MEMORANDUM

Date:	February 8, 2024
To:	Honorable Mayor and Commissioners
Via:	Albert P. Childress City Manager
From:	Bridget J. Flores Director of Human Resources
Subject:	**24-5414 Resolution to purchase Human Capital Management Platform**

Introduction

City Manager and Human Resource Director request authorization to purchase a Human Capital Management Platform with implementation from Oracle and Fourth Square for $268,998.00 without formal competitive procurement under Sect 2-797 (4) Exempt Contractual Services, in the best interest of the City.

Background

The City of Key West began researching Human Capital Management Systems in 2021 focusing on those specifically focused on local government. Human Resources has "ear marked" $40,000 to $55,000 each budget cycle since 2022. In August 2023, the HR Director began researching the following platforms:

1. Paylocity
2. NeoGov
3. Oracle
4. Workday

After researching each platform, assessing the portability and compatibility with the current payroll system (Central Square/One Solution) including software demonstrations attended by Human Resources, IT, Finance and Payroll a decision was made to move forward with Oracle Fusion Human Capital Management and Recruiting Service.

Proposals all include a recruiting platform with online applications, onboarding, core human resource personnel database, performance management (evaluation system), workflows for personnel action forms, and employee self-service.

Paylocity, NeoGov, and Oracle provided annual platform subscription quotes for a 4-year term. Workday provided a higher cost verbally but did not submit a written proposal.

The 4-year subscription costs quoted for each system is as follows:
1. Paylocity $146,960
2. NeoGov $246,892
3. Oracle $160,000
4. Workday   N/A

In addition to the subscription costs, the compatibility with the current or proposed City of Key West applications as well as the extraction and conversion of our current personnel data from the Naviline and One Solution systems is an integral part of the selection of a new HCM solution.

Oracle is the only HCM proposal which offers a solution that will interface with our current application. Oracle has proposed to complete a daily or weekly transfer of all data to One Solution for payroll, with the option to work with any finance platform the City of Key West may transition to in the future. NeoGov and Paylocity do not currently have a solution for interfacing with our current payroll system and require the use of their platform's payroll system within the first year of the contract.

Oracle was also the only host that provided a partner quote for the implementation including the extraction and conversion of all personnel data from Naviline and One Solution.

Procurement

In the Commission approved FY2023-2024 budget, the Human Resources department allocated $55,000.00 for a Human Resources Information Management System in account 001-1302-513-5400, for Year One of the subscription cost. Implementation costs in the amount of $228,998 were not previously budgeted, however the Finance Department has determined the expense to be eligible for ARPA funding and a budget amendment using ARPA funding will be completed.

Recommendation

The City Manager's Office recommends authorizing the purchase of a Human Capital Management platform and implementation from Oracle and Fourthsquare for $268,998.00 without formal competitive procurement under Sect 2-797 (4) Exempt Contractual Services, in the best interest of the City, with funding identified from ARPA funds by Finance authorizing any necessary budget transfers.

Exhibits:
Oracle & Fourth Square Proposal
Paylocity Proposal
Neogov Proposal