

**Council Meeting: May 11, 2010****SUBJECT: Award of a Contract to Provide and Install Payroll System Software Application Modules for the Department of Finance (F0909-23)****BACKGROUND**

Approval is requested for the award of a contract in the amount of \$193,390.00, including applicable taxes, to High Line Corporation, of Markham, Ontario, to provide and install Payroll System Software Application Modules and for a 10% project contingency in the amount of \$19,339.00.

The City has used the High Line payroll system since 1987 and is currently using the latest web based version, ePersonality. With ePersonality, the City can now move on to the next phase of updating and streamlining our payroll process by installing software application modules in areas such as distributed time entry and benefits self service. These modules will fully integrate or seamlessly interface with the current payroll software to eliminate data redundancy or duplication of effort, improve accuracy and processing rates, and increase customer service.

DISCUSSION

A Request for Proposal (RFP) was developed by Finance, Human Resources, and Information Technology staff. The RFP process was selected because, unlike an Invitation for Bids, it allows for consideration of factors in addition to cost during proposal evaluation. In this instance, staff determined that proposals would be evaluated, based upon the following criteria:

- Extent of Compliance to the Application Software Specifications
- Overall System Functionality
- Implementation Plan and Support
- Availability and Quality of Ongoing Training
- Proposer's Experience, Capability and Customer Focus
- Project Cost

On September 15, 2009 Request for Proposals (RFP) No. F0909-23 was issued and directly distributed to four firms known to have participated in similar projects. In addition, the RFP was advertised on the City's website and notification of the project was distributed to other potential consultants through the Onvia DemandStar public procurement network. Sixteen firms requested proposal documents. On October 7, 2009 two responsive proposals were received, as follows:

- High Line Corporation of Markham, Ontario
- GBBTech, Inc. of Pleasanton, California

The evaluation committee was led by the Department of Finance and included representatives of the Departments of Human Resources, Public Safety and Information Technology.

Following a comprehensive review of the written proposals, both proposers were selected to attend an onsite interview to discuss their proposals. The committee agreed that the proposal submitted by High Line offers the best value to the City for the following reasons:

- All functionality of requirements were complete.
- Components needed were available and can be customized by the City.
- Will fully integrate with the City's current payroll system.
- Full Training available onsite or web-based.
- Vendor has thirty years of experience exclusively in payroll related systems.
- Product reflected substantial experience in the industry and fifty percent of clients are in the Public Sector.

Based upon the information presented above, staff recommends award of contract to the firm of High Line Corporation to provide and install software application modules to the existing payroll system.

During the evaluation period, staff determined which application modules would best fit the City's needs, which resulted in the requested contract award amount. The modules to be included are:

- Workflow
- Time Rules
- Time Management Self Service
- Employee and Manager Self Service
- Benefits Self Service

Time Management Self Service will allow employees to enter and confirm their timesheet information, enter leave requests that have been validated against their leave banks, and view their recent pay stub information and current leave

balances. Managers will be able to review leave schedules and review and approve timesheets and leave requests. Benefits Self Service will allow the City to administer the annual open enrollment process electronically, presenting employees with their options and allowing them to make their own elections directly into the system. Together with Employee Self Service, employees will be able to enter and update beneficiary and dependent data, address changes, tax filing information and deposit bank details as well as check their current status for these items. Workflow, Time Rules, and Manager Self Service enable the functionality just described to occur by automatically triggering validation and approval procedures and moving the process through defined approval levels.

Implementation of these modules will allow the City to streamline our payroll and benefits processes while also providing employees greater access to information and flexibility to manage their tasks related to these processes.

FISCAL IMPACT

Total contract cost is \$193,390. This covers license fees, implementation services and maintenance fees for the first year. In addition, \$50,000 is necessary for temporary resources during the length of the project to ensure appropriate coverage for current job responsibilities in processing payroll. Implementation and roll out of the modules to City employees is anticipated to take one year. The total project cost of \$243,390 is available in the Information Technology Equipment Replacement Fund. It should also be noted that the Finance Department had reduced 600 hours of clerical support for timecard processing for FY 2009/2010 in anticipation of the installation of a distributed time entry module.

A separate contract will be issued for ongoing maintenance and support costs beyond year one, budgeted in Program 761, Application and Integration Services and Support.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

RECOMMENDATION

It is recommended that Council:

1. Award a contract, in substantially the same form as the attached draft and in the amount of \$193,390, including applicable taxes, to High Line Corporation, to provide and install Distributed Software Application Modules to the existing payroll system; and
2. Approve a project contingency in the amount of \$19,339.00.

Reviewed by:

Mary J. Bradley, Director of Finance
Prepared by: Grace K. Leung, Finance Manager

Reviewed by:

Cuong Nguyen
Director, Information Technology

Approved by:

Gary M. Luebbers
City Manager

Attachments

- A. Draft Services Agreement

DRAFT
SERVICES AGREEMENT BETWEEN THE CITY OF SUNNYVALE
AND HIGH LINE CORPORATION
TO PROVIDE AND INSTALL PAYROLL SYSTEM SOFTWARE MODULES
FOR THE
DEPARTMENT OF FINANCE

THIS AGREEMENT, dated _____, is by and between the CITY OF SUNNYVALE, a municipal corporation ("CITY"), and HIGH LINE CORPORATION, of Markham, Ontario ("CONTRACTOR").

