

**AGENDA  
ITEM**

**11**



# AGENDA STAFF REPORT

**DATE:** July 17, 2019

**TO:** Mayor and City Council

**APPROVED BY:** David Dale, City Manager *MD for D.D.*

**PREPARED BY:** Karla E. Lobatos, Finance Director *Kp*

**SUBJECT:** Authorize City Manager to Sign Agreement for Professional Services Between the City of Calexico and Heartland for Payroll Services

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**Recommendation:**

Authorize City Manager to Sign Agreement for Professional Services Between the City of Calexico and Heartland (CA) for Payroll Services.

**Background:**

The City of Calexico Finance Department is currently facing a shortage of staff in the payroll division due to funding shortages, it was determined not to fill the current vacancy in that division. It is proposed that the partial salary savings in the division be used to contract out payroll services.

The City of Calexico Finance Department sent out a request for proposal notifications to various payroll companies, in addition to posting the Request for Proposals for Payroll Services for the City of Calexico on a professional recruiter website.

Payroll services for the City of Calexico would be for bi-weekly services for all 134 City employees. The Request for Proposals went out on August 23, 2018, with a submittal deadline of September 7, 2018.

BenefitMall was selected on October 3<sup>rd</sup>, 2018; however, the company was unable to satisfactorily provide the City with payroll services. After thorough reviewal Heartland was selected.

**Discussion & Analysis:**

The Request for Proposals for Payroll Services closed on September 7, 2018. Five (5) professional companies submitted RFP's for Payroll Services for the City of Calexico.

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**Page 2 - Recommend City Council Approval to Contract Payroll Services with Heartland (CA).**

The companies listed below submitted their RFP's for Payroll Services, along with their total annual cost:

ADP	\$71,495.24
BenefitMall	\$14,704.75
Heartland Payment Systems (NY)	\$26,499.50
Heartland Payment Systems (CA)	\$17,290.00
Plum Street Accounting Services	\$150,000.00

After reviewing the five (5) submitted RFP's, it was determined that BenefitMall met the minimum requirements and is also the lowest bidder for the RFP, however company was unable to delivered required services, therefore Finance is requesting to move forward with the second lowest bid.

**Fiscal Impact:**

\$17,290.00 per fiscal year

**Coordinated with:**

None.

**Attachment:**

1. Heartland (CA) Proposal for Payroll Services for City of Calexico.

# Heartland

Entrepreneurs Serving Entrepreneurs  
*respectfully*

## Heartland Payroll + HR

Eliminate the HR tasks that take over your day. With Heartland Payroll Plus, you'll get the turnkey Heartland Payroll service PLUS, a built in Human Resources solution that offers a complete range of HR tools to support your business.

Bi-Weekly Frequency	145 # of Checks	\$490.00 Base	\$1.00 Per Check	\$635.00 Total Per Pay Period	\$0.00 Conv/Setup Fee
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### + Additional Add-Ons

My HR On-Demand (ACA Bundle Included)

### ✓ Standard Inclusions for Heartland Payroll Plus Solutions

My HR Support Center	Pre-process Preview	Prepaid Cards	Custom Report Writer
My Employee Files	Complete Tax Service	New Hire Reporting	Electronic Tax Filing
Our Info Center	Employee Self-Service	Remote Printing	On-Line Submission
Business Partner Reporting	Direct Deposit	Add/Delete Employees	Benefit Accrual
E-Verify Service	WOTC Eligibility Determination	Electronic Onboarding	Payroll Reporting Package

### + Additional Add-Ons

Type:	Base Fee:	Per Employee:	Frequency:
W - 2 / 1099	\$55	\$5	Annual
W-2 / 1099 Shipping	\$25	N/A	Annual
Quarterly Return Shipping	\$10*	N/A	Quarterly
ACA Bundle***	\$20	N/A	Monthly
1094 - C / 1095 - C ***	\$75	\$7.25	Annual
1094-C / 1095-C SHIPPING***	\$25	N/A	Annual
Payroll Delivery - Mail	**	N/A	Per Occurrence
Applicant Tracking Service***	\$999	N/A	Annual
WOTC Processing ***	\$299	N/A	Per Occurrence

\*Waived if received online  
\*\*Based on carrier and service level  
\*\*\*If applicable

Please review the payroll agreement for additional applicable charges.

