example where paper-based processes are present. An additional problem with our current system is the use of Microsoft Word to create documents, including conditional offer letters and bargaining unit letter changes.

ADP's proposed software solution offers a natural workflow which reduces the potential for errors, while simultaneously allowing interdepartmental cross training. Customized templates will drastically reduce the amount of time taken in creating letters and aide in reducing our paper footprint by providing digital copies of on-boarding forms.

Benefits Administration

Benefits Administration, the current process provides the ability to enter enrollment elections and assign the appropriate payroll deduction, however, it does not eliminate the need for manual updates and paper forms in the carrier systems. Our current software system, OneSolution, inhibits the ability to stack enrollments, which creates a need to process full paper enrollment packets for new hires. Due to system limitations, there are instances where this process becomes completely manual, causing personnel to submit paper-based enrollments and manually enter mid-year benefit changes. The current New Hire Benefit Enrollment process inefficiently divides functions across three different formats, including

completing forms in the NEOGOV On-boarding module, completing paper enrollment forms, and manually entering elections into OneSolution Employee Online.

There is currently no automated process for ACA and COBRA administration. Letters and forms are created using Microsoft Excel and Word and issued accordingly. Paper-based packets are administered for all COBRA and ACA enrollments.

The proposed software platform offers a comprehensive benefit enrollment process that eliminates the use of inefficient methods to achieve Benefits Administration, by providing the ability to stack enrollments eliminating the need for mid-year paper-based transactions and provide pre-defined, customizable, report templates leading to timely and accurate compliance.

Leave Administration

Our current Leave Administration process is a time-intensive, manual, and decentralized process. We track each leave request on a Microsoft Excel spreadsheet, composing leave letters in Microsoft Word and print all required documentation (E.g. Leave Policy, U.S. Department of Labor forms, informational handouts, etc.). The existing process for tracking leave eligibility is non-automated and is calculated by pulling information from multiple sources to arrive at a rolling 12-month figure. This process is extremely time-intensive and creates an environment vulnerable to miscalculations.

ADP's proposed Leave Administration tool will automate the administration of FMLA/CFRA/PDL Leave of Absence and track leave time with a high degree of precision. ADP's software includes a Leave of Absence function allowing the user to efficiently update profile and process a leave request and track leave tasks with customized checklists. This function also creates a direct line of communication between the Human Resources Department and Managers/Supervisors by way of direct notifications.

Health and Safety Training

The Health and Safety Training program currently utilizes a homegrown Learning Management System (LMS) called Classweb. Classweb assists in monitoring employee compliance with mandated health and safety training and generates training status reports for any given employee. However, Classweb limits web-based trainings to networked computers and experiences compatibility issues with several content formats directly impacting content availability.

The proposed software solution will enable employees to view the most current web-based training content in HTML format. This format offers employees the option of accessing web-based course from multiple browsers including Microsoft IE Version 11, Microsoft Edge, Mozilla/Firefox, Apple Safari, and Google Chrome. Additionally, it offers the ability to design and upload specific training material and assessments in several formats such as Microsoft Word, Excel, PowerPoint, Adobe PDF, audio, video or movie files. This feature provides the City with an array of licensed learning content options.

Additionally, Classweb does not provide a comprehensive training record for employees and only offers a fixed number of analytical reports. ADP offers an expanded and comprehensive menu of reports for Managers and Supervisors to utilize. A training record tool to view full transcripts and exam history for each employee is readily available.

Bargaining Units

The Human Resources Department does not have a centralized and comprehensive method for tracking changes to MOUs and specialized data reporting. Employee changes are requested/created in one system, circulated for review and approvals in a separate system, and then manually entered in our current software system. As changes are processed, notably employee information changes between bargaining units, the Human Resources Department and the Payroll Division must collaborate to ensure that employee records are accurately updated within both departments. This is a highly manual process requiring both departments to employ valuable time and labor resources. ADP will bring a level of automation and customization that has never been present. Their proposed software solution will reduce errors, increase productivity relating to updating employee information, and offer comprehensive data analytics.

