



Agenda Item No. (7)

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of April 22, 2021

From: Cody Smith, Director of Accounting  
Kellee J. Hopper, Deputy General Manager, Administration and Development  
Joseph M. Wire, Auditor-Controller  
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE EXECUTION OF CONTRACT NO. 2021-D-033, TIME AND ATTENDANCE SCHEDULING SYSTEM - SOFTWARE LICENSES, APPLICATION & HARDWARE SUPPORT SERVICES, WITH KRONOS, INC.**

### **Recommendation**

The Finance-Auditing Committee recommends that the Board of Directors authorize execution of Contract No. 2021-D-033, *Time and Attendance Scheduling System - Software Licenses, Application & Hardware Support Services*, with Kronos, Inc. (Kronos) of Chelmsford, MA, to provide software licenses, access to global application support and hardware maintenance and support for the District's time and attendance scheduling system for a three-year term with two additional one-year option years, to be exercised at the General Manager's discretion, for a total not-to-exceed amount of \$367,735.70 over the entire term of the contract, including both option terms.

This matter will be presented to the Board of Directors at its April 23, 2021, meeting for appropriate action.

### **Summary**

At its meeting on May 21, 2015, the Board of Directors awarded Contract No. 2015-D-05, *Time and Attendance Scheduling System*, to Kronos in the amount of \$742,000 for the implementation and ongoing use, support and maintenance of a time and attendance scheduling system. The time and attendance scheduling system project commenced in June 2015 and was fully implemented in February 2021. Kronos provides a state-of-the-art time and attendance scheduling and leave management system that eliminates the archaic method of paper timekeeping, scheduling and leave management. This has greatly improved accuracy, reporting, recordkeeping and timeliness.

Contract No. 2015-D-05 will expire on April 30, 2021, at which point the District will need licenses and maintenance and support services to continue using the time and attendance scheduling system. These licenses and services are uniquely available from Kronos as there is no other contractor that is able to provide licenses to use, and expert application and hardware

assistance for, Kronos' proprietary system. For these reasons, District staff and counsel determined that waiving the competitive procurement requirements and engaging Kronos on a sole source basis is consistent with the District's procurement policy.

The District effectively negotiated with Kronos to include cost saving measures in this new contract. Such measures include modifying the number of licenses and modules to reflect the District's current needs and reducing certain standard annual cost increases from 4% to 2%. Negotiations have been the result of strong teamwork amongst the Payroll, Information Systems and Procurement Departments. Based on the historical costs of the time and attendance system and the District's future needs, staff determined that the price for the software licenses and application and hardware support services is fair and reasonable.

The District's Disadvantaged Business Enterprise (DBE) Program Administrator has determined Kronos, Inc. is not a DBE or small business firm.

### **Fiscal Impact**

The total cost for the time and attendance scheduling system software licenses and application and hardware support services for a three-year base term and two one-year option terms will not exceed \$367,735.70. Sufficient funds for the first year cost are available in the FY 20/21 District Division Operating Budget. Requisite funds for the remainder of the contract will be included in subsequent fiscal year Budgets. Average annual cost is approximately \$73,500.