COUNCIL MEETING
September 18, 2007

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the City Council:

SUBJECT: Communications and Information Technology (CIT) and Finance – Authorize a purchase order for additional consulting services for the new Payroll Timesheet Data Entry System by Kronos, Inc, of Chelmsford, Massachusetts.

Expenditure: $33,720

RECOMMENDATION

The Information Technology and Finance Directors recommend that City Council authorize a purchase order for needed software changes requiring additional consulting services to the Payroll Timesheet Data Entry System by Kronos, Inc, of Chelmsford, MA. The cost of the additional change orders will bring the total project cost to $200,029.

Funding

Funding is available in the Payroll System Project FEAP 19 of the Capital Improvement Fund.

BACKGROUND

On September 18, 2006, the City authorized and licensed Kronos, Inc., of Chelmsford, Massachusetts, (Council item 8F, contract # 2006-187) to provide an online timesheet data entry and payroll approval processing and routing software application system for an amount not-to-exceed $155,909. The Kronos software application system will provide the capability for staff to record hours worked online, then route digital timesheets to supervisors and managers for approval prior to payroll submission.

On February 27, 2007, the City approved additional staff training (Council item 8B) to facilitate backup support for the Kronos online timesheet data entry application system and authorized $10,400. Assignment changes of designated Finance Department staff and CIT's need to have more than one person knowledgeable enough to provide backup support for Kronos, prompted the request for additional staff training.

ANALYSIS

The Kronos project requires additional consulting hours to customize its leave request routing to meet operational requirements and to upgrade to the most current software version before implementation into production.

Kronos recently released a significant software technology upgrade that prepares us for the potential Phase II implementation for time entry from remote locations where there are no computers. Phase II will incorporate recording one's time via telephone and/or timeclock device.

To prevent us from implementing Kronos into production, then having to migrate to this software upgrade a year from now and having to re-train staff on the upgraded software changes, we are upgrading to the most current software version of Kronos before implementation into production.

The additional hours needed are detailed in the table below:

Change Order	Hours	Cost	Description
Implementation	39	$6,240	Additional hours are required to complete the product configuration as the import of cost allocations from the payroll system were more complex then originally estimated.
Customize Leave Request Routing	40	$8,600	Departmental surveys revealed additional needs for leaves request routing. Minor customization is needed to allow for both two and three-tier routing.
Upgrade to Version 6.0	118	$18,880	User screen and technology upgrades for ease of use and upcoming technology changes.
Total		$33,720	

It is recommended that City Council authorize the Information Technology Director to approve the needed change orders for additional Kronos consulting services in order to complete the project implementation.

Respectfully submitted,

RICHARD SHIGAKI
Information Technology Director

ERIC TSAO
Finance Director

CONCUR:

LeRoy J. Jackson
City Manager