

MEMORANDUM

February 11, 2014

TO: Honorable Mayor and City Commissioners

VIA: Kenneth Fields, City Manager

FROM: Dorothy Ecklund, Finance Director
Sandra Davis, Human Resources Director

SUBJECT: Vendor Selection for Payroll Services and Human Resources Management System

SYNOPSIS: The approval will allow the City to contract with Paycom Payroll, LLC (Paycom) for payroll and human resources management system services.

RECOMMENDATION

The recommendation is for the City Commission to take the following action:

1. Accept the proposal and award the contract for payroll and human resources management system services to Paycom Payroll, LLC.
2. Authorize the City Manager to execute a three-year agreement with Paycom Payroll, LLC, in a form acceptable to the City Attorney.
3. Authorize the City Manager, after a six-month review period, to execute an addendum to the contract for a price lock.

BACKGROUND

Outsourcing payroll processing and human resources management system services provide cost avoidance and efficiency for the City. Since 2008, the City has contracted with ADP for these services. On December 2, 2013, the City released a request for proposal (RFP), with a due date of January 14, 2014, for payroll and human resources management system services.

The following vendors submitted proposals:

- ADP
- Kronos Incorporated
- Paycom Payroll, LLC

A selection committee, consisting of Sandra Davis, Human Resources Director, and Dorothy Ecklund, Finance Director, reviewed the proposals received based on the following criteria, as outlined within the RFP:

Evaluations Factors	Possible Ranking Points
Qualifications and Experience	35
Client References	15
Vender Technical Ability(per RFP listing)	35
Cost Proposal	15
	<u>100</u>

All applicants scored highly within the areas of qualifications, experience, client references, and technical ability. In the area of cost, there was a significant variance as outlined below:

Cost Summary Analysis:

	1st Year	2nd Year	3rd Year	Three Year Summary Total
ADP	65,981	50,281	51,287	167,549
Kronos	62,796	52,293	52,293	167,382
Paycom	36,385	29,601	29,601	95,587

Note: Each company included a first year conversion/training fee.

Recommendation from Selection Committee

The Selection Committee recommends that the City Commission award the contract for payroll and human resources management system services to Paycom Payroll, LLC.

Also, the Selection Committee recommends that the City Commission allow staff six months to evaluate services provided before entering into a price lock contract with Paycom. The price lock addendum has a six-month early termination fee should the City terminate service with Paycom before the end of the original three-year contract term.

FISCAL IMPACT

The estimated annual cost for one year of service with Paycom is \$36,385 the first year, which includes \$6,785 for payroll conversion and staff training. The second and third year, estimated at \$29,601 per year.

ATTACHMENTS

Copies of the Proposal are available within the City Clerk's Office.

Copies of the proposal ranking sheets are available within the City Clerk's Office.