



MEMO TO: Finance, Administration and Communications Committee of the Whole

FROM: Maria O'Neill, Technology Project Manager

DATE: June 25, 2019

SUBJECT: Workforce Management contract acceptance and project update

I. PURPOSE ☐ For Info Only ☒ Potential Agenda Item ☐ Scheduled for Council Action

II. RECOMMENDATION

Approval to move forward with presenting a contract amendment in the amount of \$523,515 with Kronos, Inc. for the implementation of Workforce Dimensions to consent agenda on July 16, 2019.

III. DEPARTMENT CONTACTS

| | |
|---|----------------|
| Jonny Chambers, TIS Director | (425) 556-2160 |
| Dawn Johnson, PMO Manager | (425) 556-2179 |
| Maria O'Neill, Technology Project Manager | (425) 556-2720 |

IV. DESCRIPTION/BACKGROUND

In 2017, an RFP was posted for replacement of our existing and outdated HR, Payroll and Timekeeping software systems. From the eight RFP responses received, Kronos, Inc. was selected as a solution provider. Their software solution proposal included a product called Workforce Central as the core HR solution. In October 2018, the City entered into contracts with Kronos, Inc. for software solutions and JK Seva as an implementation partner.

In March of 2019, the JK Seva contract was terminated as a result of their inability to adequately staff the implementation effort.

Prior to re-engaging with the implementation effort, the City revisited a conversation with Kronos concerning the version of the product that would best support the City's needs over the long term.

In 2017 when the City selected the Kronos Workforce Central solution, their newer product, Workforce Dimensions, had not yet reached maturity as a mainstream HR

solution across Public Sector organizations. Dimensions is now recognized as Kronos' flagship product and has since been implemented for several state and local governments. Kronos as well as the City team believe that the Dimensions product is the best version of the software for the City. Kronos is the preferred implementor of their product in the Public-Sector space at this time.

A. Analysis

The change from Workforce Central to Workforce Dimensions requires the City to amend the Kronos contract with updated licensing and implementation terms. Kronos has provided a scope of work and estimated cost adjustments for the implementation of Workforce Dimensions.

Fiscal Considerations:

The approved budget for this project is \$1,450,000. The proposed contract amendment with Kronos, Inc. would add \$523,515 to their existing contract. Total contract commitments remain within the approved project budget.

Comparison of initial implementation and licensing contracts and the proposed amendment with Kronos.

| Project Budget | Initial | Proposed |
|------------------------------|--------------------|--------------------|
| Kronos | \$645,025 | \$1,168,540 |
| JK Seva | \$264,600 | \$21,737 |
| Cornerstone | \$225,771 | \$225,771 |
| Contingency/Misc. Expense | \$314,604 | \$33,952 |
| Approved Budget Total | \$1,450,000 | \$1,450,000 |

Total project commitments including the Kronos amendment for implementation and licensing for Workforce Dimensions

| Proposed Project Commitments | 2019 | 2020 | 2021 | Total |
|-------------------------------------|------------------|------------------|------------------|--------------------|
| One Time | | | | |
| Kronos-Implementation | \$169,304 | \$270,284 | | \$434,594 |
| JK Seva (previously paid) | \$21,737 | | | \$21,737 |
| Ongoing Support | | | | |
| Kronos | \$235,119 | \$244,523 | \$254,304 | \$733,946 |
| Cornerstone | \$77,138 | \$73,581 | \$75,052 | \$225,771 |
| Contingency | | | | \$33,952 |
| Total | \$476,566 | \$588,388 | \$329,356 | \$1,450,000 |

V. TIME CONSTRAINTS

If Council chooses not to approve contracts at the July 16 Council meeting, the next opportunity would be August 20, resulting in a project timeline delay. Any delay to the project requires that the project Go Live is extended until the start of a new fiscal quarter.

VI. LIST OF ATTACHMENTS