



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Lincoln Bogard, Administrative Services Director

MEETING DATE: October 22, 2024

SUBJECT: Consideration of Resolution 2024-171, Approving Replacement of NeoGov Human Resources Information System (HRIS) and Related Modules with Paylocity Human Capital Management (HCM) Including Payroll, Time & Labor, Benefits, Human Resources, Talent, Employee Experience, Insights & Reporting, and Customer Service

RECOMMENDATION:

Adopt Resolution 2024-171.

BACKGROUND:

On July 12, 2022, the City of Banning adopted Resolution 2022-100, approving the implementation of NeoGov for HR employee recruitment, hiring, and onboarding, in the amount of \$25,000.00. On March 28, 2023, the City of Banning adopted Resolution 2023-54, approving the implementation of NeoGov HRIS, Human Resources and Payroll for Governments. On August 22, 2023, the City of Banning adopted Resolution 2023-145, approving the implementation of the NeoGov HRIS software platform and the HR employee recruitment, hiring, and onboarding modules (eForms, Governmentjobs.com, Insight, and Onboard).

To date, NeoGov has had three project managers and there has been several times when the implementations have stalled. Management has had to schedule meetings with senior leaders at NeoGov on multiple occasions to have resources reassigned to our project. Staff began looking at competitors a few months ago and Paylocity was chosen as the best option for replacement of NeoGov.

JUSTIFICATION:

Paylocity is a worldwide company and guarantees compliance with laws and regulations for payroll. They have other CalPERS customers and are able to provide required quarterly reporting to CalPERS and have a prebuilt automation for that reporting. Staff was pleased with the multiple demonstrations, with the exception of recruitment, due to the fact that Governmentjobs.com is a proprietary NeoGov site that many governments use for posting jobs. Management has not decided whether to cancel all NeoGov modules, or to keep just the recruitment module that offers publication on Governmentjobs.com.

Paylocity offered to provide the City with a free implementation, plus a free month of service after management shared that we have sunk costs in the NeoGov implementation. The overall cost of monthly service is about the same as NeoGov. Therefore, the existing budget is sufficient for this fiscal year.

FISCAL IMPACT:

The cost for the full Paylocity Human Capital Management (HCM) suite is \$6,672.67 per month (after the initial free month) with a \$2,500.00 one-time fee for importing historical data into the system. The first

year total cost is \$82,332.04. The subscription automatically renews monthly after the first year and will be brought to Council annually with the software subscription cost item. There is also a \$2,260.00 annual fee associated with W-2 and 1099 production, printing, and mailing, social security number verification, and 1095 forms. There are also usage based fees for Garnishment Managed Services of \$7.40 per garnishment, next day delivery by UPS for \$20.00 per item, and \$6.00 per split pack.

Overall, the total cost of the product is expected to be between \$85,000 and \$90,000 per year for the next five years, including the optional add-on services, for a total not-to-exceed budget for five years of \$450,000.00.

ALTERNATIVES:

Do not adopt Resolution and provide alternative direction to staff.

BUDGETED?:

Yes

CONTRACT/AGREEMENT:

Yes

ATTACHMENTS:

1. [Resolution 2024-171, Paylocity.docx](#)
2. [Exhibit A - Paylocity Subscription Agreement](#)
3. [Paylocity - City of Banning Proposal 2.pdf](#)