



AGENDA MEMORANDUM

Action Item for the City Council Meeting October 01, 2019

DATE: October 01, 2019

TO: Peter Zaroni, City Manager

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Kronos Software License Renewal

CAPTION:

Resolution authorizing a three-year service agreement with Kronos Incorporated, for Kronos software license renewal for payroll timekeeping, in an amount not to exceed \$658,825.07, effective upon issuance of a notice to proceed, with Fiscal Year 2019-2020 funding in the amount of \$210,825.96 available in the Info Tech Fund.

SUMMARY:

This resolution authorizes a service agreement with Kronos Incorporated to provide hosting, support and maintenance for the Kronos application and clocks. This application is utilized city-wide by all departments for payroll timekeeping. The City has 90 Kronos clocks at various locations throughout the City. The existing agreement expires on September 30, 2019.

BACKGROUND AND FINDINGS:

On July 25, 2000, City Council authorized the purchase of the Kronos time management system. The system was purchased to capture employee time, is interfaced with our current Infor Payroll module, and utilizes 90 Kronos clocks throughout the City. On September 22, 2015, City Council authorized an upgrade to the Kronos time management system to version 8 and authorized the utilization of Kronos hosting services which enabled improved support, disaster recovery services, reporting capabilities, and data transfer to and from the Infor Payroll module. The cost of the 36-month service agreement was \$118,394.76 annually for three years and a one-time cost of \$11,237.50

Subsequently on December 4, 2018, City Council authorized the purchase of additional licenses for the Kronos time management system for city-wide implementation of electronic time-off leave requests utilizing the Kronos Online System and Kronos Mobile App for employees and managers. The cost of this purchase was \$83,352.50. The total cost for the Kronos service agreement and additional licenses in Fiscal Year 2018-2019 was \$201,747.26.

This agenda item is for license renewals for a three-year service period to include hosting of the application, software and technical support, maintenance and upgrades at an annual cost of \$210,852.96. Kronos clock hardware support will include sending a replacement clock via next business day when a clock is no longer in service and online access to the device service packs/firmware updates that become available.

ALTERNATIVES:

An alternative would be not to extend the Kronos license and upgrades; however, a new process would require the system in place to be replaced. Without support and maintenance, replacement of the hardware would be very expensive and the downtime to have it replaced would cause the City employees to have inaccuracy in their work hours.

FISCAL IMPACT:

The fiscal impact for the Info Tech Department is an amount not to exceed \$210,825.96 for the first year of a three-year agreement, with the remaining cost of \$447,999.11 budgeted in future years through the annual budget process.

Funding Detail:

Fund:	5210	Info Tech
Organization/Activity:	40470	IT Application Services
Mission Element:	242	Support Software Applications
Project # (CIP Only):	N/A	
Account:	530160	Rentals

RECOMMENDATION:

Staff recommends approval of this resolution authorizing a three-year agreement with Kronos Incorporated for the software license renewal.

LIST OF SUPPORTING DOCUMENTS:

Service Terms and Conditions