



# SELECTION OF ENTERPRISE RESOURCE PLANNING (ERP) SOLUTION

RS-24-019

February 6, 2024

# Background

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- ❑ May 2022 City Council Authorized \$2.5 million for ERP Software Replacement
- ❑ Current Enterprise Resource Planning System (Central Square) has been in place since 1998 (26 years)
- ❑ Antiquated financial, human resources and payroll systems that bottlenecks process improvement and is expensive to maintain
- ❑ Limited options for on-going support of the aging financial systems, of which there are several discrete systems, and the flexibility needed for process improvements is lacking

# Background (cont'd)

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- Steps for resolution:
  - Determined the best approach was to procure an Enterprise Resource Planning (ERP) Solution
  - Formed a joint Steering Committee with representatives from Finance, Human Resources, and Information Technology Departments to define the scope and start the process of procuring a new ERP
  - After a comprehensive evaluation process, the Committee recommended the City negotiate with OpenGov Technologies for the implementation services of Enterprise Resource Planning (Finance) and Ultimate Software Kronos (UKG) for HRIS (Human Resource, Payroll, Timekeeping, Telestaff Scheduling)

# Background (cont'd)

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- ❑ OpenGov facts:
  - ❑ Founded 2012
  - ❑ Industry-leading government software provider
  - ❑ Cloud-based solutions for –
    - ❑ Budgeting & Planning
    - ❑ Procurement (Contract Management, Bidding & Requisitioning)
    - ❑ Asset Management
    - ❑ Financials
      - ❑ Accounts Payable
      - ❑ Accounts Receivable
      - ❑ Cash Receipts
      - ❑ Purchase Orders
      - ❑ Document Management and Reporting

# Background (cont'd)

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- ❑ UKG (Ultimate Kronos Group) facts:
  - ❑ Founded 2020 – Ultimate and Kronos merged in 2020 to form UKG  
(Kronos has been in business since the 1980s)
  - ❑ All-encompassing workforce management software that utilizes technologies for:
    - ❑ Human Resources - applicant tracking, performance evaluation, training
    - ❑ Time and Attendance
    - ❑ Telestaff Scheduling
    - ❑ Payroll Services
    - ❑ Employee Services
    - ❑ Document Management and Reporting

# Proposed Project Cost – Initial Impact

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□ Project Budget – Gov't CIP Fund: \$2,399,741.00

□ Proposal –

■ OpenGov One-time Cost:	\$ 948,735.61
■ OpenGov Year 1:	275,841.00
■ OpenGov Year 2:	<u>432,689.90*</u>
Sub-total:	<u>\$1,657,266.51</u>
■ UKG One-time Cost:	202,479.70
■ UKG Year 1:	<u>395,568.00</u>
<b>Total:</b>	<b><u><u>\$2,255,314.21</u></u></b>

\*Includes true up cost for current Procurement Bidding Software and Transparency Portal

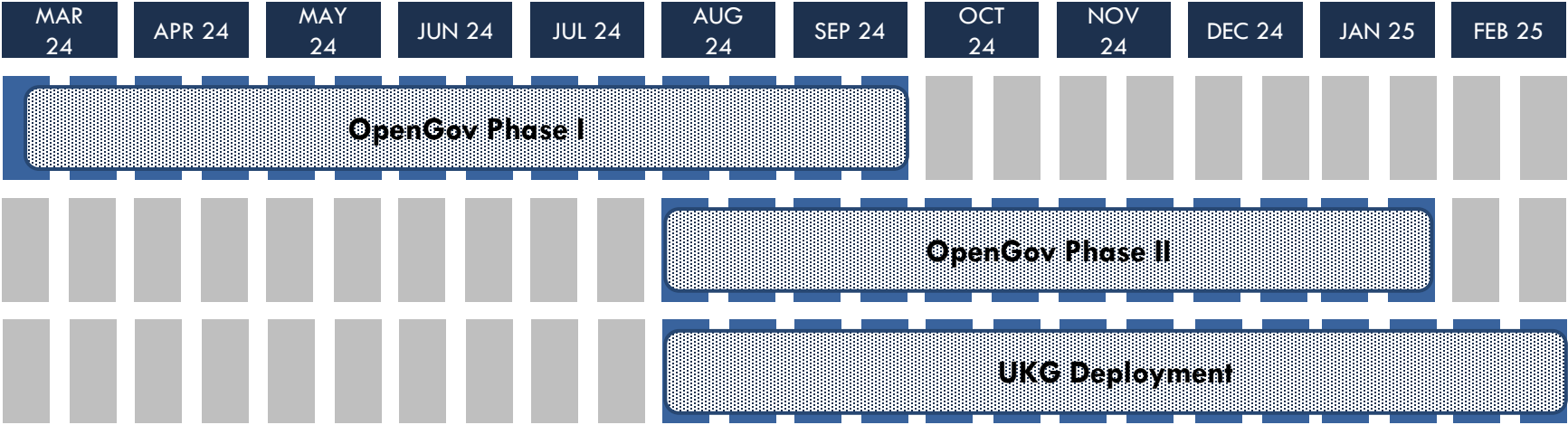
# Financial Impact

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Cost:	OpenGov	UKG	Total
Year 1	\$1,224,577	\$598,048	\$1,822,624
Year 2	432,690	411,391	844,081
Year 3	437,291	427,846	865,137
Year 4	459,155	444,960	904,115
Year 5	<u>482,113</u>	<u>462,759</u>	<u>944,872</u>
Total	\$3,035,826	\$2,345,004	\$5,380,829
CIP Funding	\$1,657,267	\$598,048	\$2,255,314
Operating Funding	\$1,378,559	\$1,746,956	\$3,125,515

# ERP PROJECT TIMELINE

**OpenGov** – Financials  
**UKG** – HR, Payroll, and Benefits, Telestaff



**OpenGov** - The typical project timelines are for illustrative purposes only and may not reflect Customer’s use cases. The order of delivery of the suites will be determined during the project planning phase.

**UKG** - The Estimated Duration stated above is an estimate based upon our experience with prior ERP Implementations. Depending upon the preparation and engagement of the city’s ERP Project Team, there may be opportunity to accelerate the completion of this engagement.



# Recommendation

City staff recommends that the City Council authorize the City Manager or his designee to enter into a Software-as-a-Service agreement with OpenGov and Ultimate Kronos Group (UKG) using DIR Contract DIR-TSO-4227 (OpenGov) and Omnia Purchasing Cooperative Contract #18221 (UKG) and #18220 (TeleStaff a scheduling platform within UKG) in an amount not to exceed \$5,380,829.09, and that the City Manager, or designee, be expressly authorized to execute any and all change orders within the amounts set by state and local law