



September 27, 2019

TO: LOCSD Board of Directors

FROM: Ron Munds, General Manager
Laura Durban , Administrative Services Manager

SUBJECT: Agenda Item 5E – 10/03/2019 Board Meeting
Approve Transfer of \$8,000 from Administrative Reserves to
General to pay for Criterion HCM Payroll Service Software

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Vicki L. Milledge
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DESCRIPTION

This item requests the Board to discuss transferring \$8,000 from the Administrative Reserves for Information Technology account to purchase updated and current payroll software, Criterion HCM, for the District.

SUMMARY STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, staff recommends that the Board adopt the following motion:

Motion: I move that the Board approve the transfer of \$8,000 from the Administrative Reserves for Information Technology account for the purchase of Criterion HCM Payroll Software.

DISCUSSION

Staff was notified that the District's current payroll software, Sage ABRA, would no longer be serviced at the end of 2020. Due to the transition time that would be needed to change payroll software, the staff moved forward with a couple of demonstrations for other payroll software programs that the District can switch to.

Staff narrowed the payroll software selection down to two options, Sage HRMS, and Criterion HCM. Sage HRMS is similar to what the district currently uses. Criterion HCM is an all in one payroll software that includes timecard software.

With the current payroll software, Sage ABRA, there have been multiple issues with payroll items not transferring or calculating correctly. Due to these issues, Staff is discussing moving up the timetable to avoid further issues with the current program, Sage ABRA, and launch the new software by January 2020 to avoid having to change software programs mid Calendar Year.

After discussing both software choices with DSD Business Systems, the Districts current payroll tech support, the Staff sees some of the issues from Sage ABRA continuing with Sage HRMS, and the time card software, Timeforce. Some issues include not properly calculating earned time off, being able to take more time off than accrued, changing hourly wages for Stand-By, and changing fixed dollar amounts for insurance benefits. With these issues not being resolved with Sage HRMS, the Staff would like to change payroll software to Criterion HCM.

Staff will need to change programs during this fiscal year, due to when the current license with Sage ABRA ending in April of 2020. Staff is requesting a transfer to cover the initial fees and training for Criterion HCM, \$8,000. The annual cost is \$4800 which would be equally split amongst Administration, Fire and Water.

The total cost for year one of Criterion HCM will be \$12,800, which includes the one-time investment fee, \$4,800, the annual fee, \$4,800, and the Administrator Training fee \$3,200. The cost for Sage HRMS is \$10,800, which include the product cost at \$2055, and the migration service fee of \$8000. Sage HRMS does not include a time card software, and in addition to the \$10,800 the District would pay a minimum of \$135 per month for TimeForce, the timecard software, making the initial year cost with Sage HRMS \$12,420.

The Administrative Reserves for Information Technology was created in 2012 [Resolution 2012-09]. There is currently \$28,740.40 in the Administrative Reserves for Information Technology account to cover upgrades of softwares, hardwares and systems that are used to provide centralized services to all funds of the District.

Staff is asking for direction on whether or not to transfer the money to cover the expense of the new software.

FINANCIAL IMPACT

There will be no financial impact.

Attachments



Proposal: **Criterion HCM**

Date: September 4, 2019

Submitted to:



Questions about this proposal may be directed to:

Kerry Gardner, Sr. Director of Client Management

DSD Business Systems

8787 Complex Drive Suite 400

San Diego, CA 92123

Email: kerryg@dsdinc.com

Office: 800-627-9032 ext.136

Mobile: 949-299-6420

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DSD Business Systems Profile

DSD Business Systems was founded in 1984, and is headquartered in San Diego, California.

DSD Business Systems has 46 office locations in North America, and customers across the United States, Canada, Mexico, Europe, and Asia. DSD is a privately held corporation with revenue at approximately 10 Million, and 110 total employees (with San Diego carrying 30).

At DSD, the Mission is simple: focus on client success. DSD Business Systems listens and responds to our customers and partners to ensure their success. Our goal is to assist in the continuous improvement of our customers' and partners' organizations by providing the highest level of business and information management products and services.

DSD Business Systems will help our customers and our partners become more self-reliant, more efficient, and more profitable. We will help them prevail in their marketplace, raise customer satisfaction levels, and be more consistent in the delivery of goods and services to their own customers.

DSD will cherish our relationships with our customers and partners. Solving any problems that may arise will always take priority, even over our own short-term profitability. Our customers and partners will be treated as family. This is our firm commitment.



September 4, 2019

Laura Durban
Los Osos Community Services District
2122 9th St Ste 102
Los Osos, CA 93402

Thank you for your interest in Criterion HCM and the opportunity for DSD Business Systems to work with your team. This document is based on recent discussions of the following modules:

- Core/HR
- Payroll

Los Osos Community Services District is engaging DSD Business Systems to implement Criterion HCM. The project will involve software setup & design consulting as well as training on the proposed module.

DSD Business Systems is committed to providing you with solutions and software products that most effectively fit your needs. We implement projects employing straightforward implementation paths that include a full range of consulting services, business process review and analysis and, most importantly, training.

We understand the long-term nature associated with an investment in new software and pride ourselves on the lasting relationships with our client organizations.

Thank you in advance for allowing us to present you with this information and we look forward to working with you.

Sincerely,

Kerry Gardner
Sr. Director of Client Management
DSD Business Systems
Tel: 800-627-9032 ext.136

The employee count is based on the number of active employees each month with a minimum license of 50 employees.

