



City of Waukesha
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Committee: Information Technology Board	Date: 2023-11-27
Common Council Item Number: 23-8209	Date: 2023-12-06
Submitted By: Chris Pofahl	City Administrator Approval:
Finance Department Review: Joseph P. Ciarro	City Attorney's Office Review: Brian Running
Subject: Review and Act on the UKG Payroll software contract renewal	

Details:
Our agreement with UKG for the payroll software is set to end in February, requiring a commitment 60 days before expiration. We have no intention of switching software and plan to renew the contract. UKG has the right to raise their rate by 5% annually based on the master service contract. To extend the contract to 24 months instead of 12, an amendment is necessary. This amendment will limit the increase to 7% over the next two years and revert to the standard 5% annually after that, avoiding a 3% increase over the 24-month period.

Options & Alternatives:
This contract spans 24 months, but we have the option to maintain the standard 12-month auto-renewal. If we proceed with the auto-renewal, our rate will increase by 15% over the next 24 months, compared to the 12% proposed in this agreement.

Financial Remarks:
Under the current annual renewal, by the end of 2025, our payment per user per quarter will rise to \$8.51. However, if we approve the amendment, the rate would be \$8.26 per user per quarter by the end of 2025. This change would result in a \$2000 per year savings.

Executive Recommendation:
Approve the 24 month amendment to the contract with UKG.