

Board of County Commissioners Agenda Request 6

Date of Meeting: January 24, 2006

Date Submitted: January 18, 2006

To: Honorable Chairman and Members of the Board
From: Parvez Alam, County Administrator
Lillian Bennett, Director Human Resources
Subject: Approval of the Licensing Agreement with Halogen Software, Inc for the Purchase of Software for Leon County's On-line Employee Performance Appraisal Program.

Statement of Issue:

This item seeks Board approval of the Licensing Agreement with Halogen Software, Inc as a sole source vendor for the purchase of a software solution for Leon County's On-line Career Service/Executive Support/EMS Employee Performance Appraisal (EPA) Program (Attachment #1).

Background:

In March 2005, Human Resources staff met with County Administration on the creation of a new on-line Performance Appraisal process to be implemented in the fall of 2005 for Career Services/Executive Support/EMS employees. The benefits of this new process will be to fully automate the performance appraisal system, standardize measures of core values, measure supervisory/ management skills, tie job related standards to the Job Description Questionnaire (JDQ) and automatically calculate the overall employee performance ratings. The County Administrator approved the proposed on-line Employee performance appraisal process and directed staff to proceed with implementation (Attachment #2). An agenda item was taken to the Board on September 20, 2005 to begin the New Employee Performance Appraisal System process (Attachment #3).

In April 2005, Management Information Systems (MIS) and Human Resources (HR) staff began the process to determine the EPA system functions and how best to provide the technical solution for an on-line performance appraisal process. The options considered were to build the system in-house or to research the availability of a software product that could be modified to accommodate the need of Leon County. With the assistance of a consultant hired by MIS, system function requirements of the EPA system were developed to determine what the system should/must "do" and "how" it should perform these functions (Attachments #4, #5 and #6). These requirements also provided the basis to develop an estimate of development time, cost analysis to build vs. buy the software, and a set of standards/guidelines to evaluate potential software vendors.

Then the consultant was assigned the task of using the developed requirements to research the availability of software products that most closely met the needs of Leon County. The consultant researched software products and brought forth five (5) vendor/product recommendations to the HR/MIS team. Presentations of the five systems were held (Knowledge Point, Halogen Software, Sungard SCT Banner, Perfect Software, and People-Talk) (Attachment #6).

Analysis:

The consultant and the HR/MIS team assessed the offerings of the five vendor/products to determine how the basic functional requirements were met and to compare pricing for licensing with an 800 employee base. Additionally, MIS explored the option of developing a custom solution using in-house staff and out-sourced resources. The outline provides the assessment and cost comparisons of the various options.

ON-LINE EMPLOYEE PERFORMANCE APPRAISAL SYSTEM		
VENDOR SOLUTIONS	ASSESSMENT	COST
Sungard-SCT	Current HR/Payroll Solution	N/A
	Does not offer a Performance Appraisal module.	
Perfectsoftware	Although web-enabled with pre-configured reports and employee self-service, it appeared to be weak in performance planning and appraisal.	\$40,000
People-Track	Although web-enabled with pre-configured reports and employee self-service, it appeared to be weak in performance planning and appraisal. In addition, the performance review module is primarily a scheduling function only.	\$48,000
Knowledgepoint	Product appeared to meet functional requirements.	\$50,000
Halogen Software	Product appeared to meet functional requirements. The on-site demonstration showed that this solution was more comprehensive and suited specifically to performance planning and appraisal.	\$35,599
	Note that Halogen's quoted price includes licensing, training, maintenance, and conversion services. Whereas, other vendor costs were only for licensing. Additionally, the price is in line with the project budget.	
CUSTOM SOLUTIONS	ASSESSMENT	COST
In-House Resources	Would require use of 3 existing positions with a business opportunity cost that other core business duties and responsibilities currently handled by existing positions would not be achieved. The cost to add 3 new positions to accommodate the development or handle existing duties and responsibilities would be approximately \$75,000 each (includes salary and benefits).	\$225,000
Out-Sourced Resources	Would require 3 consultants with HR appraisal expertise to develop the solution, document and create training materials, and to migrate maintenance to in-house staff in a year. Average cost for 1 year of 1 appropriately skilled consultant is \$200,000 (\$100/hr x 2000 hrs/year).	\$600,000

As the cost for in-house customer solutions with existing staff or out-sourced resources is considerably more than vendor supplied products, the HR/MIS team recommendation is to purchase a product that can be supported and augmented with existing MIS assistance for future custom reports. Additionally, the team recommends the Halogen Software product as the solution for the County's on-line employee appraisal system as it is assessed to comprehensively meet HR's requirements. The quoted price of \$35,599 for licensing, training, maintenance, and conversion services is aligned with the existing budget in the Management Information System Internet Related Project CIP Account.

Halogen Software is the software developer, provides all technical support, and serves as the sole distributor of their performance appraisal software product. It is requested to acknowledge purchase of the software and on-going support through Halogen Software as a sole source.

Options:

1. Approve the Licensing Agreement with Halogen Software, Inc., as the sole source vendor for the purchase of the on-line Employee Performance Appraisal system and authorize the chairman to execute.
2. Do not approve the Licensing Agreement with Halogen Software, Inc., as sole source vendor for the purchase of the on-line Employee Performance Appraisal system.
3. Board Direction.

Recommendation:

Option #1

Attachments:

1. Halogen Licensing Agreement
2. Staff Presentation to County Administrator
3. Status Report on New Performance Appraisal System
4. EPA Performance Appraisal (EPA) System Function Description
5. EPA Performance Appraisal System Workflow Description
6. Position Control Function Description
7. HR Performance Appraisal Vendor Systems Evaluation Recap

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