

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: February 10, 2020

Please mark one: ☐ Bill Request or ☒ Resolution Request

1. Type of Request:

- ☒ Contract/Grant Agreement ☐ Intergovernmental Agreement (IGA) ☐ Rezoning/Text Amendment
- ☐ Dedication/Vacation ☐ Appropriation/Supplemental ☐ DRMC Change
- ☐ Other:

2. Title: (Start with *approves*, *amends*, *dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Amends a contract with Kronos Inc. by adding \$1,032,035.24 for a new total of \$7,070,986.89 and extending the term by five years for a new end date of 12/31/2024 for the continual support of the Telestaff scheduling application used by the Denver Police and Fire Departments and maintenance on related time keeping equipment used Citywide; (TECHS-202053250)

3. Requesting Agency: Technology Services

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Kevin Anthony	Name: Joe Saporito
Email: kevin.anthony@denvergov.org	Email: joseph.saporito@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

The Denver Police Department and Denver Fire Department use the Workforce Telestaff scheduling software. The Telestaff software has been created specifically for public safety agencies and is used across the nation. This software solutions continues to meet the needs of the City's Safety agencies and this purchase is for the continual support of the software as well as maintenance and support of the timekeeping clocks (hardware) for all City employees. Support includes vendor monitoring of the application as well as issue resolution assistance to ensure the application is functioning at its maximum performance. The City's Safety agencies require this specialized scheduling software as they have different scheduling needs than non-Safety City employees.

Here are some of the benefits of this solution that are specific to Safety agencies:

- **Fairer and more accurate personnel scheduling**

With the automated tools of Kronos Workforce TeleStaff, the City can prebuild schedules and rosters, track employee certifications and qualifications, automatically relay scheduling communications and support different business and union rules for various departments — and know that staffing decisions are always validated against rules.

- **Automatic, rules-based assignment of overtime**

Overtime positions are automatically assigned based on rules the City configures. Employees are notified in entitlement order, and all employee overtime activity is tracked for auditing purposes.

- **Integrated communication**

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Revised 03/02/18

Scheduling and communication functionality is integrated in Workforce TeleStaff, which eliminates manual phone calls and expedites scheduling. The right employees are contacted in the right order, and all communications are automatically documented.

- **Better emergency response**

Workforce TeleStaff finds and contacts employees by phone, text, email, and inter/intranet for quick scheduling and deployment. Vacant positions are automatically backfilled and command post scheduling can be done via the web. Workforce TeleStaff also tracks hours related to emergency response and prepopulates its built-in FEMA reporting module.

- **Control labor costs**

Allocate overtime fairly, create schedules based on demand and employee preferences, and reduce overstaffing

- **Minimize compliance risk**

Uses the City's unique scheduling rules and adheres to labor laws and union rules

- **Open lines of communication**

Allows the City to locate, notify, and deploy the right employees for each situation

The City has multiple contracts with Kronos, Inc. There was an effort during the last amendment to combine some of these contracts but ultimately it was agreed upon by both Kronos and City legal departments that the contracts should remain separate. The reasons for this are due to the different types of software, cloud v. on-premise, the different times that the contracts were put into place and the differences in the configuration and management of the software specific to certain Safety agencies.

The language that the City's legal department uses in cloud applications is different than what would be used in on-premise applications. This is due to the shift in responsibility between the City and the vendor. When the vendor is hosting the solution in a cloud environment, they take on more responsibility pertaining to the protection of City data versus when the City hosts the solution within its own environment.

Some contracts started at different times and as such, they were treated as separate projects. In 2015, the Sheriff's Dept. was interested in moving their on-premise Workforce Telestaff application to Kronos' cloud offering. The Sheriff's Dept. had the funding at this time and was able to complete this project. Their migration to the vendor's cloud environment was due to them having little to no customizations that could not be managed in the cloud. The Denver Police and Fire Departments are on-premise as they started with the on-premise version of the application and have customizations that are not supported in the cloud version; therefore, they need to remain on-premise. Also, DPD and DFD require direct access to their data for reporting purposes that differ from DSD.

Due to the investment put into this system and the fact that it continues to fulfill the needs of the agencies, there is currently not an effort to move to another vendor. Please see the information below detailing a request to extend the contract past a five-year term per Executive Order 8 which states: "Agencies should limit the duration of contracts to three to five years at which time a new solicitation should be initiated absent special circumstances."