Finance - Payroll

The City's Payroll processes are antiquated and required manual processing and data entry. City personnel must conduct numerous functions independent of the system and uploaded the resulting information back into the system. Additionally, the current system delivers subpar data analytics and reporting tools and creates unnecessary auditing redundancies

relating to employee record changes.

ADP's software solution will provide a centralized tool which will allow Payroll to conduct all functions within the tool, provide meaningful analytics and reporting, and establish user confidence in the data.

Information Technology Department

The City of Corona currently utilizes Kronos Telestaff for Police and Fire scheduling requirements. It provides inhouse payroll services using the City's accounting software and does not offer HR solution. The existing systems have interfaces that require staff time to import into the payroll system, introducing the chance for error. The existing timecard system does not allow employees to enter their time easily from mobile devices or to clock in and out in real-time. Currently, employees must enter time every other week, at the end of the pay period. The existing system also includes a rigid workflow system, that again, does not work well on mobile devices, further delaying the process by forcing approvers to be in the office to process the timesheets. These shortcomings prohibit the City from viewing, in real-time, an employees' hours worked. The new system will support real time tracking, using either time clocks or mobile devices for punching in and out.

The City of Corona I.T. believes that consolidating these solutions into a cohesive solution will provide real-time visibility into timecard and scheduling process, allowing managers to make scheduling adjustments necessary to maximize efficiency. The inclusion of an integrated HR solution will give employees a one-stop location to view their hours, leave balances, benefits, check stubs, W2s, and will allow for a paperless open enrollment process. The solution needs to be secure and securely accessible to employees from anywhere, including, mobile devices.

In May of 2017, IT department oversaw staff engagement with analysts to see how an integrated HR and Timekeeping solution could potentially save the City money. A high-level evaluation was completed by reviewing Payroll data and interviewing city subject matter experts in multiple departments to understand how they currently perform timekeeping tasks. Results from the internal assessments and collected data identified the five-potential return on investments areas:

1. Payroll Accuracy - Assuming that our payroll is 99% accurate, a correction of 50% will potentially result in an estimated savings of $66,728 per year.

2. Worked Time Inflation -Manually entry recording for full time entries timesheets, when arriving late or early results in time paid, but not worked. Based in the total annual hourly payroll for 441 hourly employees, it was estimated that 10% of employees may be receiving extra pay with an average of 1 hour overstated per week. If the average hourly rate is $20, the total amount spent on this inflation is approx. $45,800. An automated timekeeping solution can reduce pay inflation by 75%, saving an estimated $34,398 per year.

3. Accrued Leave inflation - Any leave time is not properly deducted, either by requests not making it to payroll for hourly employees, or self-reporting not always being accurate. Based on an estimate of 8 extra hours per year and the total annual payroll of $75,185,372, reducing the occurrence of accrued leave inflation by 50% results in a potential savings of $144,587.

4. Overtime reduction - Providing visibility into the hours worked in all departments allows management to adjust the schedule to reduce controllable overtime. A solution could reduce controllable overtime by 5% at a savings of $447,081.

5. Front Line Manager Productivity - Based on interviews with staff, it was estimated that 10,088 labor hours per year (two hours per supervisor per week, 97 front line supervisors) is dedicate to time card related tasks. If this time was cut in half by an automated system, the number of hours saved could equate to a savings of 5,044 hours, $241,773 or the equivalent of 2.4 additional managers.

Staff analyzed the initial ROI data and took a more conservative approach in identifying the City's cost savings estimates

over a two (2) year period:

Two (2) Year Potential Savings

1.	Payroll accuracy -	$176,852
2.	Worked Time inflation -	$60,840
3.	Accrued Leave Inflation -	$94,430
4.	Overtime Reduction (incremental) - $243,074	
	Total	**$575,196**

Two (2) Year Efficiency Savings

1.	Front Line Manager Productivity -	$241,773
2.	Administrative Productivity -	$7,800
	Total	**$249,573**
	Grand Total	**$824,769**

Based on the in-depth research, external and internal analyses performed, and calculated potential savings, the City decided to solicit vendors through the RFP process, resulting in ADP as the best value software solution provider. In the solicitation phase, ADP performed a high-level analysis and determined the potential annual savings of $2.07 M in the areas of Time and Attendance, Benefits, Accounting, and Payroll/HR after an initial one-time cost of $96,250, first year renewal at $162,255 and on-going and annual renewal costs of $324,510 totaling a 2-year expenditure cost at $583,015. ADP's analyses and City's internal cost savings estimates well exceed the City's investment in a robust software solution.

