DURHAM
1869
CITY OF MEDICINE

CITY OF DURHAM | NORTH CAROLINA

Date: December 10, 2014

To: Thomas J. Bonfield, City Manager
Through: Wanda S. Page, Deputy City Manager
From: Kerry L. Goode, CIO/Director of Technology Solutions
Subject: Kronos Incorporated – Timekeeping Software System, License, and Service Agreement

Executive Summary
In June of 2014 the City began negotiations with Kronos Incorporated to provide equipment, software, professional and educational services, and support that will enhance timekeeping and scheduling effectiveness for the Parks and Recreation and Fire Departments and will integrate with the City's Enterprise Resource Planning System, MUNIS.

This Agreement allows for professional services to implement Kronos Automated Workforce Timekeeping and Scheduling Solution for the Parks and Recreation Department and the Fire Department. The Kronos modules that will be utilized are as follows:

- Workforce Timekeeper
- Workforce Employee
- Workforce Manager
- Workforce Integration Manager
- Data Collection
- TeleStaff
- Auctions
- TeleStaff Web Access
- Gateway Manager

Recommendation
The administration recommends that the City Council authorize the City Manager to execute an Agreement with Kronos Incorporated for an Automated Workforce Timekeeping and Scheduling Solution at a cost of $265,164.40.

Background
Parks and Recreation Department – Current timekeeping processes in the department are "paper" systems and are extremely labor intensive. After manually tracking and keying time entries for fulltime employees and manually transcribing punched timecard entries onto pre-developed and printed payroll sheets for part-time employees, the paperwork is routed through the supervisory chain for approval. Additionally, scheduling of staff is site-based and manually managed for many of the department's employees, thereby making it difficult to maintain, track, and manage hourly employees efficiently.

Fire Department – Currently, the Fire Department uses an internal computer program to track leave and attendance of its employees and calculates overtime and halftime payments. Information is then uploaded into MUNIS for processing biweekly paychecks. The program is also used to store the Fire Department's personnel information which includes salaries.

The Agreement under consideration will provide the City with the following:

- A customer implementation guide.
- A project workbook or checklist and facilitate periodic status meetings.
- Remotely deliver project support services for an average of three hours per week.
- Ensure that all applicable requirements and Solution Design documents for the implementation of the product(s) are understood and completed.
- Install and build the solution per the Solution Design documents; basic unit testing to validate the build against the Solution Design document will be performed.
- Testing performed by Kronos will resolve all critical open issues as well as deploy planning and support.
- Secure maximum user adoption.
- An education strategy to train the implementation, functional, and technical project team members and end users.

Implementation of a centralized, automated workforce management solution that provides consistency in the application of policies, minimizes compliance risks with labor laws, and optimizes operational efficiencies. Implementation of this system will also control the effects of employee absences as well as labor costs through improved efficiencies.

Issues/Analysis

With the current timekeeping systems, the Parks and Recreation and Fire Departments have experienced several issues while processing time and attendance.

In Parks and Recreation, the current paper timekeeping process system is inefficient and extremely labor intensive. Timekeeping for 109 fulltime employees (leave and attendance) is a paper operation that is manually tracked and keyed; timekeeping for up to 500 part-time employees is antiquated. Currently, part-time employees are using electronic ink ribbon impact stamp time clocks to punch timecards that are manually transcribed onto pre-developed and printed payroll sheets for each work unit. This paperwork is then routed through a supervisory chain of command for approval and then submitted to the department's timekeeper(s) who then (1) recalculates all submittals and corrects mathematical errors; (2) manually checks for FLSA overtime hours and comp hours; (3) keys the hours into the City's financial software, MUNIS; and, (4) reports are then run and all keyed time rechecked for accuracy.

In addition to the inefficient timekeeping process, scheduling of Parks and Recreation fulltime and part-time staff is also inefficient. The timekeeping process is individually site-based and manually managed at more than one dozen sites, making it difficult to maintain, track, and manage hourly employees efficiently for best business practices and required labor regulations. Implementation of an automated software solution would provide "real-time" staff locations, assignments, and scheduling. This scheduling module and timekeeping software would interface with the MUNIS financial system and resolve inefficiencies in the existing system.

This system, if implemented in Parks and Recreation, would reduce keying errors; streamline, centralize, and automate leave and attendance approvals; and create a workforce management solution that would provide consistency in the application of all policies (FLSA, retirement, i.e., 1,000-hour

employees, overtime, etc.), minimize compliance risks with labor laws, optimize operational efficiencies, implement controls for employee absences, and control labor costs through improved efficiencies.

In the Fire Department, for example, accuracy in calculating overtime has been a problem when including the five-digit employee numbers. The Fire Department uses an internal computer program called Fire Department Personnel Leave and Overtime (FDPLO) system. This computer program does not accept five-digit numbers which, in the past, resulted in the creation of "dummy numbers" that had to be keyed into one system under one number and another number for the same information. A "patch" program was implemented by the Technology Solutions Department to accept the five-digit employee numbers.

In addition to using the system to track leave and attendance, it has calendaring capabilities that run an additional program to calculate the Fire Department's overtime and halftime payments to employees. This information is then uploaded into MUNIS for processing the biweekly paychecks. For the most part, the information for the upload is processed manually and is very time consuming when processing payroll.

The time required for coordinating information between FDPLO and MUNIS has increased the job responsibilities of the timekeeper position. With both systems, data entry and recordkeeping have increased significantly. Time spent on these duties will only continue to increase as long as there are increases in personnel. The Administrative Assistant position was originally responsible for the timekeeping duties; however, this position was eliminated during the FY10 budget process. The duties of the position are now shared among several employees in the department which is very time consuming.

The City of Durham desires to procure an "Automated Workforce Timekeeping and Scheduling" system that will allow for automation of timekeeping, integration of timekeeping data, and provide calendaring capabilities for all three shifts at the Fire Department. The system will integrate with the City's current ERP MUNIS system and send nightly feeds of information to MUNIS for payroll processing.

The new timekeeping system will ultimately provide consistency, minimize compliance risks, improve accuracies for both departments, and control labor costs through improved efficiencies and scheduling. Additionally, workloads can be eased by freeing up time spent on manual processes and allow employees the ability to concentrate on other job-related tasks. Department will have the ability to make more effective, knowledge-based decisions regarding overall personnel costs.

Alternatives
If the City of Durham is not allowed to purchase the Kronos Timekeeping System and Support that will automate and enhance the timekeeping and scheduling effectiveness for the Parks and Recreation and Fire Departments, those departments will have to continue to use the outdated manual and incompatible systems that are currently being used for timekeeping.

Financial Impact
The total cost for the system will be $265,164.40 inclusive of annual support charges of $24,534.30 to be paid from the Enterprise Resource Planning Fund (ERP) in FY15. Beginning in FY16, the funding required for the annual support shall be paid from the Parks and Recreation and Fire Departments' operational budgets.

SDBE Summary
The Equal Opportunity/Equity Assurance Department reviewed the proposal submitted by Kronos Incorporated and has determined that they are in compliance with the Ordinance to Promote Equal Business Opportunities in City contracting.

SDBE Requirements
There were no SDBE firms to provide this service.

The workforce statistics for Kronos Incorporated are as follows:

Total Workforce	**2,422**	**100%**
Total Females	**983**	**41%**
Total Males	**1,439**	**59%**
Black Males	**35**	**1%**
White Males	**1,245**	**51%**
Other Males	**159**	**7%**
Black Females	**40**	**%**
White Females	**815**	**34%**
Other Females	**128**	**5%**