Payroll & Human Resource Information System

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Assessment/Recommendations

Comprehensive Internal Review of Payroll/HR processes by Matrix (2 Phases)

Key Findings/Recommendations:

1. Payroll and Human Resource Information Systems* –

Implement an automated solution (3rd party administered resource)

2. Replace other systems – Performance Management, Learning Management, and new hire onboarding

Payroll includes: paychecks, vendor payments, voluntary and required deduction, time card admin

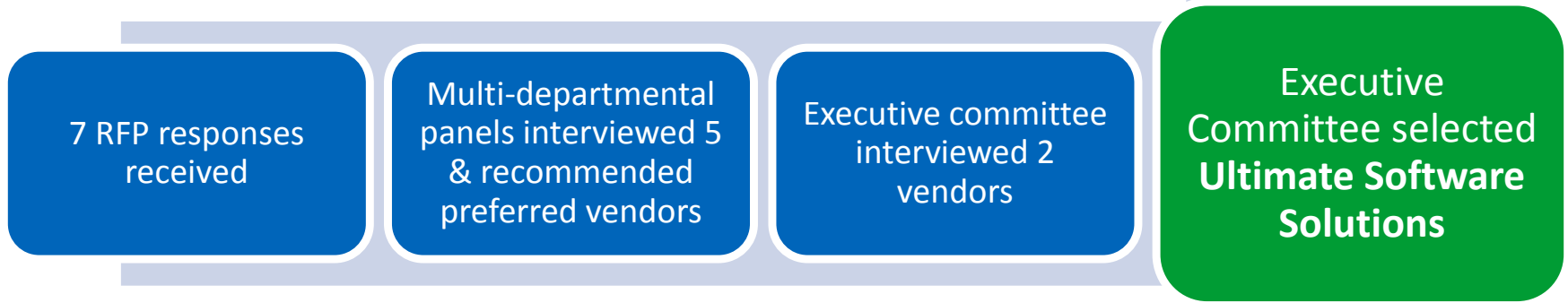*HRIS includes: benefits admin, employee record maintenance, etc.*

Why?

- Reduces/mitigates tax penalties

- Assumes liability for compliance with state and federal payroll regulation, ACA reporting FLSA, garnishments, etc.

- Reduces errors (overpayments/underpayments) and eliminates custom process through standardization

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Vendor Selection Process

The County released an RFP to determine if the third-party resource could deliver Payroll and HRIS functions more efficiently.

| 7 RFP responses received | Multi-departmental panels interviewed 5 & recommended preferred vendors | Executive committee interviewed 2 vendors | Executive Committee selected **Ultimate Software Solutions** |

Ultimate Software Solutions will ensure best practices are implemented efficiently

1. Operational Assessment
Assess the County's processes and recommend operational process changes that eliminate the need for customization

2. Change Management Process
Guide the County through a formal process to introduce operational changes to the organization.

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Efficiencies with new system
Staff time cut in half - Indirect savings of $175,000/year

Current staff time annually (payroll & processing HR changes) = 9,800 hours
Staff time with new system = Approx. 4,900 hours a year (2.4 FT employees)
Staff time would be redirected/shifted to perform other necessary duties.

- Automated processes **eliminate duplicate data entry** for personnel and timecard changes and data entry for new hires
- Real-time views and **comprehensive reporting**
- No more customized processes (work-arounds)
- Enhanced **audit** processes before payroll finalization **avoids errors**

- Timekeeping tools to **accurately record time** (i.e. mobile phone app)
- System alerts to make adjustments/fix errors before it's finalized
- **Streamlining** of employee benefit changes
- Vendor assumes **liability** and responsibility for complying with **regulations**

Did you know?
❑ In some cases, a Personnel Action Form (PAF) touches 6 hands.
❑ In 2017, staff performed 7600 double entries of personnel changes related to employment status, salary, & personal information.
❑ There were 1,640 payroll errors processed in 2017.

Ultimate Software Solutions Payroll/HRIS Costs

Implementation (2018)

HR/Payroll Module	$259,550
Time/Attendance Module	$45,000
Change Mgmt Consulting	$25,000
Business Process Review Consulting	$28,000
Talent Acquisition	$48,600
Total Cost	**$418,150**

Future (2019 – 2024)

	2019	2020 - 2024
HR/Payroll Module	$362,723	$396,723
Lease 37 time clocks	$23,976	$23,976
Printing Checks and W2s	$1,644	$1,644
Total Cost	**$388,343**	**$422,343**

Funding:

- ✓ Initial funding for implementation will come from the HLD budget.
- ✓ Future funding will be budgeted.
- ✓ Future savings may be realized in renegotiated Oracle contracts, or through the acquisition of a new finance system.

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Projected savings by offsetting costs

3rd party resources that will be replaced with Ultimate	Direct Costs
Silk Road-Recruiting Onboarding	$32,450
Kbace-Reporting Tool	$27,252
IntelliTime –Timekeeping	$36,894
Total savings	**$96,596**
Costs County will incur w/o change	**Indirect Costs**
Additional staff for existing system	$90,000
Hours Spent on Dept Payroll	$175,000
Total savings moving to new system	**$265,000**
New System (2020)	$422,343
Total savings (direct & indirect costs)	$361,596
Projected Total Annual Savings	**$60,747**

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Future Functionality and Projected Costs

Other Ultimate modules to consider implementing 2020 - 2024	One-Time Set Up Costs	Annual On-Going Maintenance Costs
Talent Management	$24,300	$50,220
Learning Management	$24,300	$64,800
Compensation	$12,150	$48,600
New Modules Total	$60,750	$163,620
HR/Payroll services	----------------	$422,343
Overall Annual Total:		$585,963*

*HR would submit new program requests for funding new modules.
Overall annual total reflects total <u>maintenance cost only </u>if all were implemented in 2020.

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Summary & Next Steps

- County has need for more efficient Payroll and Human Resource Information Systems
- Matrix assessment recommended 3rd party administered resource
- RFP process; vendor selection committee recommended Ultimate Software Solutions as most qualified vendor to meet our needs
- New system/services would greatly streamline and improve internal operations/processes and reduce risk/liabilities
- Funding for initial implementation is available in HLD account.
- HR plans to bring agenda item to F&A next week recommending contract approval with Ultimate Software Solutions.

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Appendix A: Company Profile

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Appendix B: Error Detail

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