Agenda Item No: 1.n

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: June 16, 2026

Submitted by: Jerry Griggs

From: Finance

Subject:
SOFTWARE AGREEMENT WITH KRONOS SAASHR, INC. FOR A WORKFORCE MANAGEMENT SYSTEM

Financial Impact:
Expense: $68,723.93 annual software license fee
Budgeted: Human Resources/Finance FY 2026-27

Summary:
The organization currently utilizes Kronos SAASHR, Inc. payroll and human resources management software to support payroll processing, employee record management, benefits administration, timekeeping, reporting, and other human resources functions. The software has been in use since 2024 and serves as the organization's primary system for payroll and HR administration.

Recommended Action:
It is recommended that the City Council:

1. Approve renewal of the software agreement with Kronos SaasHR, Inc. for a workforce management system in the amount of $68,723.93 for the period August 1, 2026 through July 31, 2027; and
2. Authorize the City Administrator and/or her designee to execute all the necessary documents in a form approved by the City Attorney.

Strategic Plan Statement:
This item is consistent with the City Council approved Strategic Goal No. 5 to Improve Organizational Excellence but is not directly related to a specific objective.

Discussion:
Kronos payroll and human resources management system continues to meet the organization's operational needs by providing a centralized platform for managing employee information and payroll functions. Key services and features provided under the renewal agreement include:

- Payroll processing and tax reporting
- Employee data management
- Benefits administration
- Time and attendance integration

- Employee self-service functionality
- Human resources reporting and analytics
- Regulatory and compliance updates
- Technical support and system maintenance
- Software upgrades and security enhancements

The system has proven to be reliable and efficient, supporting accurate payroll processing and reducing manual administrative tasks. Renewing the agreement will allow staff to continue utilizing the existing platform without disruption to payroll and HR services. Staff evaluated the continued performance of the software and vendor support and determined that renewal of the agreement is in the organization's best interest. Transitioning to a different system would require significant staff resources, implementation costs, data migration efforts, employee training, and potential operational disruptions.

Financial Summary:
The annual cost for basic service is $68,723.93 for Fiscal Year 2026-27. The cost of these services is included in the FY2026-27 Proposed Budget.

Attachments
Kronos Software Agreement Renewal_Aug2026.pdf
Kronos Master Agreement_2019.pdf