Solicitation Process:

The City of Corona Purchasing Division solicited proposals from qualified, Time Entry, Payroll Processing, and Human Resource Management System vendors. The Information Technology Department will be overseeing the implementation of this new software.

On February 6, 2018, the City issued RFP 18-030CG, titled "Time Entry, Payroll Processing, and Human Resource Management System". The RFP was advertised in the Sentinel Weekly News on February 2, 2018 and posted on the City's website. The City solicited eight (8) contractors known to provide such services, with six (6) contractors submitting proposals by the submission date of March 6, 2018.

In order to select a vendor that best serves the City's service needs, the Purchasing Division conducted the competitive process by means of an RFP, as allowed by Ordinance 3230. Staff believes that the RFP conducted for these services is in the best interest of the City specifically because an RFP allows staff to evaluate potential consultants on additional criteria other than their bid amount, such as their staffing levels, performance with similar municipal agencies, software platform, security/maintenance, software solutions and technical expertise.

The evaluation of the proposals was conducted in two phases, Phase 1 "Proposal Evaluation" was based on four essential criteria: 1. Qualifications of Firm and Personnel; 2. Related Experience; 3. Responses to RFP and Scope of Work; 4. Reasonableness of Cost and Price. Phase 2 "Presentation Evaluation", vendor interviews, was based on four presentation criteria: 1. System Technology & Customization Capabilities; 2. Human Resources; 3. Timekeeping; 4. Payroll. ADP was evaluated and was deemed the highest scoring vendor in both phases of the evaluation criteria. A detailed description of each evaluation phase is contained within Appendix "A" - Procurement Summary, attached hereto and incorporated herein.

Six (6) proposals were received by the due date of March 6, 2018, and subsequently reviewed by City Staff panel. Phase 1 of the Evaluation was reviewed by the Core Evaluation Team, comprised of Human Resources, Finance, and Information Technology management staff. Phase 2 of the Evaluation was reviewed by the Core Evaluation Team and Internal Customer Team, consisting of direct users from various City Departments. Scoring for Phase 2 was calculated by aggregating each Team's individual score. The summary of evaluation scoring is presented below:

PHASE 1 EVALUATION RESULTS - PROPOSAL

Company	Score
ADP	80.48%
Kronos	69.05%
High Line Corporation	68.10%
Ultimate Software	60.40%
Tyler Technologies	54.05%
Unicorn HRO	43.86%

The Core Evaluation Team attended a meeting on March 20, 2018 to discuss the Phase 1 Evaluation results, and to perform a bidder down selection process to determine Phase 2 Evaluation. It is importa note that while High Line Corporation's proposal scored closely to Kronos' proposal, there was an addit cost associated with High Line Corporation's implementation which categorized their product as cost prohibitive. Their software platform required the use of an Oracle database which is not a database stru the City currently supports, nor does the City have the necessary skillset to support such a database. Procuring additional training for maintenance, upkeep, and general use of an Oracle database would be costly to the City. The Core Evaluation team arrived at the consensus that the top two (2) consultants v be invited to participate in presenting their respective software platforms. As such, ADP and Kronos we invited to participate in Phase 2 Evaluation and provided a presentation script detailing the required top and scoring scale breakdown.