For this request, below are examples of special circumstances directly related to the Kronos Workforce Central and Workforce Telestaff contract amendments, justifying why a new solicitation would not be within the City's best interests. The special circumstances that justify a contract term exceeding three to five years for the Kronos applications are listed below:

- Situations where standardization of equipment or continuity of service is required;
- Situations where competition does not exist;
- Situations where economic factors make it unfavorable for the City to re-bid a contract.

Continuity of Service:

The City is heavily reliant on the Kronos applications to provide scheduling and timekeeping functions for payroll activities. This software is used by essentially every City employee and is an enterprise solution. Divesting from the connectivity and functionality of the Kronos applications would have multiple service impacts to City employees and day to day functions. All City employees who use these applications have been trained on and should be efficient with the use of them. Switching to a new system would require all employees of the City to be retrained at a great time and financial cost.

Competition does not exist:

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As the City already has purchased, implemented, has been trained on and intends on using the Kronos software applications for several years, continual support from Kronos is needed to ensure the application is functioning at its maximum performance. This is a service that should come from Kronos so an opportunity for competition does not necessarily exist.

Economic factors make it unfavorable for the city to replace this contract:

The amount of customization, configuration, and integration of the current Kronos applications would require vast expenditures of time and money to replace. The City has made a substantial investment in the Kronos applications, some with more than a year for implementation and training, and abandoning them would result in an unnecessary, negative financial impact and reduction of services to City employees. The City underwent multiple time-consuming process to implement the existing Workforce applications. These include negotiating contracts, analysis of the City's requirements, planning of the systems, designing the systems to meet the City's objectives, implementing the systems, configuring, fine-tuning and testing the systems and then training employees on the systems. For the City to re-bid this every three to five years would mean the opportunity for any type of return on our investment would be minimized. The City would be in a perpetual cycle of bidding, implementing, retraining and decommissioning of previous applications at great cost the City and its residents. Replacing the timekeeping clocks (hardware) alone could result in another \$500,000 investment on behalf of the City.

The process to amend this contract was initiated in a timely manner in an effort to have the amendment completed prior to the expiration date. There were several issues that needed to be clarified during this process that delayed the amendment. The issues have been resolved and the contract amendment request was initiated quickly thereafter.

6. **City Attorney assigned to this request (if applicable):** Steve Hahn
7. **City Council District:** N/A - Citywide
8. ****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):

Standard Expenditure contract exceeding \$500,000

Vendor/Contractor Name: Kronos, Inc.

Contract control number: TECHS-202053250

Location: Citywide

Is this a new contract? ☐ Yes ☒ No **Is this an Amendment?** ☒ Yes ☐ No **If yes, how many?** Five

- Original contract: 9/27/2008 - 1/27/2010; Contract Amount: \$180,673.87
 - Signed by Mayor: 12/9/2008
- First Amendment: 9/27/2008 - 1/27/2010; Amendment Amount: \$93,918.63; New Contract Amount: \$274,592.50
 - Signed by Mayor: March 2009
 - Increased amount
 - Incorporated new support terms and consolidating licensing
- Second Amendment: 9/27/2008 - 1/27/2010; Amendment Amount: \$2,260,103.82; New Contract Amount: \$2,534,696.32
 - Signed by Mayor: 3/2/2010
 - Increased amount
 - Added pricing for five years
- Third Amendment: 9/27/2008 - 12/31/2016; Amendment Amount: \$1,573,768.07; New Contract Amount: \$4,108,464.39
 - Signed by Mayor: 1/13/2014
 - Increased amount
 - Extend the term
- Fourth Amendment: 9/27/2008 - 12/31/2019; Amendment Amount: \$1,930,487.26; New Contract Amount: \$6,038,951.65
 - Signed by Mayor: 7/26/2017
 - Increased amount
 - Extended term

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Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

Current term: 9/27/2008 - 12/31/2019 Proposed term: 9/27/2008 - 12/31/2024 Duration: 16 years

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
\$6,038,951.65	\$1,032,035.24	\$7,070,986.89

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
9/27/2008 - 12/31/2019	Five Years	12/31/2024

Scope of work:

Vendor will continue to support the Kronos Workforce Telestaff software and hardware.

Was this contractor selected by competitive process? Yes **If not, why not?**

Has this contractor provided these services to the City before? ☒ Yes (Via this contract) ☐ No

Source of funds: 3074300 Technology Services Applications

Is this contract subject to: ☐ W/MBE ☐ DBE ☐ SBE ☐ XO101 ☐ ACDBE ☒ N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? N/A

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