To get started, contact Christian Valencia  
at (949) 705-8736 or christian.valencia@e-hps.com

# Heartland

**Heartland**

*A Global Payments Company*

**Community connected by commerce.**



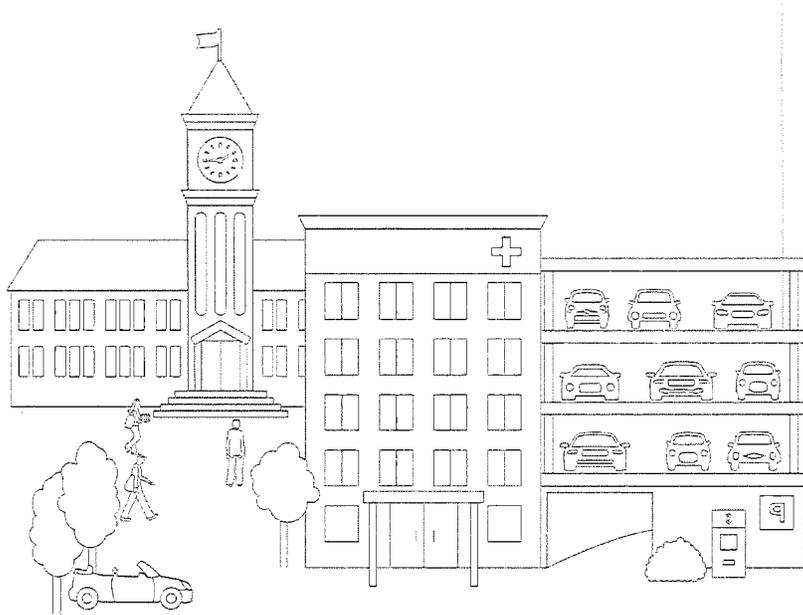
**Payroll & HR Proposal  
City of Calexico**

**Heartland Global Payments  
Christian Valencia  
Senior Payroll & HR Specialist  
[christian.valencia@e-hps.com](mailto:christian.valencia@e-hps.com)  
Direct: 949-705-8736  
May 30, 2019**

## **SERVICE. DRIVEN. COMMERCE**

Global Payments Inc. (NYSE: GPN) is a leading worldwide provider of payment technology and software solutions delivering innovative services to our customers globally. Our technologies, services and employee expertise enable us to provide a broad range of solutions that allow our customers to accept various payment types and operate their businesses more efficiently across a variety of distribution channels in many markets around the world.

Headquartered in Atlanta, Georgia with more than 10,000 employees worldwide, Global Payments is a member of the S&P 500 with customers and partners in 30 countries throughout North America, Europe, the Asia-Pacific region and Brazil. For more information about Global Payments, our Service. Driven. Commerce brand and our technologies, please visit [www.globalpaymentsinc.com](http://www.globalpaymentsinc.com).



## Payroll + HR

- **HR Support Center** - Single source for critical HR materials, such as customizable documents for hiring, managing and paying employees. You'll also receive personalized alerts on legal and regulatory changes that could impact your business.
- **Employee files** - Ensure your data is always available and secure with our built-in electronic employee file system. You'll also minimize printing costs and paper cuts.
- **Labor law poster compliance** - Stay compliant by posting the most current state and federal information. You'll automatically receive updates that occur throughout the year and an annually updated poster.
- **HR On-Demand** - Get access to a certified HR professional whenever you need help. This service provides guidance when employee issues arise and helps you stay on top of the latest employment-related laws, regulations and court decisions.

The objective and ultimate goal for this project is the intent for Heartland Global payments- **(NYSE: GPN)** to provide the City of Calexico- business technology and software solutions to deliver the requested services that include a fully integrated payroll & HR solutions. Heartland's services will give you access to virtual bookkeeping, w2s, 1099s, direct deposit, federal, state, and local payroll taxes as well as support for multiple pay schedules and rates. The fully integrated Payroll & HR platform can integrate with several time tracking and accounting platforms to provide a custom integration and reporting.

## SCOPE OF SERVICE

- Year-End Services – W-2's
  - Check signing & sealing
  - Workers Comp Reporting
  - Direct deposit
  - New hire reporting
  - Garnishment Payment Service
  - Total tax filing and payments, including all 940's & 941's Federal returns, and State returns and if applicable, all local taxes
  - Pay check calculator
  - Employee Self Service – employees' ability to view pay history & W-2's online & full capabilities
- Paycards
  - Time import file – created from time vendor that allows electronic submission to Payroll Online time & earnings module
  - Human Resources Information.
    - Job Descriptions
    - Employee Handbook
    - Downloadable forms
    - Interview process guidelines
    - Employee Discipline information
    - Harassment & Discrimination
    - COBRA and other employment laws
    - State minimum wage laws alert
    - Excessive absenteeism
  - Manager Helpline – access to experienced HR consultant
  - Healthcare Reform Information
  - Labor Posters – E-Update Service
  - PTO Accruals & Tracking
  - Labor Distribution and reporting between departments
  - General ledger interface
  - Report Writer