The following estimate for professional services for the proposed project was determined based on our typical scope of work for a Criterion HCM implementation. Certain circumstances can affect estimates, including changes in requirements that arise during the project. Custom reports and data migrations are particularly difficult to estimate accurately until a detailed design has been completed. If during the course of the engagement, we determine circumstances are such that substantially greater work is required than estimated, we will discuss it with you and gain your approval before proceeding.

Criterion HCM: Year 1 Investment

Criterion HCM - For up to 50 Active Employees	Annual SaaS Fee	One-Time Implementation Fee	First Year Investment
Core/HR Module	\$3,000.00	\$3,000.00	\$6,000.00
Payroll	\$1,800.00	\$1,800.00	\$3,600.00
Administrator Training	N/A	\$3,200.00	\$3,200.00
TOTAL			\$12,800.00

Criterion HCM: Year 2 Investment

Criterion HCM - For up to 50 Active Employees	Annual SaaS Fee	One-Time Implementation Fee	Second Year Investment
Core/HR Module	\$3,000.00	\$0	\$3,000.00
Payroll Module	\$1,800.00	\$0	\$1,800.00
TOTAL			\$4800.00

1. Quote valid through 9/30/2019.
2. Core/HR Module includes: Demographics Management, Position Management, Organization Management, Documents Management, Custom Fields & Forms, Employee and Manager Self-Service, Benefits Administration, Learning Management, Time & Attendance, Reports and Alerts, Electronic On-boarding.
3. Payroll Module includes: Multi Entity, GL & Labor Distribution, Certified Rates, Union Fringes, Workers Compensation, Interface to 3rd party Time Collection, Overtime, Shift & Compensatory Time
4. Implementation to be performed remotely by DSD. If additional consulting or project management is necessary and performed by DSD, additional \$195 per hour consulting fees may apply.
5. Statement of Work to be provided by DSD.
6. Payment Terms: Software subscriptions fees will be invoiced semi-annually. ▪ 50% of professional service fees and first Annual software subscription fees are due prior to implementation kick-off. ▪ The subscription fees are applied towards the first subscription period which begins 30 days from project kick-off ▪ The remaining 50% of professional service fees are due when the implementation is substantially complete ▪ Invoices can be paid by Check, Credit Card, Wire or ACH Credit.

Authorization

We have examined this work request and agree with and understand its contents and officially authorize the work to be performed.

DSD Business Systems - Authorization	Los Osos Community Services District - Authorization
Sign Here:	Sign Here:
Print Name:	Print Name:
Date:	Date:



Proposal: **Migration: Sage ABRA to Sage HRMS**

Date: September 4, 2019

Submitted to:



Questions about this proposal may be directed to:

Kerry Gardner, Sr. Director of Client Management

DSD Business Systems

8787 Complex Drive Suite 400

San Diego, CA 92123

Email: kerryg@dsdinc.com

Direct: 858.550.5900 ext. 136 | Mobile: 949-299-6420

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September 4, 2019

Laura Durban
Los Osos Community Services District
2122 9th St Ste 102
Los Osos, CA 93402

Thank you for your interest in Sage HRMS and the opportunity for DSD Business Systems to work with your team. This document is based on recent discussions of migration from Sage Abra Suite to Sage HRMS.

Los Osos Community Services District is engaging DSD Business Systems to implement selected Sage HRMS modules and integrated software. The project will involve installation of new software, setup & design consulting, as well as training on the proposed modules.

DSD Business Systems is committed to providing you with solutions and software products that most effectively fit your needs. We implement projects employing straightforward implementation paths that include a full range of consulting services, business process review and analysis and, most importantly, training.

We understand the long-term nature associated with an investment in new software and pride ourselves on the lasting relationships with our client organizations.

Thank you in advance for allowing us to present you with this information and we look forward to working with you.

Sincerely,

Kerry Gardner
Sr. Director of Client Management
DSD Business Systems
Tel: 800-627-9032 ext.136

Sage HRMS employee counts are based on a maximum of 75 Active employees (terminated employees are not included in employee count licenses) and you can upgrade the number of active employees at any time. Any upgrade is based on the difference between the current number of employees licensed and the new employee level desired.

The following estimate for professional services for the proposed project was determined based on our typical scope of work for a Sage HRMS implementation. Certain circumstances can affect estimates, including changes in requirements that arise during the project. Custom reports and data migrations are particularly difficult to estimate accurately until a detailed design has been completed. If during the course of the engagement, we determine circumstances are such that substantially greater work is required than estimated, we will discuss it with you and gain your approval before proceeding.

Sage HRMS Migration

Sage HRMS Software - for up to 75 Active Employees	Product Cost	Migration Services Fixed Fee	TOTAL
Sage HRMS – Core HR and Payroll	\$2055.00	\$8,000.00	\$10,055.00
Sage HRMS – 3 Network Seats	Included	Included	Included
Total Fees - Software, Support & Implementation			\$10,055.00

Total Investment Summary

Description	TOTAL
Sage ABRA to HRMS Migration including Payroll and 2 Network Seats	\$10,055.00

1. Quote valid through 9/30/2019.
2. Migration Services include: Project management, data migration, requirements, configuration, training, go-live assistance and wrap up, 3 meetings remote.
3. Statement of Work to be provided by DSD.
4. 100% of software, and 50% of implementation fees, will be due prior to project kick-off. The remaining balance is due 30 days after initial payment is made.

Authorization

We have examined this work request and agree with and understand its contents and officially authorize the work to be performed.

DSD Business Systems - Authorization	Los Osos Community Services District- Authorization
Sign Here:	Sign Here:
Print Name:	Print Name:
Date:	Date: