City Council – Action Request Form

Date: June 14, 2021

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Ben Rowe, Assistant City Manager

Thomas Kureczka, Chief Information Officer

Council Action Requested:

Resolution Approving the Renewal of a Contract with Ultimate Kronos Group, Inc. for Hardware and Software Maintenance and Support Services

Strategic Focus Area: Service Excellence

Strategic Objective: Ensure Service Delivery Efficiency and Effectiveness

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

An important component of the payroll process involves collecting each individual's work time and determining the appropriate pay rate. Pay rates can vary significantly depending upon a range of variables including job classification, position, total hours worked, the day of the week, and whether or not holiday and overtime hours are involved. This is a complex process that requires customized hardware and software capable of conforming to the City's compensation policies.

The City uses hardware and software from Ultimate Kronos Group, Inc. (UKG) for this purpose, collecting time worked and applying specific pay rules that are used in compensation calculations. Time clocks from UKG are used by some departments to capture when staff begin and end their workday. UKG software is used by the Payroll staff to track and manage employee leave time. Each week department timekeeping administrators review and enter time for groups of staff. Reports from the UKG system provide detail and summary information for review by managers. An interface from the UKG software to our payroll application provides hours worked information by employee for payroll processing.

Committee Action:						
Committee	Finance 6/14/21	Action	Approval			
For	Unanimous	Against				
Remarks:						

The City has a support agreement with Ultimate Kronos Group, Inc. that provides maintenance services for the time clocks, updates and security patches for the software, and technical support to Payroll and Information Systems staff. Software updates are applied regularly to maintain compliance with City ordinance and State and Federal laws.

The proposed maintenance and support fee for hardware and software from Ultimate Kronos Group, Inc. for the 12-month period from July 24, 2021 through July 23, 2022 totals \$172,973.85.

The costs for the hardware and software maintenance and support services for the last four years and next four years are shown in the following table:

Contract	Time Period	Cost *	Percent
Year			Change **
1	7/24/17 to 7/23/18	\$146,269.98	
2	7/24/18 to 7/23/19	\$153,005.22	4.60%
3	7/24/19 to 7/23/20	\$159,664.10	4.35%
4	7/24/20 to 7/23/21	\$165,915.26	3.92%
Total	7/24/17 to 7/23/21	\$624,854.56	
1	7/24/21 to 7/23/22	\$172,973.85	4.25%
2	7/24/22 to 7/23/23	\$179,892.81	4%
3	7/24/23 to 7/23/24	\$187,088.52	4%
4	7/24/24 to 7/23/25	\$194,572.06	4%
Total	7/24/21 to 7/23/25	\$734,527.24	

^{*} The request for a new contract and three consecutive one-year term renewals for the period of the last four years was approved by the Mayor and City Council on May 15, 2017.

Approval is requested to renew the annual maintenance agreement with Ultimate Kronos Group, Inc. Funding for this renewal is included in the proposed FY 21-22 Information Systems budget. It is further requested that authorization be provided to renew for three consecutive one-year terms at an amount not to exceed 4% annual increases.

Exhibit A includes workforce demographics for Ultimate Kronos Group, Inc.

^{**}The percent change in years 2, 3, and 4 of the existing contract included the purchase of one additional time clock during each of the three years. The percent change for the period July 24, 2021 through July 23, 2022 includes the purchase of additional staff licenses.