PHASE 2 EVALUATION RESULTS - PRESENTATION

Company	Total Score
ADP	90.95%
Kronos	66.89%

Phase 2 of the evaluation process allowed both Teams the opportunity to assess ADP and Kronos on the following fundamental areas: 1. System Technology & Customization Capabilities; 2. Human Resources; 3. Timekeeping; 4. Payroll. On average, ADP scored significantly higher with the Core Team, Internal Customer Team, and in combined scoring. ADP received positive evaluator comments for software intuitiveness, end-user configuration capability, dashboard utility, and advanced reporting features. The summary of combined evaluation scores is shown below:

COMBINED EVALUATION RESULTS - PROPOSAL AND PRESENTATION

Company	Total Score
ADP	170.23%
Kronos	138.13%

Total compensation is comprised of Reoccurring Fees (Per Payroll Processing Fees and Monthly Processing Fees) and One Time Implementation Fees, as provided for in the Pricing Schedule set forth in Exhibit "C" (Compensation) attached to the PSA. Total compensation for the initial term of the ADP PSA is expected not to exceed $907,525, as discussed further below under PSA & Related Issues. Annual compensation is inclusive of:

- Year 1: One-Time Implementation Fees of $96,250; Reoccurring Fees of $162,255 (January 1, 2019 estimated start for these fees which are based upon employee count)

- Year 2:Reoccurring Fees of $324,510

- Year 3: Reoccurring Fees of $324,510

Professional Services Agreement & Related Issues:

In negotiating the terms of the Professional Services Agreement, ADP asked for a few revisions, most of which could be accommodated with minor wording changes approved by the City Attorney and Risk Management without substantive revisions. However, the following two revisions involve substantive revisions, were included with the recommendation for approval by staff and which can be approved as to from by the City Attorney with Council concurrence:

Limit on Liability (Section 3.6.18): It is almost universally true that software related services are not provided without a liability cap. That is, software companies almost universally refuse to enter into agreements without them, and public agencies have little leverage to have them removed. In this case, ADP had asked for an ordinary cap equal to 12 times the average monthly Reoccurring Fees (approximately $292,000 based upon a current approximate employee count of 720, up to the expected noted maximum of $324,510 based upon an employee count of 800) and an extraordinary cap - applicable to ADP's breach of the confidentiality requirement provided for in Section 3.5.5 of the PSA - equal to 24 times the average monthly Reoccurring Fees (approximately $584,000 to $649,020). City purchasing staff was able to negotiate a doubling of the ordinary cap to 24 times the average monthly Reoccurring Fees (approximately $584,000 to $649,020) and an increase in the extraordinary cap to 36 times the average monthly Reoccurring Fees (approximately $876,000 to $973,530). Staff believes that the limitation of liability cap is a measured risk that the City can accept based upon the I.T. Department's assessment of the risks associated with ADP's scope of work being quite low. That is, since the vast majority of their work is off-site and the risk of physical damage is almost negligible, the practical remaining risks are associated with errors in reporting or other data calculations, which the I.T. Department believes are quite low. In addition, the Finance Department believes that these risks can be further mitigated through testing and other protocols in place to avoid any significant on-going financial risks.

Total Compensation (Section 3.3.1): In evaluating the bidders on a level playing field and in establishing the caps on Total Compensation provided for in Section 3.3.1, staff utilized an employee count of 800 to provide some measure of contingency. The current authorized employee count is approximately 720, so the contingency should be more than adequate. Nonetheless, ADP requested that the following language be included in Section 3.3.1:

> "Total Compensation for any given year during the Term may deviate from the total set forth in this Section 3.3.1 only if the population of City employees included in the Services for any month during such given year increases to more than 800.

While this language, which is designed to accommodate ADP's trepidation, may seem open ended at first blush, it should not be an issue and can also easily be accommodated utilizing staff's delegated amendment/change order authority. It should not be an issue for the reason noted above - the City's current approximate employee count of 720 is not expected to reach 800. In fact, the last time the employee count was that high was in in the 2007-08 fiscal year. Even if the total compensation had to be increased, it would be done through the execution of a written amendment to the PSA. The City Manager's change order authority in this case is 25%, since as directed by the City Council on June 20, 2018, when such authority was reduced to 10%, any RFP's already in process are to follow the former version of (CMC) 3.08.070(I).

