Human Capital Management System Selection Process

Technology, Innovation

and

Performance Improvement Committee

March 18, 2019

ORLAND PARK

Why?

- Utilize the principles of high performing organizations to meet the Village's strategic goals
- Streamline processes related to the full employee life cycle from hire to retire and eliminate multiple redundant systems and processes across the organization
- Share, use, and analyze data in real time across departments to support organizational decisions
- Modernize our approach to management of employees to address multi-generational workforce

Selection Team and Key Stakeholders

- Selection Team
  - Human Resources - HR Director, HR Generalist, HR Coordinator
  - Finance - Finance Director, Assistant Finance Director
  - BIS - Information System Manager
  - Police - Commander

- Key Stakeholders
  - Employees
  - Department managers and administrative staff
  - HR and Finance staff

Selection Process

- Issued Human Capital Management System RFP
  - 56 vendors downloaded RFP documents from Bidnet Direct
  - 6 vendors submitted proposals (see Proposal Summary Sheet)
  - 3 vendors were invited for interviews/demonstrations – Ceridian, Tyler Technologies and Ultimate Software
  - Selection team spoke with references of three vendors
  - Ceridian and Ultimate Software were asked to provide a best and final offer
  - Prepared detailed TCO including all direct and indirect costs, as well as cost savings

Selection Process

- Recommendation - Ultimate Software UltiPro
  - Best met the functionality requirements as outlined in the RFP
  - Sample clients - Eden Prairie, MN, Shawnee, KS, Sony Music, LA Dodgers, Yamaha
  - User friendly interfaces, intuitive to navigate
  - Leader in HCMS marketplace (Gartner Group, Nucleus Research)
    - According to Gartner Group studies, "Ultimate was most highly rated for initial implementation and deployment, handover from implementation to support, and ongoing account management".
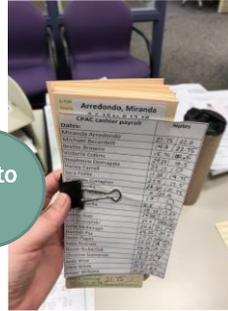
Timekeeping CPAC - Current

Employee uses Analog Timeclock to ink stamp time in and time out
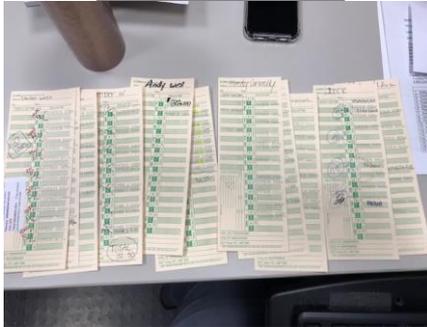
Time cards laid out on desk. Hours worked calculated manually.

Spent time cards sent to storage

Calculated hours from cards entered manually into Excel Spreadsheet
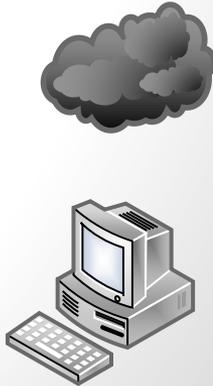
Spreadsheet sent to Finance for further processesing

Spreadsheet imported into Innoprise Payroll system

Payroll processed by a Full-time payroll administrator

Timekeeping CPAC – w/UltiPro

Employee uses desktop, Geo-Fenced Mobile or Tablet App for timestamp

Reconciled by PT Payroll Coordinator and submit finalized payroll to UltiPro

All overtime is calculated, documented, and displayed on electronic time sheets Any errors or exceptions display on time sheets (based on set of rules)

Approvers have access to time sheets at the end of designated time period to verify input time

Employee Address Change - Current

Employee Address Change – w/UltiPro

HR Receives Workflow System Notification

Police Receives Workflow System Notification

Employee Updates Profile Online within HCMS

Employee Receives Workflow System Notification to contact 457(b), HSA BANK, AFLAC, NCPERS, and/or IUOE Plan Providers to Update with them directly, if enrolled

Direct Vendor Notification to medical, dental, vision, and FSA providers via direct carrier feeds.

Email Address Change Notification from Library

Log into Online Provider System & Update IMRF

Process Complete

Open Enrollment - Current

Board Approval of Benefit Rates → Update 25 Different Word Templates → Create Excel File for New Benefit Year for Full-Time → Run Innoprise Report and Audit Demographic Excel Data → Pull current Employee Annual Salary & FSA election data from Innoprise and add to Excel File → Run Innoprise Report and Update all Assignment IDs and Groups on Excel File → Reset all ACA reporting fields on Excel File

Create Check Off Sheets/Attach to Manilla Folders/Explain form collection verification process to HR staff collecting forms

Create Excel File for New Benefit Year for Benefit Continuation → Audit Demographic Data against Police Pension Records → Reset all ACA reporting fields on Excel File

Enrollment Form Mailed Back to HR

Enrollment Form Interofficed Back to HR

Enrollment Form Emailed Back to HR

Enrollment Form Hand Delivered Back to HR

Enrollment Form Received & Reviewed — Complete / Not Complete

File in Collection Folder

Follow Up with Employee

Create Excel File for New Benefit Year for Officials → Run Innoprise Report and Audit Demographic Excel Data → Pull current Employee Annual Salary data from Innoprise and add to Excel File → Run Innoprise Report and Update all Assignment IDs and on Excel File → Reset all ACA reporting fields on Excel File

Take by groups to Cashier's Office staff for postage

Layout assembly line of printed enclosures by group and stuff envelopes ← Prepare mailing labels, put mailing labels on envelopes ← Print, collate, and sort all Files by Group.. ← Create merge and mail merge 21 of the Template Files

