City Council – Action Request Form

Date:	June 9, 2025
To:	Mayor, Mayor Pro Tempore, and Members of the City Council
From:	Thomas Kureczka, Chief Information Officer Angel Wright-Lanier, Assistant City Manager

Council Action Requested:
Resolution Approving a Contract with UKG Inc. for a New Human Resource Information System (HRIS)

Strategic Focus Area: Service Excellence
Strategic Objective: Ensure Service Delivery
Strategic Plan Action Item: No
Key Work Item: Yes

Summary of Information:

Replacing the City's current Human Resources Information System (HRIS) is a key work item for the Human Resources, Finance, and Information Technology Departments. The current system was implemented in 1996 as the initial business system migrated off the City's legacy mainframe computers. Considering the age of the system, it has served the City well at an affordable annual cost. While staff has upgraded the system with vendor updates periodically over the years, at this time the system has very critical limitations. The vendor has announced that the software platform will be end-of-life on December 31, 2026, with no support provided beyond. Staff has also been informed by the City's existing Time & Attendance System vendor that their platform will be end-of-life and no longer supported as of March 31, 2027.

Committee Action:

Committee	Committee of the Whole 06/09/2025	**Action**	Approval
For	Unanimous	**Against**	
Remarks:			

Staff wrote a Request for Proposal (RFP) for a new HRIS solution based on the City's business needs and requirements. The RFP was released to the public, with fifteen vendors responding with proposals. The RFP required that to be considered as a candidate the solution must meet the City's HRIS business needs. Meeting the Time & Attendance requirements was an option, but at a minimum, the solution must be able to at least integrate with the Time & Attendance system. Of the fifteen vendors who responded, a total of five were deemed unresponsive. Three were deemed unresponsive by the BIA Department for not providing the appropriate M/WBE information and two were deemed unresponsive by the Project Team for not providing enough information to fairly and accurately score the proposals.   Staff used the review and scoring criteria as defined in the RFP (round one of the scoring) to identify seven vendors to invite on-site for demonstrations of their solution and services.

Staff then used scoring criteria as defined in the RFP process for the review and scoring of the seven vendor presentations (round two of the scoring). The top-three ranked vendors where then invited to participate in one more series of presentations to staff, these being in a virtual setting. Based on the observations and scoring of this second series of presentations staff recommends the cloud based HRIS solution proposed by UKG Inc. (UKG) (round three of the scoring). The scoring panel included three representatives from the Human Resources and Finance Departments and two from the Information Technology Department.   Other staff from all three departments also participated in the on-site and virtual demonstrations and provided feedback in accordance to the City's purchasing policies and practices.

Key features of the UKG solution include:

- Centralized Data: Unifies employee, payroll, timekeeping records.
- Timekeeping: Tracks schedules, overtime, and provides electronic and mobile timesheet entry.
- Employee Self-Service Portal: Manages data, benefits, leave, and personal data.
- Benefits: Automates open enrollment and associated reporting needs.
- Compliance: Meets EEO, FMLA, ACA, FLSA requirements and regulations.
- Cloud and web browser-based solution that supports mobile devices.

The Request for Proposal for a new solution was released to the public and sent directly to 177 vendors. The list of companies directly notified of this opportunity are shown in Exhibit B. The 15 responses received were from the following vendors (vendors listed in bold were selected to complete the on-site presentations):

1. ADP (Lyric HCM)
2. **AST (Implementor for Oracle)**
3. **AVAAP (Implementor for WorkDay)**
4. Collaborative Solutions (Implementor for WorkDay)
5. **Creoal (Implementor for Oracle)**
6. Denovo (Implementer for Oracle)
7. Lanteria (Lanteria HR)
8. NeoGov
9. **OnActuate (Implementor for DayForce)**
10. **PDS (Vista)**

11. PeopleGuru
12. Stello AI
13. Strada (Implementor for WorkDay)
14. Tyler Technologies (Enterprise ERP by Munis)
15. UKG Inc. (UKG Pro)

The three vendors selected for the second series of presentations were:

1. OnActuate (Third-party implementor of DayForce)
2. PDS (Vista)
3. UKG Inc.

See the three Exhibits A-1, A-2, and A-3 for the complete proposal scoring for each of the three rounds of scoring, as well as the scoring criteria.

UKG Inc. has over 25 years of experience in developing, implementing, and providing HRIS and payroll solutions. The company's software product called UKG Pro has more than 2,500 public sector customers, including more than 2,000 federal, state and local government agencies across 50 states with 3,000,000 end users. UKG Inc. demonstrated that their UKG Pro solution satisfies 97.75% (347 out of 355) of the total requirements listed in the City's RFP, the highest percentage among all ten responsive vendors. The requirements included both critical 'must have' requirements as well as 'nice to have' requirements. The seven requirements that the UKG Pro solution does not meet are in the 'nice to have' category, new functionalities above and beyond what the existing system provides. Decisions will be made if to include these functions through additional custom-development during the process mapping phase of the project. Exhibit C illustrates UKG's Workforce Demographics.

The implementation of the UKG solution will result in the elimination of annual license and support costs for the existing software products and timeclocks. The most recent annual total costs for the existing products was $381,170

The project's Steering Committee has developed a staff augmentation plan to strategically address resource gaps resulting from reassigning the responsibilities of experienced staff to the new project. The staff augmentation will be accomplished with the use of new Full Time Employees (FTEs) and external consulting services. The FTE positions will be for a fixed period that will align with the duration of the project. The estimated cost of the eighteen-month staff augmentation plan totals $2,000,000.

The proposed first-year cost of the contract with UKG Inc. is $1,594,698, with $784,677 towards professional services and $810,021 for first-year hosted subscription fees. UKG Inc.'s commitment is that the annual subscription fees will not increase for the first five years of service. Staff also estimates $1,333,333 for staff augmentation during the first year of the project. The total estimated first-year implementation costs are $2,928,031. The total estimated five-year cost is $6,834,782.

One-Time Implementation	18-month Staff Augmentation	1st Year Subs. Cost	2nd Year Subs. Cost	3rd Year Subs. Cost	4th Year Subs. Cost	5th Year Subs. Cost	**Total Five Years**
$784,677	$2,000,000	$810,021	$810,021	$810,021	$810,021	$810,021	**$6,834,782**

Approval is requested to enter into a contract with UKG Inc. for $4,834,782. Funding for the one-time implementation (professional services), first-year subscription costs, and staff augmentation is part of the $4,325,000 project budget that has been allocated in the Employee Benefits Fund reserves. It is further requested that authorization be provided to renew the contract with UKG Inc. for four (4) consecutive one-year terms. Funding for the four one-year renewal of subscription fees will be included in the Information Technology budget.