Kronos Telestaff SaaS Upgrade

The Information Technology Department is requesting an Exception to Bid pursuant to Corona Municipal Code (C.M.C.) Section 3.08.14 (B) - Non-Public Projects, No Competitive Market "When the purchasing agent and the authorized contracting party, with the approval of the City Manager, determines, in accordance with applicable law, that competitive market does not exist and that no competitive advantage will be gained by the public bidding process.

The Information Technology Department, with assistance from the Fire Department and Police Department, concluded that replacing Kronos Telestaff, the preferred and current law enforcement and fire suppression scheduling systems, would be extremely labor intensive to implement due in large part to the complex nature of the data that Kronos Telestaff currently supports and houses. In addition, rules have been established within Kronos Telestaff which allows both

Departments, the ability to conduct bi-annual shift coverage reallocations. These reallocations depend heavily on information such as the City's bargaining unit items, personnel qualifications, certifications, and internal policies. In addition, the Fire and Police Departments are in the beginning stages of implementing a department-wide CAD/RMS system which will indeed place a strain resources.

It was determined that an upgrade to Telestaff would be vital to allow successful integration between it, and the new Time Entry, Payroll, and Human Resource Management System (HRMS) procured through RFP 18-030CG. The upgrade will move Telestaff to an Software as a Services (SaaS) software platform, which provides the technical enhancements necessary for integration with ADP's software platform. The Information Technology Department solicitated a quote from Kronos for SaaS services and upgrade.

Total cost for the initial term (3 years) of Telestaff SaaS upgrade is $153,010 inclusive of:

- One-time Upgrade Fee of $25,290 - $12,645 per department

- Reoccurring Annual Fee of $42,240 - Fire Department: $14,400; Police Department $27,840

The Information Technology Department will work, in collaboration with Kronos, to implement the Telestaff SaaS upgrade, in anticipation of ADP Go-live phase scheduled for January 2019.

COMMITTEE ACTION:
Not applicable

STRATEGIC PLAN:
Not applicable

FISCAL IMPACT:
Funding for the Time Entry, Payroll Processing and Human Resource Management System project is available in the Capital Improvement Plan Budget as follows:

Project Name	Fund	Project	Total
Timekeeping System	110	72330	$ 500,000

Fiscal Year 2019 and beyond, the reoccurring costs will be contributed to the Information Technology - Internal Service Fund. The costs are split between ADP for the payroll processing and Human Resource Management System services and Kronos for the Telestaff public safety scheduling components. The estimated costs for the vendors and project are outlined as follows:

ADP:

YEAR	AMOUNT
1	$258,505
	Reoccurring Fees (01-01-19 Estimated Start) = $16
	One-time Implementation Fees = $96,250
2	$324,510
	Reoccurring Fees Only
3	$324,512
	Reoccurring Fees Only

Kronos:

YEAR	AMOUNT
1	$67,530
	Reoccurring Fees = $42,240
	One-time Implementation Fees = $25,290
2	$42,240
	Reoccurring Fees Only
3	$42,240
	Reoccurring Fees Only

These recurring cost impacts are for the Software Hosting, Maintenance and Support Agreement, and other various software and hardware licenses. **The ADP maintenance costs are effective 60 days after the "go live" date. Anticipated annual costs growth assumption is 3%.**

Year one is expected to start in FY 2018-19, with recurring costs expected to begin in FY 2019-20. Any capital project savings and/or any Information Technology Department contractual savings resulting from the transitional system crossover period will be applied to offset the maintenance costs. The recurring cost will be funded during the annual budget process as these are part of the agreement.

ENVIRONMENTAL ANALYSIS:
No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act

PLANNING AND HOUSING COMMISSION ACTION:
Not applicable

PREPARED BY: ADMINISTRATIVE SERVICES AND INFORMATION TECHNOLOGY DEPARTMENT

REVIEWED BY: CITA LONGSWORTH, PURCHASING MANAGER

REVIEWED BY: CHRIS MCMASTERS, CHIEF INFORMATION OFFICER

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: DARRELL TALBERT, CITY MANAGER

Attachment: ADP - PSA