



DATE June 2, 2021 **Item #11**

TO GCTD Board of Directors

FROM Marlena Kohler, Purchasing Manager/DBE Officer *MK*
Dawn Perkins, Director of Finance

SUBJECT Receive Information on New Payroll System and Implementation Plan with Paycom

SUMMARY

This report provides information regarding the new electronic payroll system that is to be implemented agency wide.

Beginning the first of the year, GCTD staff began the process of locating a company that could provide an electronic payroll system that would meet GCTD's unique payroll requirements. After extensive research involving contacting several companies that offer electronic payroll system (i.e., Paychek, ADP, Paylocity and other agencies inquiring about their payroll systems, GCTD staff decided on Paycom Payroll, LLC. Paycom exhibited extensive knowledge and experience in processing payroll such as ours and therefore, the transition from our current payroll to Paycom's would, in the long run, be most advantageous to GCTD.

Paycom has a 96.6% successful implementation, 95.2% On Time First Check Date, an average of 96% Direct Data Exchange (DDX) Score after three (3) months and a 93% retention percentage. Paycom is one of the few payroll processors to be ISO 27001, ISO 9001, ISO 22301 and SOC 2-certified. Paycom show no results in the System for Award Management (SAM) and several of their reference were checked and no issued were found. As a result, Paycom is therefore considered to be a responsive, responsible company capable of meeting GCTD's requirements.

In addition to Paycom's Human Capital Management Solution, Paycom will provide One-Time Conversion, Set up and Training as well as annual 940 filing, W-3 Transmission, Employee W-2s, 1094 and 1095. The Per Pay rate per employee is \$14.44, with GCTD's current employee count of 195, GCTD will be paying \$3,153.07 per payroll.

A purchase order in the amount of \$118,061.87 was issued to Paycom on May 12, 2021. This PO will cover the per payroll fee for 195 employees for the year with a variance to cover new hires throughout the year and a \$28,061.87 cost for the one-time set-up and training.

The Finance Department immediately began working with Paycom to get all necessary data, forms, information needed. The anticipated date for the first paychecks processed through Paycom is July 16, 2021. All set-up and training of employees will be completed by then.

GOLD COAST TRANSIT DISTRICT

In addition, two (2) Proximity Time Clocks for the Operations and Maintenance Departments were leased. The employees in those departments will be able to utilize their current GCTD ID Badges to clock in and out. The remainder of the employee will utilize the online system from their desktop or mobile device to enter their Time and Attendance. GCTD will no longer use timecards or paper timesheets.

All employees, by use of a desktop computer or mobile device, will be able to view timecards, past Earning Statements, request time-off, view and print their W-2's and make changes to their address, W-4, direct deposit accounts and various other functions.

The system that we are currently using, FleetNet, requires extensive manual processes and employee input. This is the equivalent of two full-time employees and two interns working 6 – 8 full days to process payroll for 195 employees. The manual input can create an opening for errors to occur. FleetNet can be very difficult to work with and with support located on the East Coast, these errors cannot often be easily remedied.

In closing, the move to PayCom will reduce the amount of manual input done by payroll staff with less errors. Payroll staff will have more time for other payroll related functions. GCTD employees will have better access to their payroll records i.e., paystubs, W-2's and other functions, knowledge of their vacation and sick leave balances for time-off requests, which will not be allowed if the employee's leave balance is not sufficient.

RECOMMENDATION

It is recommended that the Board of Directors receive and file this report.

General Manager's Concurrence



Steven P. Brown