



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital
FROM: Lena Kostopulos, Human Resources Manager
DATE: 2/19/2016
SUBJECT: Human Resources Information System Replacement
OBJECTIVE: Board Action – consent calendar approval of vendor contract (Ultipro)

Issue

The replacement of EWEB’s current HR Information System has been identified as a 2016 priority need in order for the Utility to mitigate significant risks associated with the current system.

Background

In 2009, the Utility purchased “e-Personality” from Highline Corporation. The life of that system was originally projected to be sufficient to support the needs of the Utility until 2017. Over the last 18 months, there have been repeated and serious system challenges, including those which put EWEB’s ability to meet payroll deadlines, satisfy tax and ACA reporting requirements at risk. EWEB learned that Highline was sold to an employee group and since that time, the vendor has failed to sufficiently support the software and to provide service to ensure the system’s reliable performance. The number of labor hours required to support the system has steadily escalated to levels which are unsustainable. The Utility has been forced to enter temporary agreements and otherwise unnecessary ownership of application and client software to support the failing system. 2016 W2 and ACA tax reporting had to be outsourced to ensure legal compliance.

Discussion

A qualified and reputable vendor (Ultimate Software) of a fully hosted solution (Ultipro) which will be integrated with other EWEB systems has been identified. Beyond addressing the reliability risks of the current system, the new solution will unburden internal resources while also providing additional key features and functionality necessary to support the needs of an employer of EWEB’s size and scope into the future. Ultipro will enable efficiencies in HR, Payroll and throughout the Utility. The Ultipro system will enable managers and supervisors to access data that will inform business decisions related to budget, staffing, scheduling and employee management. Employees will also benefit from the ability to access their individual information and maintain their own benefits and personal records. Following initial implementation costs, the annual cost of Ultipro will be only slightly higher than the costs currently being incurred for the failing e-Personality system and its associated non-integrated applications and software (to be discontinued). While not an actual savings, the internal labor resources presently devoted to the maintenance of the current system will be redirected to other IS projects. From a sustainability perspective, Ultipro will eliminate most and eventually potentially all, the paper transactions related to the employment life cycle and will also enable considerable internal controls improvements.

Recommendation

After considering other vendors, the recommendation is that EWEB enter into an agreement with Ultimate Software to purchase and implement the Ultipro system.

Requested Board Action

Approve the attached contract as presented.

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with **Ultimate Software Group, Inc.** for the purchase of an **Integrated Software as a Service (SaaS) Human Capital Management Services (HCMS) solution.**

Board Meeting Date: March 1, 2016

Project Name/Contract#: Integrated SaaS HCMS Solution/RFP 047-2015

Primary Contact: Lena Kostopulos Ext. 7466

Purchasing Contact: Tracy Davis Ext. 7468

Contract Amount:

Original Contract Amount: \$ 1,300,000

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 1,300,000

Resulting Cumulative Total: \$ **1,300,000**

Contracting Method:

Method of Solicitation: Formal Request for Proposals

If applicable, basis for exemption: N/A

Term of Agreement: March 1, 2016 – February 28, 2021

Option to Renew? Annual renewals

Approval for purchases "as needed" for the life of the contract Yes

Action Requested:

Contract Award
 Contract Renewal
 Contract Increase
 Other

Funding Source:

Budget
 Reserves
 New Revenue
 Bonding
 Other

Form of Contract:

Single Purchase
 Services
 Personal Services
 Construction
 IGA
 Price Agreement
 Other

NARRATIVE:

The Board is being asked to approve a new contract with **Ultimate Software Group, Inc.** for the purchase of an **Integrated Software as a Service (SaaS) Human Capital Management Solution (HCMS).**

EWEB's current human resources and payroll system is near end of life and vendor support has become limited which has raised concerns about EWEB's ability to ensure payroll is processed timely and accurately. In order to continue processing accurate payroll and increase effectiveness and efficiencies throughout the organization, EWEB issued a Request for Proposals (RFP) for an integrated SaaS HCMS to manage human resources, benefits, payroll, time & attendance, recruiting, performance management, compensation management, and employee and manager self-service activities. Employees will have ability to change addresses, W4 elections, and enroll in benefits via self-service. Managers will have expanded access to employee data and will have the ability to initiate employee actions on-line. EWEB currently uses four separate systems to meet these needs which are not integrated and require significant manual processes.

Contract activities include license subscriptions, five years of software support, as well as limited implementation planning and analysis, configuration, testing, and training of the new solution.

In November 2015, staff issued an RFP. Three proposals were received; however one was deemed non-responsive due to missing a major required element. Kronos Incorporated, of Chelmsford, MA, and Ultimate Software of Weston, FL, were evaluated based on the evaluation criteria stated in the RFP. Evaluation criteria included: ability and capability to perform the work by providing responses to requirements; methodology and approach; assigned staff qualifications and experience; references; SaaS experience; maintenance and innovation; and pricing. Ultimate Software was deemed the highest ranked proposer.

Staff has issued a notice of Intent to Award a contract to Ultimate Software and has negotiated a contract, pending Board Approval.

ACTION REQUESTED:

Management requests the Board approve a new contract with **Ultimate Software Group, Inc.** for the purchase of an **Integrated Software as a Service (SaaS) HCMS solution.** Funds for this purchase were budgeted for 2016 and will be budgeted annually.

SIGNATURES:

Project Coordinator: _____

LT Manager: _____

Purchasing Manager: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____