



AGENDA MEMORANDUM

Future Item for the City Council Meeting of September 15, 2015
Action Item for the City Council Meeting of September 22, 2015

DATE: August 31, 2015
TO: Ronald L. Olson, City Manager
FROM: Belinda Mercado, Chief Information Officer
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Upgrade Kronos Time Reporting System to Version 8

CAPTION:

Resolution authorizing the City Manager, or designee, to execute a conversion implementation agreement and a 36-month hosting services agreement with Kronos for a combined total of \$366,421.78, (\$118,394.76 annually for three years and a one-time cost of \$11,237.50) to upgrade the existing Kronos time reporting system, with the hosting agreement to renew annually subject to sufficient appropriations and payment of hosting fees. Funds are available in the Municipal Information Systems Department FY2014-2015 budget.

PURPOSE:

To upgrade the Kronos system to Version 8 and utilize Kronos hosting services which enables improved support, disaster recovery services, reporting capabilities, and data transfer to and from the Infor Payroll application.

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 and now is interfaced with our current Infor Payroll module and utilizes 85 time clocks throughout the city. The City is currently operating on Kronos Version 6 which has limited support and is installed on aging hardware that must be replaced.

Kronos, Inc. is encouraging their customers to move to a hosted environment by waiving the professional services cost to perform an upgrade to their hosted platform if an agreement is approved by September 30, 2015 (valued at a price of \$26,000) and providing 19 clocks (valued at \$47,000). Moving to a hosted solution will result in the decommissioning of 5 servers. In

addition, future software upgrades will be managed by Kronos as part of the hosting agreement which is included in the annual cost.

KRONOS, Inc. is the sole provider of this upgrade service and licensing. In accordance with Local Government Code 252.022(a)(7)(D), this is a sole source procurement.

ALTERNATIVES:

Not upgrade the Kronos application.

OTHER CONSIDERATIONS:

Not applicable

CONFORMITY TO CITY POLICY:

The proposed purchase conforms to City purchasing policies and procedures.

EMERGENCY/NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Municipal Information Systems Department
 Legal Department
 Office of Management and Budget
 Finance and Purchasing Department

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

| Fiscal Year: 2014-2015 | Project to Date Expenditure | Current Year | Future Years | TOTALS |
|-------------------------------|------------------------------------|---------------------|---------------------|----------------|
| Line Item Budget | | \$4,738,608.42 | | \$4,738,608.42 |
| Encumbered / Expended | | \$3,517,294.94 | | \$3,517,294.94 |
| This item | | \$129,632.26 | \$236,789.52 | \$366,421.78 |
| BALANCE | | \$1,092,681.22 | | \$854,891.70 |

Fund(s):5210

Comments: Funds are available in the Municipal Information systems Department FY2014-2015 budget. Funding will be requested during the normal budget process for all future years.

RECOMMENDATION:

Staff recommends approval of this agenda item.

LIST OF SUPPORTING DOCUMENTS:

Kronos Conversion Upgrade Resolution
 City of Corpus Christi - SaaS Conversion Order Form

City of Corpus Christi – SaaS Terms and Conditions
City of Corpus Christi – SaaS Conversion - Educational Services
City of Corpus Christi – SaaS Conversion – No Charge