WHEREAS, on September 15, 2009, CITY issued Request for Proposals No. F0909-23; and

WHEREAS, CONTRACTOR has submitted a proposal in response to this Request for Proposals; and

WHEREAS, CITY has determined that CONTRACTOR's proposal offers the best value to CITY;

NOW, THEREFORE, THE PARTIES ENTER INTO THIS AGREEMENT.

1. Contract Documents

The complete Contract consists of the following documents: Request for Proposal No. F0909-23, consisting of a Notice Inviting Proposals, Instructions to Proposers, Specifications, Terms and Conditions; one Addenda, CONTRACTOR's completed Proposal; and negotiated documents. Contract documents shall also include terms and conditions specified in the original program license agreement dated April 17, 1987 and addendums issued subsequent to the original agreement, as the provided payroll system software application modules will be an add on to the original system. These documents are all incorporated by reference. The documents comprising the complete contract are collectively referred to as the Contract Documents.

Any and all obligations of the CITY and the CONTRACTOR are fully set forth and described therein.

All of the above documents are intended to cooperate so that any work called for in one and not mentioned in the other or vice versa is to be executed the same as if mentioned in all documents.

2. Services

CONTRACTOR agrees to furnish all tools, equipment, apparatus, facilities, labor, transportation, and material necessary to perform and complete in a good and workmanlike manner, the work of completing a distributed time entry system as called for, and in the manner designated in, and in strict

conformity with, the specifications, terms and conditions set forth in Request For Proposal No. F0909-23.

It is understood and agreed that the work performed, as required by the Contract Documents, be completed under the sole direction and control of the CONTRACTOR, and subject to inspection and approval of the City.

3. Duties of CITY

CITY shall supply any documents or information available to CITY required by CONTRACTOR for performance of its duties. Any materials provided shall be returned to CITY upon completion of the work.

4. Compensation and Acceptance Test

CITY agrees to pay CONTRACTOR a total not to exceed amount of one hundred ninety three thousand three hundred ninety and no/100 dollars (\$193,390.00), including applicable taxes.

Payment for products and services will be based on key milestones that shall be developed and agreed upon by CITY and CONTRACTOR, during an initial project planning meeting and shall be incorporated herein by this reference.

CONTRACTOR shall follow Acceptance Testing Procedures as identified in Section II, Paragraph I, Acceptance Testing, "Request For Proposal F0909-23".

CONTRACTOR shall submit invoices to CITY to be paid within thirty (30) days upon receipt of an accurate, itemized invoice by CITY'S Accounts Payable Unit.

5. Conflict of Interest

No officer or employee of CITY shall have any interest, direct or indirect, in this Agreement or in the proceeds thereof. During the term of this Agreement CONTRACTOR shall not accept employment or an obligation which is inconsistent or incompatible with CONTRACTOR's obligations under this Agreement.

6. Confidential Information

CONTRACTOR shall maintain in confidence and at no time use, except to the extent required to perform its obligations hereunder, any and all proprietary or confidential information of CITY of which CONTRACTOR may become aware in the performance of its services.

7. Compliance with Laws

- (a) CONTRACTOR shall strictly adhere to all state and federal laws with respect to discrimination in employment and shall not discriminate against any individual on the basis of race, color, religion, gender, sexual orientation, marital status, national origin, age or disability.
- (b) CONTRACTOR shall comply with all federal, state and city laws, statutes, ordinances, rules and regulations and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of the Agreement.

8. Independent Contractor

CONTRACTOR is acting as an independent contractor in performing the work required by this Agreement and is not an agent, servant or employee of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONTRACTOR. CONTRACTOR is responsible for paying all required state and federal taxes.

9. Indemnity

CONTRACTOR shall indemnify, defend, and hold harmless the CITY, its officers, officials, employees and volunteers from and against all claims, damages, losses and expenses, including attorney fees, arising out of the performance of the services described in Exhibit "A", caused in whole or in part by any negligent act or omission of CONTRACTOR, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence or willful misconduct of the CITY

10. Hold Harmless

CONTRACTOR agrees to defend, save, indemnify and hold harmless Owner and all its officers, employees, and agents, against any and all liability, claims, judgments, or demands, including demands arising from injuries or death of persons (Contractor's employees included) and damage to property, arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Contractor, save and except claims or litigation arising through the active negligence or willful misconduct of Owner, or of Owner's officials, agents, employees, servants, or independent contractors who are directly responsible to Owner. Contractor shall make good and reimburse Owner for any expenditures, including reasonable attorneys' fees, Owner may make by reason of such claim or litigation, and, if requested by Owner, Contractor shall defend any such suits at the sole cost and expense of Contractor.

11. Insurance

CONSULTANT shall take out and maintain during the life of this Agreement policies of insurance as specified in Exhibit "A" attached and incorporated by reference, and shall provide all certificates or endorsements as specified in Exhibit "A."

