

Agenda Report

ATTN: FINANCE COMMITTEE
TO: CITY COUNCIL

DATE: December 14, 1998

FROM: CITY MANAGER

RE: AUTHORIZATION TO ENTER INTO A CONTRACT WITH HIGH LINE CORPORATION TO UPGRADE CURRENT PAYROLL AND HUMAN RESOURCES INFORMATION SYSTEM. APPROVAL OF JOURNAL VOUCHER FOR TRANSFER OF FUNDS. APPROVAL OF ADDITIONAL FULL TIME EQUIVALENT.

RECOMMENDATION:

It is recommended that the City Council:

- 1) Authorize the City Manager to enter into a contract with High Line Corporation for an amount not to exceed \$100,000. Competitive bidding is not required pursuant to City Charter Section 1002(f) contracts for professional or unique services.
- 2) Grant a partial exemption from the Affirmative Action in Contracting Ordinance pursuant to P.M.C. 4.09.060(C) contracts for which the City's best interests are served.
- 3) Approve a journal voucher appropriating \$250,000 from the Benefits Fund to Project 71898, Payroll and Human Resources Information System.
- 4) Amend the Fiscal Year 1999 Operating Budget to add a Department Information Systems Analyst II position at an annual cost of \$63,801.
- 5) Approval a journal voucher transferring \$31,900 from Finance Administration Services and Supplies line items to Finance Department Administration Personnel line items.

BACKGROUND:

In June, 1993, the City Council authorized the City Manager to enter into a contract with High Line Corporation to purchase an integrated payroll and human resources information system. At that time it was estimated the High Line system would meet the City's needs for at least the next ten years. However, given the speed at which technology is rapidly changing, this version of the software purchased no longer provides for the needs of the City. The current system has already reached capacity in certain fields within the system and is in need of improvements due to mandatory reporting of FLSA to PERS. In addition the system has out dated features in that it is not windows based and is becoming difficult to maintain. High Line Corporation has approached the City with an upgrade that will extend the system into the future. The new version is windows based and user friendly. It is a client server system with a relational database. This upgrade will

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allow the City to continue into the future with an unlimited number of fields per pay codes. Additional training will be provided to Staff as well as many new reporting features.

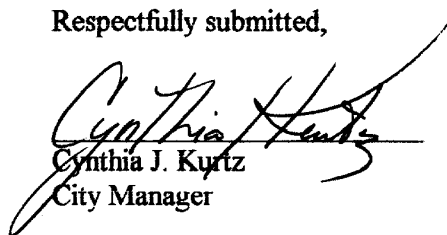
The payroll and human resources system contains confidential and personal information that requires the data be secure. The new version has added security features. It is anticipated that the system, with these added security features, will be opened up to departments and become more useful to them. Payroll Clerks will be able to go into the system to access information they currently must request through Finance or Human Resources. This creates for a more efficient use of time in regards to processing payroll requests. Given that the software will now be available to a larger user group, a full time person is needed to answer questions and resolve software issues. Because of the nature of this system it is recommended that this position be a full time employee of the City as opposed to a contract employee or consultant and that funds be transferred from Services and Supplies to Personnel.

Approximately 70% of the City's budget is spent on labor. The new reporting capabilities will allow more detailed information and trend analysis for improved budgeting of personnel costs. This is especially timely given that the benefit and burden rates have been unbundled. The new version will also be compatible with PeopleSoft Financial System and will allow communication between the two systems. For these reasons it is recommended that the City Council authorize the City Manager to enter into a contract with High Line Corporation.

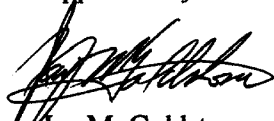
FISCAL IMPACT:

This action will allow for the transfer of sufficient funds from the Benefits Fund to the Capital Improvement Budget, Project Number 71898, Payroll and Human Resources Information System Upgrade. The cost of this upgrade was anticipated and funds have been reserved in the Benefits Fund to pay for this cost. This action will also allow for the transfer of funds from Finance Administration Services and Supplies to Finance Administration Personnel.


Respectfully submitted,


Cynthia J. Kurtz
City Manager

Approved by:


Jay M. Goldstone
Director of Finance

Prepared by:


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