

MOTION NO. M2015-35

**Contract for the Human Resource Management System Project**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	05/07/2015	Meeting Cancelled	Valentina Zackrone, Chief Human Resource Officer
Board	05/28/2015	Final Action	Brian McCartan, Executive Director of Finance and IT Bridget Miller, Senior IT Project Manager <b>Kitty Wold, Total Rewards Manager</b>

PROPOSED ACTION

Authorizes the chief executive officer to execute a five-year contract with ten additional one-year options with Ultimate Software Group, Inc. to provide human capital management, payroll and timekeeping services for Human Resource Management System Project in the amount of \$1,513,673, with a 15% contingency of \$227,051, for a total authorized contract amount not to exceed \$1,740,724.

KEY FEATURES SUMMARY

- Under this contract, the vendor will supply their SaaS (software as a solution) product to support a new Human Resources Management System (HRMS). The HRMS will include: HR recruitment, applicant tracking, onboarding, personnel administration, performance management, compensation, benefits, leave management and succession planning, as well as payroll and timekeeping functions.
- The software solution will benefit Sound Transit by providing the following:
  - Improved automation of business processes and elimination of workarounds and manual processes
  - Compliance with legal requirements for electronic communications and data privacy
  - Security features that will be easier to implement and maintain
  - Scalability to allow for changes in full-time employees (FTEs)
- The amount requested covers five-years of subscription costs, implementation, data transfer and new functionality. To help control future costs, the team has negotiated a contract to extend through 2029. Staff will return to the Board to seek additional funding for the contract options following the initial five-year term.

BACKGROUND

In February 2013, an initial assessment of Sound Transit’s existing J.D. Edwards Enterprise One (E1) system and Human Resources (HR) / Payroll / Timekeeping functionality was completed by the external business services firm, Moss-Adams. Moss-Adam’s findings included recognition that HR functionality was substandard and deficient in many areas with many manual processes and workarounds.

Following this assessment, the agency engaged the services of HR Logistics to assess the current state of the HR / Payroll / Timekeeping modules in the E1 system, and evaluate various options available to address the current weaknesses. The current state assessment concluded that extensive manual processes, workarounds, duplicate data entry and validation steps were needed to ensure the HR / Payroll / Timekeeping functions maintained the level of quality and accuracy required. The assessment also indicated that the current market of HR technology solutions provides many of the missing elements in the E1 system as standard functionality.

On September 24, 2014 Sound Transit solicited proposals for the Human Resource Management System through a competitive Request for Proposals. Five firms submitted proposals and were evaluated. Three finalists were evaluated through extensive demonstrations, reference checks and site visits. Ultimate Software Group, Inc. was determined to be the firm that best met the evaluation criteria, offered the best value and is in the best interest of Sound Transit. A Best and Final Offer (BAFO) and additional price negotiation was conducted with Ultimate Software resulting in a 23% price reduction.

FISCAL INFORMATION

This action executes a five-year contract with ten additional one-year options with Ultimate Software Group, Inc. to provide human capital management, payroll and timekeeping services for Human Resource Management System Implementation Project for a total not exceeding \$1,740,724.

The total contract cost includes funding from both capital and department budgets. The initial set up cost of \$724,883 will be capitalized and is budgeted under the Information Technology Program project. The balance of the contract is \$1,015,840 which is the projected cost of subscriptions to the system for the next 4 years (2016-2019) and will be requested in future years under the Finance & IT Department budget.

Capital costs in this action are within the Adopted Budget and sufficient funds remain after the approval of this action to fund the remaining work in Information Technology Program project as contained in the current cost estimates.

