



Agenda Item No. (11)

To: Finance-Auditing Committee/Committee of the Whole  
Meeting of December 14, 2023

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

Subject: **APPROVE ACTIONS RELATIVE TO PROJECT NO. 2413, KRONOS  
ELECTRONIC TIMEKEEPING SYSTEM UPGRADE**

### **Recommendation**

The Finance-Auditing Committee recommends that the Board of Directors approve the following actions relative to Project No. 2413, *Kronos Electronic Timekeeping System Upgrade*:

1. Authorize the General Manager to execute Contract No. 2023-D-107, *Workforce Management System*, with UKG Kronos Systems, LLC, in an amount not-to-exceed \$345,950, which includes \$57,950 for the upgrade and migration of the District's Kronos Electronic Timekeeping System from the Workforce Central version to the new Dimensions version and \$288,000 for the first five years of maintenance and support;
2. Establish a new capital project, Project #2413, *Kronos Electronic Timekeeping System Upgrade*, for the upgrade of the Kronos Electronic Timekeeping System, with a budget total of \$406,840. This amount includes professional services expenses, staff costs, contingencies and the first year of maintenance as detailed in the Fiscal Impact section of this report; and,
3. Authorize the General Manager to approve additional amendments to Contract No. 2023-D-107 to provide for future years' annual recurring maintenance and support for the Kronos Electronic Timekeeping System beyond the initial five-year term, at the current annual fee of \$57,600, subject to an annual cost increase not to exceed 8%, if funding is in the budget and if such renewals are deemed to be in the Golden Gate Bridge, Highway and Transportation District's best interest.

This matter will be presented to the Board of Directors at its December 15, 2023, meeting for appropriate action.

### **Background**

The Kronos Electronic Timekeeping System (Kronos) provides a state-of-the-art time and attendance scheduling and leave management system that eliminated manual timekeeping, scheduling and leave management systems. The Golden Gate Bridge, Highway and Transportation District (District) has transitioned most of its workforce (except bus operators) to Kronos which has greatly improved accuracy, reporting, recordkeeping, and timeliness.

Kronos' current timekeeping version has an end-of-life date of December 31, 2025. To avoid any lapse in support and software availability, the District's plan is to transition to the newest version of Kronos titled *Dimensions*. Dimensions is a cloud-native solution which offers improved scalability and flexibility, as well as advancements in user experience, extensibility, accessibility and data extraction and manipulation in comparison to the Kronos legacy version.

To ensure this upgrade occurs with minimal impact to District end-users, and to leverage the investment the District has already made in Kronos, the Information Systems and Payroll departments recommend leveraging a cooperative contract with UKG Kronos Systems, LLC (UKG) to continue utilizing Kronos and transition to the upgraded version.

Staff has conducted extensive negotiations with UKG to reduce the overall cost. Based on the resulting cost analysis, staff determined the negotiated price proposal is fair and reasonable.

The new capital project, *Kronos Electronic Timekeeping System Upgrade*, (Project #2413) also includes additional funds to be allocated to the District's contract with Techie Brains, a firm currently providing specialized professional services for the Kronos Electronic Timekeeping System. Services include troubleshooting, support and maintenance and additional modification of the existing modules. It also includes streamlining and updating older work rules, job assignments and configurations which are not reflective of current work schedules and duties.

The District intends to amend its existing contract with Techie Brains pursuant to authority previously delegated by the Board to the General Manager to continue utilizing Techie Brain's services at their existing rates on as-need basis during the Kronos upgrade. Techie Brains' expertise with Kronos is expected to lessen the impact on existing resources already allocated to other application implementations and upgrades and to ensure the project is completed within the next two years, which is before the end-of-life date.

The District's Disadvantaged Business Enterprise (DBE) Program Administrator has determined that UKG Kronos Systems, LLC, and Techie Brains, Inc. are not certified DBEs or small business firms.

### **Fiscal Impact**

Approval of this item will add a new capital project, *Kronos Electronic Timekeeping System Upgrade*, (Project #2413), to the FY 23/24 District Capital Budget in the amount of \$406,840. The project will be funded with 100% District funds.

The total cost of the project is \$406,840 in capital costs and \$230,400 in operating costs. The operating costs for this fiscal year are already included in the District's budget. The table below shows the components of the \$637,240 Project related to the Kronos upgrade.

The annual operating costs of the Kronos system is \$57,600 and currently budgeted for four years for a total of \$230,400 which will be included in future fiscal year budgets.

### Proposed Action

Description	Proposed New Capital Project Budget (#2413)	Proposed Operating Budget	Proposed Total
<b>Capital Expenditures (Project No. 2413)</b>			
Professional Services:			
<b>Professional Services Agreement</b> Contract No. 2023-D-107, <i>Workforce Management System</i> with UKG Kronos Systems, LLC	\$57,950		\$57,950
Year 1 Maintenance and Support for Contract No. 2023-D-107	\$57,600		\$57,600
<b>Professional Services Amendment #9</b> - Techie Brain, Inc, Technical Project Management	\$80,000		\$80,000
Techie Brain Contract Contingency	\$16,000		\$16,000
Project Implementation (Staff Labor)	\$70,200		\$70,200
Non-Rep Staff Fringe	\$46,800		\$46,800
General Project Expenditure (Historical Data Archive)	\$50,000		\$50,000
Project Contingency	\$28,290		\$28,290
<b>Subtotal – Capital</b>	<b>\$406,840</b>		<b>\$406,840</b>
<b>Operating Expenditures (Project No. 2413)</b>			
Years 2-5 Maintenance and Support for Contract No. 2023-D-107 (\$57,600/per annum included in future operating budgets)		\$230,400	\$230,400
<b>Subtotal – Operating</b>		<b>\$230,400</b>	<b>\$230,400</b>
<b>Total Authorization of this Action</b>	<b>\$406,840</b>	<b>\$230,400</b>	<b>\$637,240</b>

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