



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: SEPTEMBER 11, 2017

ITEM NO: 9

SUBJECT: REQUEST FOR PROPOSAL NO. 1696 – MASTER AGREEMENT WITH CORNERSTONE ONDEMAND, OF SANTA MONICA, CALIFORNIA, FOR THE SOFTWARE PURCHASE OF UNIFIED TALENT MANAGEMENT SYSTEM, FOR A FIVE YEAR TERM IN THE AMOUNT OF \$234,520.38

ISSUES:

Approve the Master Agreement, from Request for Proposal No. 1696, with Cornerstone OnDemand, Inc., of Santa Monica, California, for the software purchase of Unified Talent Management System for a five year term, in the amount of \$234,520.38.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the Master Agreement with Cornerstone OnDemand, Inc., for the software purchase of the Unified Talent Management System, five year term, in the amount of \$234,520.38; and
2. Authorize the City Manager, or his designee, to execute a three-year contract and the two one-year options with Cornerstone OnDemand; and all documents pursuant to the Agreement in the amount of \$234,520.38.

BACKGROUND:

The utility industry has changed dramatically over the last decade. Technology changes, in addition to baby boomers who are at or near retirement, have created unprecedented challenges for utilities across the nation. Riverside Public Utilities (RPU) will need to reimagine its framework for continued success as a premier leader in the utility industry. Enhanced competencies and new skills are critical in this changing environment which has necessitated the need for more effective training and development programs and system automation.

As a result of these changes, the City and RPU have identified the need for a fully integrated Talent Management System (TMS) to include Performance & Goals Management, Learning Management, Succession Planning, and Onboarding modules. The goal of the TMS is to provide the City and RPU with a current generation platform for integrated learning and development and employee support functions. The system will allow the City to put employees in a position to succeed from the time they begin city service, to their development in the positions where they reach their potential, whether that be as a line employee, a supervisor, or an executive.

The implementation of a robust TMS will provide the ability to view, plan and leverage talent across the organization, and enable the development of a ready-now leadership pipeline to meet current and future organizational growth needs. Further, it will allow the City to perform a multitude of functions with less manual administration; increase integration between training and development activities; performance improvement planning; succession planning; and retention.

In early 2015, RPU completed the Strategic Technology Plan, which outlines a plan to move toward “Utility 2.0.” with strategic investments in new operational technologies. The TMS is an integral part of this Plan that will improve overall efficiencies in training and development, enhance reporting requirements for managers, supervisors and employees by providing valuable real-time information to make solid data-driven decisions; and will have a direct impact on achieving key business goals over the long term.

Due to the magnitude, resource requirement and scope of this project, the City has identified the Riverside Public Utilities Department as the pilot department for project implementation. The intent is for all City departments to utilize the system; beginning with RPU’s 653+ employees, with the ability to scale to include other City department’s up to 2,400+ employees. However, at this time, no specific plan or schedule has been identified for the other City department’s implementation.

The City and RPU seek to utilize a phased approach to implement TMS modules based on fiscal year (July-June) as follows:

Performance & Goals Management	Target go-live date: 3 rd Qtr • Jan - March 2018
Learning Management	Target go-live date: 1st Qtr • July - Sept 2018
Succession Planning	Target go-live date: 2 nd Qtr • Oct - Dec 2018
Onboarding	Target go-live date: TBD

The functional capabilities of the software acquired must include:

- Performance & Goals Management - Online appraisals; 360 Feedback; skills-gap analysis; individual development plans linked to performance review; competency-based learning to fill knowledge gaps.
- Learning Management - Online registration & waitlist administration; training record management (certifications, continuing education, compliance training, and tuition reimbursement); assessments administration; 24/7 learning via online, classroom, virtual, mobile, OJT, self- reported training; and delivery, tracking, managing & reporting of learning activities.
- Succession Planning - Creation of employee profiles to include skills, interests, licenses and performance evaluations; talent and competency gap analysis; identifying future roles and talent pools; conduct succession scenarios.
- Onboarding – Automation of onboarding paperwork and compliance to include customized welcome messages including videos; and tracking the progress of onboarding activities to include online forms, checklists, and links to required training.

