



CITY OF POMONA COUNCIL REPORT

December 17, 2018

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted by: Onyx Jones, Finance Director/City Treasurer

Subject: **Adopt a Resolution Amending the FY 2018-19 Capital Improvement Program (CIP) Budget for "Financial Software Project," Project No. 428-2590-XXXX-71048 by Appropriating \$26,604 from Series "BG" Bond Funds; Authorize City Manager to Execute a Contract with High Line Corporation to Upgrade and Implement Human Resources, Payroll and Timekeeping Software Program and Cancel Contract with Personnel Data Systems Inc. (PDS)**

OVERVIEW

Recommendations - That the City Council:

1. Adopt a Resolution to amend the FY 2018-19 Capital Improvement Program (CIP) Budget by appropriating \$26,604 in Series "BG" Bond Funds (formerly "AV") for "Financial Software Project," Project No. 428-2590-xxxxx-71048; and
2. Authorize the City Manager to execute a contract not to exceed \$120,000 with High Line Corporation for the installation and implementation of the Human Resources, Payroll and Timekeeping Software program.
3. Authorize the City Manager to cancel the Contract with Personnel Data System Inc.

Fiscal Impact- The current FY 2018-19 CIP budget includes funding in the amount of \$821,013 for the "Financial Software Project" Project No. 428-2590-xxxxx-71048. To date, a total of \$760,381 has been encumbered or expended, leaving an existing balance of approximately \$60,632 prior to the amendment.

Financial Software Project 428-2590-XXXX-71048	
Beginning Budget	\$821,013
Appropriation of Series "BG" Bond Funds	26,604
Revised Budget	847,617
Expenditures/Encumbrances as of Dec 4, 2018	(760,381)
Balance remaining for Design, Development, Contingencies & Miscellaneous Costs	\$87,236

Once Council approves the additional \$26,604 appropriation from Series “BG”, Finance will be able to redistribute the Financial Software Project funds based on the needs for each module listed below.

CIP – Financial Software Project 428-2590-XXXX-71048	
Modules	Amount
Misc. FMS Upgraded/Enhancement	\$226,823
HDL – Business License	95,079
HR/Benefits/Payroll/Timekeeping	300,551
Parks and Recreation Software	50,000
Reporting Software	30,000
Project Manager	140,000
CIP Overhead Allocation	5,164
Total CIP Project	\$847,617

Previous Council Action - On February 10, 1999, the City purchased a new Payroll, Time & Attendance, and Human Resources software operating system from the system developer High Line Corporation. Since the original purchase of the software, there have been several new software releases and newly developed upgraded modules. Most recently, High Line has upgraded its platform from ePersonality software to NextGen software. Effective January 2019 the City’s current software license for ePersonality will no longer be supported.

On July 17, 2017 a purchase order was approved in the amount of \$163,980 to provide Human Resources and Benefits software solution, Vista, with Personnel Data Systems (PDS). On March 19, 2018 Council approved an additional appropriation of \$50,000 to the Financial Software Project to include customizations needed in the new PDS software system, in particular those for CalPERS reporting, and unique programing for leave regulations.

EXECUTIVE SUMMARY

Since March of 2018, staff has had time to do a deeper analysis of the capabilities of PDS and as a result, staff is recommending that the City upgrade its current software, High Line Corporation (High Line) to provide the City with Human Resources, Payroll and Timekeeping software. High Line is implementing a major software upgrade (NextGen) effective 2019. In order to maintain the City as a customer, High Line is offering the City extensive discounts for the upgrade and providing all necessary services to assure the transition flows smoothly. To complete the upgrade, an additional appropriation of \$26,604 is needed for the Financial Software Project. An agreement addendum with High Line Corporation needs to be executed and the current agreement with PDS will need to be cancelled.

DISCUSSION

The City has been using the same version of the High Line software system to manage Human Resources, Payroll and Timekeeping since 1999. In 2017, it was brought to the City’s attention that the 1999 Highline platform will no longer be supported after 2018. At the time, High Line software was inefficient, labor intensive and had extremely poor customer service response times. During the search for a solution for new software, the City learned FMS, the City’s current financial software

company offered Human Resource Management Systems and Payroll Systems through their partnership with PDS. In July, Staff recommended PDS for the installation and implementation of the Human Resources, Payroll and Timekeeping software program.

During the process of the software implementation, in October 2018 both Human Resources and Finance staff identified limitations of the PDS software and found that numerous costly customizations were required. These additional customizations must be implemented for the software to have compatibility to be compliant with various federal, state, and local regulations and meet the City's reporting requirements and deadlines. PDS gave an updated quote of \$121,830 which comprised of the following customizations:

- Ability to transfer data from PDS to the general ledger
- Providing historical data screens
- Ability to accommodate the City's Salary grades and step process
- Ability to process all of our special pays for different bargaining units
- Ability to convert sick and vacation leaves and process buy-backs
- Time entry imports
- Report writing
- Implementation assistance and on-site visits
- Go-Live assistance

The need for these customizations made a smooth software implementation uncertain and cast doubt on whether or not PDS had the capability to meet the City's deadline requirement. The City recently learned that NEOGOV, our current Human Resources recruitment software provider, recently purchased High Line. NEOGOV has proven to provide the City with excellent customer support and has exceptional working relationship with Human Resources. As the result, the City reached out to High Line to discuss the possibility of upgrading our current platform. In an effort to keep the City as a loyal customer, High Line is offering exceptional discounts for the license fees, maintenance cost, and service cost, which adds up to less than the customization costs PDS requires.

Staff has reviewed various webinars presented by High Line for NextGen software. High Line has also provided a live demonstration for the City which focused on the software's ability to meet our needs in human resources, compliance reporting for federal, state and local mandates regarding payroll and changes in benefit, labor, and wage regulations. Staff has also discussed with High Line our previous concerns, long-term pending items, and the customer services issues. High Line has acknowledged and addressed all of the City's needs and concerns. Additionally the 2018 deadline will no longer be a factor, because High Line agrees to continue to support our current software platform until we are able to complete the NextGen software upgrade.

In exploring whether or not to continue with PDS or stay with High Line's upgrade, staff evaluated the uncertain outcome of spending an additional \$121,830 with PDS or to proceed with the NextGen upgrade with High Line's guaranteed continuing software supports. Staff recognizes High Line will provide many more operational and financial benefits to the City. As of today High Line has successfully assisted numerous of its clients with the NextGen upgrade. High Line assures the City that our software upgrade will run smoothly and minimize interruptions during daily operation of the Human Resources Department and Payroll Division.

Award of a Contract to High Line Co.
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Attachments: 1. Resolution

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