

RESOLUTION NO. 2024-37

AUTHORIZING CONTRACT NO. 2024-048 WITH UKG KRONOS SYSTEMS, LLC TO PROVIDE ANNUAL MAINTENANCE, SOFTWARE SUBSCRIPTION AND SUPPORT SERVICES FOR A PERIOD OF ONE YEAR IN AN AMOUNT NOT TO EXCEED \$148,518.05 (GENERAL FUND, MANAGEMENT INFORMATION SERVICES DEPARTMENT BUDGET)

WHEREAS, the Greater Cleveland Regional Transit Authority ("Authority") currently utilizes UKG Kronos Systems, LLC ("Kronos") licensed products for human resources management and payroll processing; and

WHEREAS, Kronos applications are proprietary, and annual maintenance, software subscription and support services are required to use and maintain this software application; and

WHEREAS, these maintenance, software subscription and support services are only available from Kronos, located at 900 Chelmsford Street, Lowell, MA 01851, the original licensor of these products; and

WHEREAS, R.C. 306.43(H)(3) does not require competitive procedures 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 has offered to provide said maintenance, software subscription and support services at a negotiated amount not to exceed \$148,518.05 for a period of one year; and

WHEREAS, the General Manager, Chief Executive Officer deems the offer from Kronos to provide said services, 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 from Kronos, to provide maintenance, software subscription 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 to provide said services.

Section 3. The contract will be funded through the General Fund, Management Information Services Department budget, in an amount not to exceed \$148,518.05 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 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: May 21, 2024



President

Attest: 

Secretary-Treasurer



TITLE/DESCRIPTION: CONTRACT: KRONOS ANNUAL SOFTWARE SUBSCRIPTION AND SUPPORT SERVICES VENDOR: UKG KRONOS SYSTEMS, LLC AMOUNT: NTE \$148,518.05 FOR A PERIOD OF ONE YEAR	Resolution No.: 2024-37
	Date: May 16, 2024
	Initiator: Management Information Services 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 resolution will allow the Greater Cleveland Regional Transit Authority (“Authority”) to enter into the annual agreement for maintenance, software subscription and support services with UKG Kronos Systems, LLC (“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.
- 3.0 **PROCUREMENT BACKGROUND:** This contract for maintenance, software subscription and support services is exempt from competition under R.C. 306.43(H)(3). Kronos applications are proprietary, and Kronos is the only source authorized to provide maintenance, software subscription and support services for the Kronos system. Kronos has offered to provide said services for the Kronos software products for a negotiated amount not to exceed \$148,518.05 for a one-year period. This total is approximately 1% below the project estimate of \$150,000.00.

 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, for which work is limited to 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, Management Information Services Department budget in an amount not to exceed \$148,518.05 for a period of one year.
- 7.0 **ALTERNATIVES:** Reject this offer. Rejection of this offer would leave the Kronos software applications unlicensed and unsupported, which would jeopardize the functionality of critical HR and payroll systems.
- 8.0 **RECOMMENDATION:** It is recommended that the offer from Kronos be accepted and the resolution adopted 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