DISCUSSION:

On January 31, 2017, the City posted RFP 1672 for the purchase of a Talent Management Solution. The RFP process closed on February 24, 2017. The City received two proposals from TalentQuest and Halogen. A committee of ten (10) staff from RPU, Department of Human Resources and Innovation & Technology department reviewed the proposals to determine if they met the minimum requirements and other mission critical functional and technical objectives.

After evaluating both proposals, it was determined that TalentQuest’s proposal met the minimum

requirements but were lacking some key functional and technical requirements; and Halogen's submittal specifically stated that the information provided was an overview and not in response to the RFP, yet all the actions in terms of submission and reference to the RFP suggested otherwise. The RFP evaluation process stated that three vendors would be shortlisted. Due to an insufficient number of submittals, the committee rejected TalentQuest's proposal and Halogen's overview and re-bid the project.

On March 27, 2017, the City posted RFP 1696 for the purchase of the Talent Management Solution. The RFP process closed on April 21, 2017. The City received seven (7) bids from the following: Aasonn, Cherry Road Technologies, Cornerstone OnDemand, eVerge Group, Halogen Software, Saba Software and TalentQuest.

The first step evaluated the company's experience and qualifications, functional and technical objectives, project approach and pricing. The three vendors receiving the highest preliminary scores moved forward to the second step. The vendors selected were Cornerstone OnDemand, Aasonn and Saba Software. The second step invited the short-listed vendors to conduct a formal presentation/demonstration of their product. They were provided demonstration script guidelines in advance, and were allotted three hours to showcase their solution including a Q&A session.

Upon completion of the presentations/demonstrations, the committee rated and agreed that Cornerstone OnDemand met the mission critical requirements and business objectives of the City. After a two-step process was used to evaluate the RFP's., Cornerstone OnDemand was deemed the best solution.

The Purchasing Services Manager concurs that the action to award is in compliance with City Resolution No. 22576.

The Chief Innovation Officer and the Human Resources Director concur with this report.

PROJECT FUNDING

The project budget for the new TMS pilot project is \$234,520 which includes estimated costs of a five (5) year agreement with Cornerstone OnDemand and Year 1 costs for the TMS project of \$88,575 for software and services. Ongoing costs to be budgeted in future fiscal years include an annual licensing cost (per user) for the TMS of \$33,139 for Years 2 and 3; and estimated costs of \$39,833 for Years 4 and 5.

Talent Management System	Year 1 2017-2018	Year 2 2018-2019	Year 3 2019-2020	Year 4 2020-2021	Year 5 2021-2022
Performance Management	\$ 13,223	\$13,223	\$13,223	\$13,223	\$13,223
Learning Management	\$ 6,612	\$13,223	\$13,223	\$13,223	\$13,223
Succession Planning	\$ 0	\$ 6,693	\$ 6,693	\$ 6,693	\$ 6,693
Onboarding	\$ 0	\$ 0	\$ 0	\$ 6,693	\$ 6,693
One-Time Implementation Fee	\$ 68,740	\$ 0	\$ 0	\$ 0	\$ 0
Total Costs	\$ 88,575	\$33,139	\$33,139	\$39,833	\$39,833
Current Budget	\$100,000	\$ 0	\$ 0	\$ 0	\$ 0
Need	\$ 0	\$33,139	\$33,139	\$39,833	\$39,833

FISCAL IMPACT:

The total estimated cost of the project is \$234,520 with \$100,000 available in fiscal year 2017/18 Public Utilities' Workforce Development Account No. 6002000-425700 (Software Purchase - Licensing). Additional funds required of \$134,520, will be budgeted in future years.

Prepared by: Kevin Milligan, Utilities Deputy General Manager
Approved by: Girish Balachandran, Utilities General Manager
Approved by: John A. Russo, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Certifies availability
of funds: Laura Chavez-Nomura, Utilities Assistant General Manager/Finance

Attachments:

1. TMS Agreement – Cornerstone OnDemand, LLC
2. Presentation