

RESOLUTION NO. 2022-36

AUTHORIZING CONTRACT NO. 2022-031 WITH KRONOS INCORPORATED TO PROVIDE KRONOS ANNUAL SUBSCRIPTION AND SUPPORT RENEWAL FOR A PERIOD OF ONE YEAR IN AN AMOUNT NOT TO EXCEED \$135,800.91 (GENERAL FUND, INNOVATION AND TECHNOLOGY DEPARTMENT BUDGET)

WHEREAS, the Authority currently utilizes Kronos-licensed products for human resources management and payroll processing; and

WHEREAS, annual subscription and support are required to use and maintain this software application; and

WHEREAS, these services are available from Kronos Incorporated, located at 900 Chelmsford Street, Lowell, MA 01851, the original licensor of these products; and

WHEREAS, the Ohio Revised Code, Section 306.43(H)(3) provides that competitive bidding is not required when the expenditure is for a renewal or renegotiation of a lease or license for telecommunications or electronic data processing equipment, services or systems, or for the upgrade of such equipment, services or systems, or for the maintenance thereof as supplied by the original source or its successors or assigns; and

WHEREAS, Kronos Incorporated has offered to provide said subscription and support at a negotiated amount not to exceed \$135,800.91 for a period of one year; and

WHEREAS, the General Manager, Chief Executive Officer deems the offer of Kronos Incorporated, as negotiated, to provide maintenance and support services for the Kronos software applications, to be in the best interest of the Authority and recommends acceptance thereof by the Board of Trustees.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the offer of Kronos Incorporated, as negotiated, to provide software maintenance and support services for a period of one year, be and the same is hereby accepted.

Section 2. The General Manager, Chief Executive Officer of the Authority be and she is hereby authorized to enter into a contract with Kronos Incorporated to provide said services.


Section 3. The contract will be funded through the General Fund, Innovation and Technology Department budget, in an amount not to exceed \$135,800.91 for a period of one year.

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon compliance by the contractor with the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.


Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that Kronos Incorporated will attempt to exceed the 0% minimum DBE goal assigned to this procurement.

Section 6. That this resolution shall become effective immediately upon its adoption.

Adopted: April 26, 2022



President

Attest: 

Secretary-Treasurer



TITLE/DESCRIPTION: CONTRACT: KRONOS ANNUAL SOFTWARE SUBSCRIPTION AND SUPPORT RENEWAL VENDOR: KRONOS INCORPORATED AMOUNT: NTE \$135,800.91 FOR A ONE YEAR PERIOD	Resolution No.: 2022-36
	Date: April 21, 2022
	Initiator: Innovation and Technology Department
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 **PURPOSE/SCOPE:** This action will allow the Authority to renew a sole source contract for annual software subscription and support of Kronos applications and equipment for a period of one year.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority has been utilizing Kronos software technology and applications since 1998. Annual maintenance, licensing, and support are required to maintain the Kronos applications and equipment (time clocks). Kronos is a companion product for payroll processing. Kronos technology and applications are proprietary products designed exclusively by Kronos Incorporated.
- 3.0 **PROCUREMENT BACKGROUND:** This contract for maintenance and support services is exempted from competitive bidding under Section 306.43(H)(3) of the Ohio Revised Code. Kronos applications are proprietary, making them the only source authorized to provide licensing and maintain the system. After negotiations, Kronos Incorporated offered to provide subscription support for the Kronos software products for a negotiated amount not to exceed \$135,800.91 for a one-year period. This total is approximately 1% below the project estimate of \$137,000.00. The Innovation and Technology Department reviewed the offer for adherence to technical scope.

 A price analysis has been performed and the Procurement Department has determined that the price is fair and reasonable to the Authority.
- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** All Affirmative Action requirements have been met. A 0% DBE participation goal was established for this procurement because it is for the maintenance of proprietary software, which work is limited and exclusive to the original provider and installer by agreement.
- 5.0 **POLICY IMPACT:** Does not apply.
- 6.0 **ECONOMIC IMPACT:** The contract will be funded through the General Fund, Innovation and Technology Department budget, in an amount not to exceed \$135,800.91 for a period of one year.
- 7.0 **ALTERNATIVES:** Reject this offer. Rejection of this offer would leave the Kronos software applications unlicensed, unsupported and would jeopardize the functionality of critical HR/Payroll systems vital to the organization.
- 8.0 **RECOMMENDATION:** It is recommended that the offer of Kronos Incorporated be accepted and the resolution passed authorizing the General Manager, Chief Executive Officer to enter into a contract.

9.0 ATTACHMENTS: None.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



General Manager, Chief Executive Officer