

Metropolitan Transportation Commission

Administration Committee

December 11, 2019

Agenda Item 2f

Contract – Software License Agreement: Central Square Technologies (\$1,125,654)

Subject: Staff requests committee approval of a sole source software license agreement with Central Square Technologies (Central Square) in an amount not to exceed \$1,125,654, for implementation and a three-year software license for an upgrade of the current Central Square financial system and implementation of Central Square's Human Capital Management (HCM) application, providing human resources and payroll software with an option to extend for two additional years.

The purpose of this project is to continue utilization of the current financial system, implement and upgrade our current system to include additional features that can be utilized agency-wide, and integrate of payroll and human resources software with Central Square's HCM software to improve existing administrative processes and take advantage of industry best practices that best leverage the HCM software applications.

Background: MTC's current financial system has been operational since 2001. The Committee approved the current system after a competitive bid process, which included five years of license agreement. In FY 2015-16 the Committee approved a major system upgrade. Since installation in 2001, the system has continually met the agency's needs and staff has been very satisfied with the system support provided by Central Square. Based on that staff determined that continued utilization of the current financial system was advantageous due to staff time and costs associated with implementing a new financial system. At this time approval of this sole source software agreement is being sought so the agency can add upgrade the system, and add in much-needed features, including the HCM. The proposed license term will allow the agency time to determine the viability of continuing with the current financial system to meet the agency's ongoing needs or issue a procurement for a new system.

MTC has utilized a version of the Ceridian human resources/payroll software for nearly 20 years, and was notified in FY 2016-17 by Ceridian that the application will be taken completely out of operation on December 31, 2020. A two-year effort to implement a new version of the Ceridian Day Force product was unsuccessful, in large part because the Ceridian system was unable to integrate payroll charges through our financial system to properly charge grant and capital projects.

Central Square, formerly known as Superion, is a comprehensive, integrated, Enterprise Resource financial platform making up our main financial accounting system including general ledger, accounts payable, accounts receivable, budget and financial reporting. This software agreement will allow for an upgrade of the current financial system, and will implement features that will allow the agency to use the system to meet enterprise wide needs for contracting, HR, payroll, grant

management, project management, and reporting. The Central Square HCM will be a fully integrated module within the Central Square environment.

The Central Square enterprise financial system has always had a human resources/payroll module that, because of our relationship with Ceridian, we have never had the need to implement. The HCM software offered through Central Square offers end-to-end payroll/HR Management, including;

- Human Resources
- Professional Development
- Documents Online
- Base Analytics (Cognos)
- Employee On-Line
- Applicant Online/On-boarding
- Benefits Management
- Employee/Employer tax computations

There are a number of reasons for migrating to a fully integrated payroll system:

- Single account structure from payroll to general ledger
- Account extensions directly incorporating grants and capital projects
- Workflow automation through a single platform
- Improved reporting through synchronized database
- Single sign on for employee accounts
- Coordinated maintenance and development

Staff believes the ability to develop an integrated HR/Payroll/Financial application significantly reduces the complexity and risk associated with a complex payroll system development and installation.

Costs are broken down into installation, training and annual license costs, as follows:

	Upgrade & 1st Year Access Fee	2nd & 3rd Year Access Fee	Total
Installation / Training	\$383,240		\$383,240
Annual License	\$235,500	\$506,914	\$742,414
Total Upgrade Cost	\$618,740	\$506,914	\$1,125,654

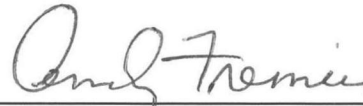
First year cost for the project would be \$618,740, plus two additional years of license fees would bring the total project to \$1,125,654.

Given the need to complete the conversion by December 2020, staff expects implementation to begin almost immediately after Committee approval.

Central Square is neither a small business nor a disadvantaged business enterprise and has no subcontractors.

Recommendation: Based on these benefits and our experience with Central Square Technologies and its financial application modules, staff recommends that this Committee authorize the Executive Director or designated representative to negotiate and enter into a sole source software agreement with Central Square to implement the new upgrades, and provide for three years of licensing costs with an option to extend for two additional years for a project cost not to exceed \$1,125,654. Future license costs will be subject to inclusion in and approval of future budgets.

Attachment: Request for Committee Approval



Andrew B. Frenier

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract

Work Item No.:	1152
Consultant:	Central Square Technologies (Central Square) Lake Mary, Florida
Work Project Title:	Financial System and Human Capital Management (HCM) / Payroll Upgrade/Conversion
Purpose of Project:	Upgrade of Financial System and Replacement of Ceridian payroll / HCM Service bureau
Brief Scope of Work:	Licensing and implementation of Central Square's Financial System and Human Capital Management (HCM) application, providing Financial, Human Resources and Payroll software.
Project Cost Not to Exceed:	\$1,125,654
Funding Source:	MTC
Fiscal Impact:	Funds are in FY 2019-20 budget
Motion by Committee:	That the Executive Director or designee is authorized to negotiate and enter into an agreement with Central Square for licensing and implementation of Central Square's Financial and HCM applications as described above and in the Administration Committee Summary Sheet dated December 11, 2019 for a term of three years, with an option to extend for two additional years, and the Chief Financial Officer is authorized to set aside \$1,125,654 for such agreement, with funds for future license fees subject to inclusion in and approval of future budgets.
Administration Committee:	<hr/> Federal D. Glover, Chair
Approved:	December 11, 2019