



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Maria Öberg

SUBJECT: See Below

DATE: April 28, 2025

Approved

Date:

5/6/25

COUNCIL DISTRICT: Citywide

SUBJECT: Agreement with Ultimate Kronos Group for a Time Keeping Solution

RECOMMENDATION

Adopt a resolution authorizing the City Manager or her designee to:

- (a) Negotiate and execute an agreement for a time-keeping solution with Ultimate Kronos Group (Weston, FL) for an initial five-year term, beginning on or about June 1, 2025, with maximum compensation not to exceed \$412,936, subject to the appropriation of funds.
- (b) Negotiate and execute amendments and change orders for unanticipated changes in requirements for a contingency amount not to exceed \$487,269 during the initial term and subject to the appropriation of funds; and
- (c) Exercise up to four one-year options to extend the agreement term, with the final option ending on May 31, 2030, subject to appropriation of funds.

SUMMARY AND OUTCOME

In 2018, the City of San José (City) entered into a pilot program to evaluate modern time-keeping solutions. Two City departments, the Parks, Recreation and Neighborhood Services (PRNS) Department in 2018 and the Police Department in 2023, were selected to participate in the pilot. Building on the pilot's success, the proposed agreement with Ultimate Kronos Group (UKG) will implement a comprehensive, digital time-keeping solution across applicable City departments, addressing the limitations of the current, outdated system. This solution will enhance accuracy, transparency, and operational efficiency by automating data tracking, integrating with payroll systems, and providing features like geofencing to improve workforce management and ensure compliance with accountability standards, including the Federal Emergency Management Agency audits.

BACKGROUND

The City's current time-keeping system lacks some key advanced functionalities such as real-time data tracking, automated workflows, and geofencing capabilities, resulting in inefficiencies, post-submission manual adjustments, payroll errors, and delays with timesheet submissions. In 2018, the Information Technology Department (ITD) initiated a pilot program to evaluate the effectiveness of a digital platform. This platform would enable real-time data tracking and integration with existing payroll systems, aiming to address the limitations of the current time-keeping system. ITD selected the UKG platform for evaluation. Additionally, two City departments were selected to participate in the pilot, the PRNS Department in 2018 and the Police Department in 2023.

The evaluation process provided staff with valuable insights into functionality, response times, and user experience of 'Kronos' system, offering a data-driven evaluation of the solution's ability to improve efficiency in workforce management.

The pilot program for the PRNS Department confirmed that UKG addresses the City's evolving operational requirements, maintains compatibility with existing systems, and ensures compliance with accountability standards, such as FEMA reimbursement audits.

ANALYSIS

On August 31, 2018, Cobb County, GA issued a competitive Request for Proposals for a time keeping solution with Omnia Partners, a State of Tennessee service cooperative (Omnia Procurement). Through this solicitation, Cobb County awarded the contract to UKG. In February 2025, this contract was extended for an additional six months. Staff reviewed the scope of this project and confirmed that it aligns with the City's proposed project. The procurement evaluation process used by Cobb County was substantially similar to the City's process.

In accordance with Section 4.12.225.B.3 of the San José Municipal Code, staff recommends leveraging the results of Cobb County's solicitation to enter into an agreement with UKG for the implementation of their platform for citywide use. Staff have engaged with UKG to discuss the City's specific requirements for the new time keeping solution and have confirmed that UKG is capable of meeting the City's project requirements.

Approval of this recommendation will authorize staff to leverage the cooperative agreement and proceed with negotiating and executing an agreement with UKG for the implementation of a time keeping solution across various departments using a phased approach. Currently, the Police Department and PRNS Department are participating in the pilot program. The PRNS Department intends to continue using the solution following approval of this recommendation and the funds are budgeted in ITD, whereas

the Police Department may expand the scope of the pilot, with conclusion of its evaluation by December 2025. The Public Works Department has also expressed interest in utilizing this workforce management solution for Animal Care and Services; however, its participation is contingent upon the appropriation of funds in the upcoming fiscal year budget for the one-time implementation costs and ongoing subscription costs.

EVALUATION AND FOLLOW-UP

This memorandum will not require any follow-up from staff.

COST SUMMARY/IMPLICATIONS

The total recommended agreement amount is \$900,205. The year 1 amount of \$76,242 is to be funded in the General Fund in the Information Technology Department, as well as the Public Works Department, should the funding for this solution recommended in the 2025-2026 Proposed Operating Budget be approved by the City Council in June.

The remaining years for the software subscriptions and the use of the contingency funds are subject to the appropriation of funds. There is flexibility to change services as needed. The funds set aside in the contingency are used to mitigate unexpected changes in requirements. The contingency amount of \$487,269 is higher than usual to provide the ability to potentially expand or add the timekeeping solution in departments, should ongoing funding be available. Should the Police Department determine this solution proves to be beneficial for its use, then the contract can be amended accordingly.

TOTAL COST OF THE AGREEMENT:

Year	PRNS	Public Works	TOTAL
1 st Year Software Subscription	\$48,825	\$27,417	\$76,242
2 nd Year Software Subscription	\$50,778	\$28,505	\$79,283
3 rd Year Software Subscription	\$52,809	\$29,645	\$82,454
4 th Year Software Subscription	\$54,921	\$30,842	\$85,763
5 th Year Software Subscription	\$57,118	\$32,076	\$89,194
AGREEMENT NOT-TO-EXCEED TOTAL			\$412,936

Contingency Amount

\$487,269

GRAND TOTAL NOT-TO-EXCEED TOTAL

\$900,205

BUDGET REFERENCE

The table below identifies the fund and appropriation to fund the contract recommended as part of this memorandum.

Fund #	Appn. #	Appn. Name	Total Appropriation	Amt. for Contract*	2024-2025 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No.)
001	0432	Non-Personal/ Equipment	14,256,019	\$76,242	637	06/18/2024, 31102

*This reflects the software subscription costs for Parks, Recreation, and Neighborhood Services and Public Works use of the timekeeping solution for the 1st year, which is paid on a month-to-month basis. The amount for 2024-2025 is \$6,353 and will be paid from Information Technology Department's budget. Assuming the 2025-2026 funding request is approved for Public Works, then their monthly costs will be paid directly from Public Work's budget effective July 1, 2025.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Information Technology Department.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the May 20, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

HONORABLE MAYOR AND CITY COUNCIL

April 28, 2025

Subject: Agreement with Ultimate Kronos Group for a Time Keeping Solution

Page 5

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
Maria Öberg
Director of Finance

For procurement- and contract-related questions, please contact Albie Udom, Deputy Director of Finance – Purchasing and Risk Management, at albie.udom@sanjoseca.gov. For program related questions, please contact Shaun Ratchford, Deputy Chief Information Officer, Information Technology, shaun.ratchford@sanjoseca.gov.