



## Legislation Text

File #: 14-0907, Version: 1

Resolution to Approve a Contract with NuView, Inc. to Replace the City's Human Resource and Payroll System (\$570,900.00) and Approve a Project Budget of \$641,740.00 **(8 Votes Required)** Attached for your approval is a resolution which authorizes a contract in the amount of \$570,900.00 with NuView, Inc. for purchase, implementation and support of Human Resource Management system software for use by the City and its affiliated agencies.

In 2007, the City installed a Human Resource and Payroll system called Ultipro, by Ultimate Software. The Ultipro system included modules for Recruiting, Benefits Administration, Human Resource Administration and Payroll. The City has experienced a variety of issues related to the underlying database architecture utilized by Ultimate Software. In addition, due to changes such as new legislative requirements, the increase in recruiting volume and the increase in manual data entry involved in benefits administration, the City has found the Ultipro system unable to meet its' Human Resource needs.

The City has experienced serious customer service support issues with Ultimate Software, including lack of adequate response time and lack of true resolution to important issues.

Given the rapid changes and increased competition in the technology landscape, current Human Resource and Payroll systems would provide greater functionality with reduced long term costs.

Through RFP#880, and subsequent requests for quotes to include Payroll, the City received two proposals for a Human Resource System. A comparison of the proposal, including if the City were to continue with the existing vendor.

| Vendor                     | Yr 1 Implementation<br>& Subscription | 5 YR Total Cost of Ownership |
|----------------------------|---------------------------------------|------------------------------|
| Ultimate (existing Vendor) | \$458,100.00                          | \$1,668,967.00               |
| Workday                    | \$828,000.00                          | \$1,744,000.00               |
| NuView                     | \$583,400.00                          | \$893,000.00                 |

NuView is recommended as the lowest cost provider for a hosted total Human Resources/Payroll solution.

The benefits for replacing the Human Resource Management system with NuView's solution:

1. Reduce costs - currently the operating budget for Ultimate is approximately \$220,000.00. After adjusting for comparable functionality the existing vendor costs would be \$281,000.00, there would be an annual cost savings in software, hardware and support costs of approximately \$203,600.00. Cost savings start in year three.

2. Licensed SAAS model offered by NuView, Inc. allows the City to purchase the software licenses upfront, reducing annual operating expenses.
3. Price lock for 5 years - the annual operating expense for Ultimate Software is anticipated to increase at a rate of 3% annually.
4. Improved efficiency and system capability-the NuView system would allow data to be uploaded in mass quantity, which would greatly decrease the manual data entry required for the recordkeeping of union compensation actions, union wage tables, the hiring and separation of election workers, etc.

Staff recommends approving the NuView, Inc. contract to replace the human resource management system software with a project funding as follows:

|   |                     |
|---|---------------------|
| Implementation                            | \$269,000.00        |
| Subscription & Year 1 Maintenance/Hosting | 314,400.00          |
| Project Contingency (10%)                 | <u>58,340.00</u>    |
| Total Project                             | \$641,740.00        |
| Less Fund Already Appropriated            | <u>(485,000).00</u> |
| Additional Project Funding Required       | \$156,740.00        |

A ten percent (10%) contract contingency (\$58,340.00) is requested to cover potential contract change orders to be approved by the City Administrator.

Funding for the software and this project was planned for and approved in the Information Technology FY2015 budget. Additional funding for the Project is recommended from the Information Technology Fund Fund Balance.

NuView received Human Rights approval on June 3, 2014 and meet the City's living wage requirements.

Prepared by: Robyn S. Wilkerson, Director, Human Resources and Labor Relations

Reviewed by: Tom Crawford, CFO/Finance and Administrative Services Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, The City has experienced serious customer service support issues with Ultimate Software, including lack of adequate response time and lack of true resolution to important issues;

Whereas, Given the rapid changes and increased competition in the technology landscape, current Human Resource and Payroll systems would provide greater functionality with reduced long term costs;

Whereas, A licensed SAAS model offered by NuView, Inc. allows the City to purchase the software licenses upfront, reducing annual operating expenses;

Whereas, Partial Funding is available in the approved Information Technology FY2015 budget with the remainder of project costs to be funded by the use of Information Technology Fund Balance; and

Whereas, NuView received Human Rights approval on June 3, 2014 and complies with the City's Living Wage Ordinance;

RESOLVED, That the Information Technology Fund expenditure budget be increased by \$156,740.00 to \$641,740.00 funded with a use of Information Technology Fund Balance;

RESOLVED, That City Council approve a contract with NuView, Inc. for Human Resources Management System software in the amount of \$570,900.00 to be expended without regard to fiscal year;

RESOLVED, That City Council approve a contract contingency of \$58,340.00 (10%) to cover potential contract change orders to be expendible without regard to fiscal year;

RESOLVED, That City Council authorize and direct the Mayor and City Clerk to execute the contract with NuView, Inc. subject to approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, The City Administrator be authorized to take the necessary administrative steps to implement this Resolution including the authority to approve change orders within the approved contingency.