Review Collection Folders week of Due Date and on Due Date and Follow up with Employees Missing Forms

Manually Enter Each Completed Enrollment Form in appropriate Excel Data File → Create List of Benefit Changes by Employee → Send out New HSA Packets to Employees, prepare tracking file for the bank → Log into Online Provider System & Update Medical Plan, if changes → Log into Online Provider System & Update Dental Plan, if changes → Log into Online Provider System & Update Vision Plan, if changes → Log into Online Provider System & Update FSA Plan, if changes → Create FSA Data file in Excel for Payroll. Send employees FSA welcome packet → Create HSA Data file in Excel for Payroll and get final tracking file from bank

File Forms in Employee Benefit File ← Full Benefit Data Audit (Excel File vs 4 Provider Systems) ← Create Dependent Age 18-26 File for Monthly Verification of Eligibility to Remain on Village Benefits ← Create 3 payroll files for updates (Full-Time, Benefit Continuation, and Officials) Benefit Changes File for Payroll ← Print, Collate, put lables on envelopes, stuff envelopes, mail ← Prepare Confirmation Statements. Create merge and mail merge 4 of the Template Files

Open Enrollment – w/UltiPro

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┌─────────────┐         ╭──────────────────╮      ┌──────────────────────┐      ┌──────────────────────┐
│ Board       │         │                  │      │ Employees Receive    │      │ Employee Submits     │
│ Approval of │  ──────▶│ HR Updates       │─────▶│ Workflow System      │─────▶│ Benefit Elections    │
│ Benefit     │         │ Benefit Open     │      │ Notification for     │      │ Online. System       │
│ Rates       │         │ Enrollment       │      │ Open Enrollment and  │      │ Generated            │
└─────────────┘         │ Module in HCMS   │      │ Follow Up            │      │ Confirmation         │
                        ╰──────────────────╯      │ Notifications Until  │      │ Statement Available  │
                                                  │ Workflow is          │      │ for Employee to      │
                                                  │ completed.           │      │ Review.              │
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Board Approval of Benefit Rates

HR Updates Benefit Open Enrollment Module in HCMS

Employees Receive Workflow System Notification for Open Enrollment and Follow Up Notifications Until Workflow is completed.

Employee Submits Benefit Elections Online. System Generated Confirmation Statement Available for Employee to Review.

HR System Workflow Notification Received, HR Review and Approval Process Begins.

All 1/1 Benefit Changes: HCMS Workflow identifies and updates medical, dental, vision, and FSA employee benefits.

All 1/1 Benefit Changes: Direct Vendor Notification to medical, dental, vision, and FSA providers via direct carrier feeds. HCMS system update for benefits cost related to life insurance benefits.

HCMS Workflow identifies and updates employee life and child life based on loss of eligibility throughout calendar year. Send cancelation notice to employee when eligibility requirements are no longer met.

HCMS Direct Vendor Notification to COBRA vendor via direct carrier feed.

Total Cost of Investment

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Initial Costs -						
Implementation, Carrier Feeds, Data Conversion	$ 98,792	$ -	$ -	$ -	$ -	$ 98,792
Projected Annual Costs -						
Per Employee Per Month Fees - Full-time, Part-Time, Seasonal, Police Pension Retirees, Terminated Employees	$219,959	$229,519	$229,519	$229,519	$229,519	$1,138,035
Total Initial and Projected Annual Costs	$318,751	$229,519	$229,519	$229,519	$229,519	$1,236,827
Direct Cost Savings -						
Elimination of annual costs for Innoprise Maintenance	$ 10,546	$ 10,546	$ 10,546	$ 10,546	$ 10,546	$ 52,730
Elimination of annual costs for ATS Print Freedom	6,700	6,700	6,700	6,700	6,700	33,500
Elimination of annual costs for Recruiting/Onboarding	-	33,000	33,000	33,000	33,000	132,000
Elimination of printing benefit enrollment forms	1,000	1,000	1,000	1,000	1,000	5,000
Elimination of scheduling software at CPAC	496	506	516	526	537	2,581
Reclassify FT Payroll Administrator to PT	35,885	73,923	75,401	75,401	75,401	336,012
Total Direct Cost Savings	$ 54,627	$125,675	$127,163	$127,174	$127,184	$ 561,824
Net Cost Increase	**$264,124**	**$103,844**	**$102,356**	**$102,345**	**$102,335**	**$ 675,003**
					NPV	**$ 642,447**
				The net cost increase is equivalent to 1.2 FTEs annually		

Total Cost of Investment (Cont'd.)

- Potential indirect cost savings to be realized –

Process Improvement	Reduced Staff Hours per Year
Reduced manual data entry (and related potential for errors) between HR and Payroll systems	518 – 864
Reduced inquiries to employee/manager HR related questions	315 – 525
Improved employee management and administration through manager/employee self service (per manager/employee)	10 - 18
Improved benefit enrollment/benefit tracking processes	200 - 340
Improved compensation planning process	27 - 45
Reduced management of in-house systems, databases and integrations	65 - 108
Reduced support of HR/Payroll systems	52 - 86

Next Steps

- Contract Negotiations – finalize by mid-April
- Project Kickoff Meeting – mid to late April
- Estimated Implementation – 6 to 12 months
  - Phase I –
    - Core – payroll, benefits, employee/manager self-service, tax filing, garnishment remittance, ACA, compliance and predictive analytics
    - Workforce Management – comprehensive time, attendance and scheduling, related integrations
    - Onboarding – new hires, including new hire forms submission
    - Talent Management – performance and succession planning
    - Compensation Management – automated salary planning process
  - Phase II –
    - Recruiting – applicant tracking and recruitment (under contract with iCIMS thru 12/31/2019)
    - Learning Management – automated training and learning experience