CONTRACT DETAIL	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
<b>Ultimate Software Group, Inc.</b>			
Contract Amount		1,514	1,514
Contingency Amount		227	227
<b>Total Not to Exceed Value</b>		<b>1,741</b>	<b>1,741</b>
Percent Contingency		15%	15%

INFORMATION TECHNOLOGY PROGRAM	Adopted 2015 TIP	Spent to Date	This Action	Spent to Date Plus Action	Uncommitted / (Shortfall)
Admin Capital	30,790	9,220	725	9,944	20,846
Agency Admin	380	406		406	(26)
Prelim Engineering/Env Review	1,065	122		122	943
<b>TOTAL IT CAPITAL PROGRAM BUDGET</b>	<b>32,235</b>	<b>9,747</b>	<b>725</b>	<b>10,472</b>	<b>21,763</b>

SUB BUDGET DETAIL	Adopted 2015 TIP	Spent to Date	This Action	Spent to Date Plus Action	Uncommitted / (Shortfall)
IT Capital - HRMS	2,200	21	725	746	1,454
Unallocated Contingency	-	-	-	-	-
<b>Total Sub Budget Budget</b>	<b>2,200</b>	<b>21</b>	<b>725</b>	<b>746</b>	<b>1,454</b>

FINANCE & INFORMATION TECHNOLOGY DEPARTMENT BUDGET	Adopted 2015 TIP	Spent to Date	This Action	Spent to Date Plus Action	Uncommitted / (Shortfall)
IT Department budget (2016 and onwards)	-	-	1,016	1,016	(1,016)
<b>TOTAL FIT DEPARTMENT BUDGET</b>	<b>-</b>	<b>-</b>	<b>1,016</b>	<b>1,016</b>	<b>(1,016)</b>

Notes:  
 Amounts are expressed in Year of Expenditure \$000s.  
 Board Approvals = Expenditures up to Feb 2015  
 The project budget located on page 146 of 210 of the Adopted 2015 Transit Improvement Plan (TIP)

## SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

### **Participation by Small Businesses and Disadvantaged Business Enterprises (DBEs)**

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of Small Businesses/DBEs available to perform such subcontracting work.

Sound Transit determined that Small Business and DBE subcontracting opportunities are infeasible or improbable based upon the work described in this contract, so Small Business/DBE goals were not established or required.

### PUBLIC INVOLVEMENT

Not applicable to this action

### TIME CONSTRAINTS

A one month delay would create a significant impact to the project schedule.

### ENVIRONMENTAL REVIEW

JI 3/13/2015

### LEGAL REVIEW

JW 5/04/2015

## **MOTION NO. M2015-35**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a five-year contract with ten additional one-year options with Ultimate Software Group, Inc. to provide human capital management, payroll and timekeeping services for Human Resource Management System Project in the amount of \$1,513,673, with a 15% contingency of \$227,051, for a total authorized contract amount not to exceed \$1,740,724.

### **BACKGROUND:**

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Following this assessment, the agency engaged the services of HR Logistics to assess the current state of the HR / Payroll / Timekeeping modules in the E1 system, and evaluate various options available to address the current weaknesses. The current state assessment concluded that extensive manual processes, workarounds, duplicate data entry and validation steps were needed to ensure the HR / Payroll / Timekeeping functions maintained the level of quality and accuracy required. The assessment also indicated that the current market of HR technology solutions provides many of the missing elements in the E1 system as standard functionality.

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The software solution will benefit Sound Transit by providing improved automation of business processes and eliminate workarounds and manual processes, comply with legal requirements for electronic communications and data privacy, provide security features that will be easier to implement and maintain and scalability to allow for changes in full-time employees (FTEs).

The amount requested covers five-years of subscription costs, implementation, data transfer and new functionality. To help control future costs, the team has negotiated a contract to extend through 2029. Staff will return to the Board to seek additional funding for the contract options following the initial five-year term.


**MOTION:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a five-year contract with ten additional one-year options with Ultimate Software Group, Inc. to provide human capital management, payroll and timekeeping services for Human Resource Management System Project in the amount of \$1,513,673, with a 15% contingency of \$227,051, for a total authorized contract amount not to exceed \$1,740,724.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 28, 2015.

  
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Paul Roberts  
Board Vice Chair

ATTEST:

  
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Kathryn Flores  
Board Administrator