



Agenda Item Summary

File #: RES 17-519, **Version:** 1

Submitted By

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Reviewed By

LKS

Agenda Item Title

A Resolution Approving an Agreement with Kronos Incorporated to Purchase New Payroll Timeclock Equipment Compatible with the New BS&A Enterprise Resource Planning System Payroll Module and a Software License in an Amount not to Exceed \$39,660.00 and Authorizing its Execution

Overview

As authorized under Resolution 16-261, new Enterprise Resource Planning (ERP) software called "BS&A" was previously approved and purchased. This system includes modules for accounting/budget, receivables, payables, cash receipts, utility billing, payroll, and human resource management. This purchase is for implementing the payroll and human resources modules. In order to utilize the BS&A payroll module, only Kronos timeclocks are compatible with BS&A and must be purchased. Therefore, this is considered a sole source purchase and other vendor proposals were not requested or received.

Staff Recommendation

Approval of Resolution

Fiscal Impact

- A) One-time purchase for Timeclocks totaling \$35,160 charged to 3029.41300.909.570711 plus \$4,500 to set up the timeclocks and;
- B) Annual license fees for Kronos software of \$16,000 (subject to annual increases) charged to 1001.41300.101.550663 but this will not start until 2018.

Note: A 2017 budget amendment will be required for the purchase and setup of the new timeclocks totaling \$39,660.

Background

The first phase of implementing the financial modules has been completed and went as planned. The second and more complicated phase of the project is implementing the payroll and human resources modules. In order to utilize the BS&A payroll module, only Kronos timeclocks are compatible with BS&A and must be purchased. Therefore, this is considered a sole source purchase and other vendor proposals were not requested or received.

The BS&A payroll module is only compatible with a specific timeclock manufactured by Kronos Incorporated as presented herein for approval. The Village currently has a total of sixteen timeclocks linked into ADP and strategically placed at various Village locations for employees to punch in and out utilizing their employee ID cards.

The new timeclocks will work similar except they will be connected into the BS&A payroll module via the use of Kronos. The Kronos timeclocks and software will not only allow for tracking employee time but also manage the employee time-off requests and approval process. Each Kronos timeclock costs \$2,197.50 and staff recommends purchasing and installing the same number of clocks as currently used for ADP.

Kronos software must also be licensed in order to use these timeclocks and this is paid based on a monthly fee of \$3.78 per employee, or approximately \$16,000 on an annualized basis. This will be an ongoing expense and need to be budgeted every year starting with January 2018 and as long as the Kronos timeclocks are utilized.

Alternatives

Continue outsourcing payroll and request that BS&A cancel the purchase of the payroll module (not yet paid by Village).

Previous Board Action

N/A

Citizen Advisory Commission Action

N/A

Anticipated Future Actions/Commitments

N/A

Intergovernmental Cooperation Opportunities

N/A

Performance Management (MAP) Alignment

N/A