



# City of Galveston

## DEPARTMENT OF INFORMATION TECHNOLOGY

### STAFF REPORT

June 25, 2020

To: Brian Maxwell, City Manager  
Honorable Mayor and City Council

From: Hope Dean, Executive Director & CITO

**RE:** Consider approving a contract with Kronos to migrate the time and attendance software system to a cloud SaaS solution and authorizing the City Manager to enter into a contract for a 60-month term in an amount not to exceed \$325,714.

#### **I. BACKGROUND**

In 2003, the police department purchased electronic timekeeping and attendance hardware and software from Kronos, Inc. to meet the department timekeeping needs. The implementation aided the department in correctly calculating officer time and accruals. Further, the software assisted in eliminating the errors that were inherent to the paper timekeeping system. In 2005, the city extended use of the solution and purchased additional licenses to implement the software solution for citywide use, replacing its paper based system. Since the inception of its use, the solution has gone through 4 major upgrades as approved by council.

#### **II. CURRENT SITUATION**

1. Since its implementation, the software solution has been housed on premise. Hosting the solution on premise requires additional database and server licenses in addition to the annual software maintenance and support agreement with Kronos. Moving to a cloud hosted SaaS solution will eliminate the additional database licensing and hardware cost.
2. The current version of the software solution is out of date and uses older versions of Java and Flash that are no longer supported.
3. In February of this year, the city requested and council approved the renewal of the annual maintenance and support agreement for the existing solution an additional one (1) year term in the amount of or \$ 36,311.98; \$24,299.60 in software and maintenance support fees and \$ 12,082.38 covering hardware (time clock) maintenance and depot support fees. As per the sales order, Kronos will credit the city for any pre-paid software support fees already paid for the existing application. The exact credit for fees already paid is contingent on the billing start date for the new application.



4. Kronos is waiving implementation fees for the migration from the on premise solution to the hosted cloud SaaS solution if the contract is executed by 6/26/2020, reducing the cost of the project. Should the city decide to defer the project, the projected increase in cost is an additional \$ 82,000 in implementation fees. The cost of the migration project if approved by council in June is outlined as follows:

Description	FY20	FY21	FY22	FY23	FY24
SaaS Fees	\$44,550	\$44,550	\$44,550	\$44,550	\$ 44,550
Equipment Support Fees	\$12,082	\$12,687	\$13,321	\$13,987	\$14,687
Educational Expenses (Training)	\$ 4800	-	-	-	-
One time fees and professional services	\$400	-	-	-	-
Project Contingency	\$16,000	-	-	-	-
Estimated Travel Expenses (Actual)	\$15,000	-	-	-	-
<b>Total</b>	<b>\$92,832</b>	<b>\$57,237</b>	<b>\$57,871</b>	<b>\$58,537</b>	<b>\$59,237</b>

### III. ISSUES

1. The Kronos software solution is the only solution in place to track staff time and attendance.
2. The current software is at end of support and need to be replaced.
3. Staff are unable to keep the solution up to current supported version due to its proprietary nature. Upgrade of the solution requires professional services not covered under the annual maintenance and support agreement. Moving the software solution to the Cloud SaaS solution will reduce the additional cost of associated with database software support fees, hardware and other license fees and will allow the city to keep the software solution up to current version in the hosted environment at no additional cost to the city.

### IV. ALTERNATIVES

1. Discontinue the use the software solution and move to a paper based solution. This system would be difficult to managed to the size and complexity of city operations.
2. Purchase a time and attendance solution from another manufacturer or go back to a paper based system. The city has invested heavily in the solution. Moving to another solution would require the city to invest in new time clocks at an approximately cost of an addition \$ 100,000 in addition to the cost of the implementation of the new solution.

**V. RECOMMENDATION**

Approve the contract with Kronos, Inc. to migrate the time and attendance software system to a Cloud Hosted SaaS solution for a 60-month term for a cost not to exceed \$325,714.

**VI. FISCAL IMPACT REPORT**

Requested by:	Hope Dean Executive Director & CITO
Funding Source:	Technology Operating Budget/Capital Budget
Costs of implementation:	\$325,714