12. CITY Representative

Grace Leung, Department of Finance, as City Manager's authorized representative, shall represent CITY in all matters pertaining to the services to be rendered under this Agreement. All requirements of CITY pertaining to the services and materials to be rendered under this Agreement shall be coordinated through the CITY representative.

13. CONTRACTOR Representative

Shannon Miller shall represent CONTRACTOR in all matters pertaining to the services and materials to be rendered under this Agreement. All requirements of CONTRACTOR pertaining to the services to be rendered under this Agreement shall be coordinated through the CONTRACTOR representative.

14. Notices

All notices required by this Agreement, other than invoices for payment which shall be sent directly to Accounts Payable, shall be in writing, and shall be personally delivered, sent by first class with postage prepaid, or by sent by commercial courier, addressed as follows:

To CITY:

Grace Leung, Finance Manager
Department of Finance
CITY OF SUNNYVALE
P. O. Box 3707
Sunnyvale, CA 94088-3707

To CONTRACTOR:

Shannon Miller, V.P. Sales
High Line Corporation
823 Alvarado Road
Berkeley, CA 94705

Nothing in this provision shall be construed to prohibit communication by more expedient means, such as by telephone or facsimile transmission, to accomplish timely communication. However, to constitute effective notice, written confirmation of a telephone conversation or an original of a facsimile transmission must be sent by first class mail or commercial carrier, or hand delivered.

Each party may change the address by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three days after mailing, unless such date is a date on which there is no mail service. In that event communication is deemed to occur on the next mail service day.

15. Assignment

Neither party shall assign or sublet any portion of this Agreement without the prior written consent of the other party.

16. Termination

If CONTRACTOR defaults in the performance of this Agreement, or materially breaches any of its provisions, CITY at its option may terminate this Agreement by giving written notice to CONTRACTOR. If CITY fails to pay CONTRACTOR, CONTRACTOR at its option may terminate this Agreement if the

failure is not remedied by CITY within thirty (30) days after written notification of failure to pay.

Without limitation to such rights or remedies as CITY shall otherwise have by law, CITY also shall have the right to terminate this Agreement for any reason upon ten (10) days' written notice to CONTRACTOR. In the event of such termination, CONTRACTOR shall be compensated in proportion to the percentage of services performed or materials furnished (in relation to the total which would have been performed or furnished) through the date of receipt of notification from CITY to terminate. CONTRACTOR shall present CITY with any work product completed at that point in time.

17. Entire Agreement; Amendment

This writing constitutes the entire agreement between the parties relating to the services to be performed or materials to be furnished hereunder. No modification of this Agreement shall be effective unless and until such modification is evidenced by writing signed by all parties.

18. Miscellaneous

Time shall be of the essence in this Agreement. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision. This Agreement shall be governed and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement.

ATTEST:

CITY OF SUNNYVALE ("CITY")

By _____

By _____

City Clerk

City Manager

APPROVED AS TO FORM:

HIGH LINE CORPORATION
("CONTRACTOR")

By _____

By _____

City Attorney

Title and Date

By _____

Title and Date

EXHIBIT A
CITY OF SUNNYVALE
INSURANCE REQUIREMENTS

SUPPLIER shall obtain, at its own expense and from an admitted insurer authorized to operate in California, the insurance coverage detailed below and shall submit Certificate(s) of Insurance to the City of Sunnyvale, Purchasing Division, 650 West Olive Ave, PO Box 3707, Sunnyvale, CA 94088-3707; fax (408) 730-7710.

SUPPLIER shall take out and maintain during the life of the contract **Workers' Compensation** insurance coverage to statutory limits as may be required by law.

SUPPLIER shall take out and maintain during the life of the contract such **Commercial General Liability Insurance** as shall protect SUPPLIER, CITY, its officials, officers, directors, employees and agents from claims which may arise from services performed under the contract, whether such services are performed by SUPPLIER, by CITY, its officials, officers, directors, employees or agents or by anyone directly or indirectly employed by either. The amount of insurance shall not be less than the following: Single Limit Coverage Applying to Bodily and Personal Injury Liability and Property Damage: \$1,000,000.

The liability insurance shall include, but shall not be limited to:

- Protection against claims arising from bodily and personal injury and damage to property, resulting from SUPPLIER's or CITY's operations and use of owned or non-owned vehicles.
- Coverage on an "occurrence" basis.
- Broad form property damage liability. Deductible shall not exceed \$5000 without prior written approval of CITY.
- Notice of cancellation to CITY's Purchasing Division at least thirty (30) days prior to the cancellation effective date.

The following endorsements shall be attached to the liability insurance policy, and copies shall be submitted with the Certificate(s) of Insurance:

- The policy must cover complete contractual liability. Exclusions of contractual liability as to bodily injuries, personal injuries and property damage must be eliminated.
- "CITY, its officers, officials, employees and volunteers" must be named as an additional named insured with respect to the services being performed under the contract. *Simply indicating on the certificate that the certificate holder is named as additional insured is not acceptable; an endorsement must be provided.*
- The coverage shall be primary insurance so that no other insurance effected by CITY will be called upon to contribute to a loss under this coverage.