## Current Clients-Government Municipalities

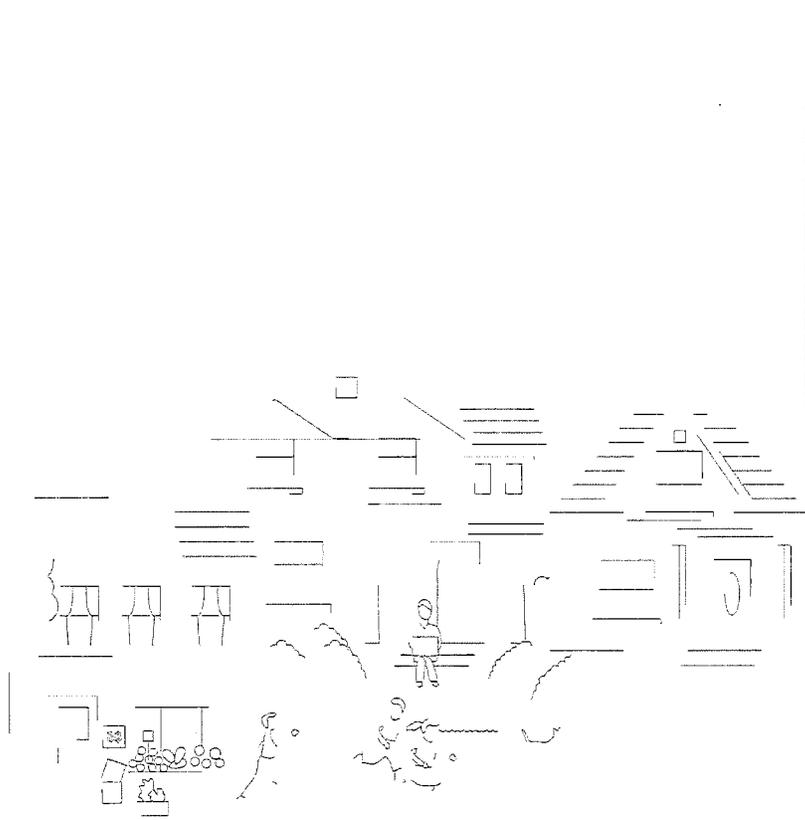
Company Name	DBA Name	City	State	Zip Code
PLATTE COUNTY REGIONAL SEWER DISTRICT	PLATTE COUNTY REGIONAL SEWER DISTRICT	KANSAS CITY	MO	64153
LEWISBORO LIBRARY	LEWISBORO LIBRARY	SOUTH SALEM	NY	10590
BOROUGH OF AMBRIDGE	AMBRIDGE BOROUGH	AMBRIDGE	PA	15003
PORT AUTHORITY OF EASTLAKE OHIO	PORT AUTHORITY OF EASTLAKE OHIO	Eastlake	OH	44095
HARMONY TOWNSHIP MUNICIPALITY	HARMONY TOWNSHIP	AMBRIDGE	PA	15003
ROCK HILL PUBLIC LIBRARY	ROCK HILL PUBLIC LIBRARY	SAINT LOUIS	MO	63119
RIVERSIDE ARTS COUNCIL	RIVERSIDE ARTS COUNCIL	RIVERSIDE	CA	92501
CITY OF WELLSVILLE	CITY OF WELLSVILLE, KANSAS	WELLSVILLE	KS	66092
CITY OF MISSION HILLS	MISSION HILLS CITY HALL	MISSION HILLS	KS	66208
AFTON PUBLIC WORKS AUTHORITY	TOWN OF AFTON	AFTON	OK	74331
CITY OF WILDOMAR	CITY OF WILDOMAR	WILDOMAR	CA	92595
KERN COUNCIL OF GOVERNMENTS	KERN COUNCIL OF GOVERNMENTS	BAKERSFIELD	CA	93301
LEHMAN TOWNSHIP	LEHMAN TOWNSHIP	DALLAS	PA	18612
ARTS COUNCIL OF WAYNE COUNTY	ARTS COUNCIL OF WAYNE COUNTY	GOLDSBORO	NC	27530
CITY OF WORTHINGTON HILLS	CITY OF WORTHINGTON HILLS	LOUISVILLE	KY	402520000

## Features

### Time & Attendance

- **Labor distribution** - Track the number of hours worked by your employees.
- **Multiple time collection options** - Choose from time clocks using manual punches, proximity badges or biometric technologies.
- **Employee scheduling** - Build schedules to track late arrivals, early departures or unplanned absences.
- **Labor reporting capabilities** - Overtime reports, labor by department, exceptions, absences, etc.
- **Paid time off management** - Accruing time earned, recording time used, calculating time available, time off requests and approvals





## Integrated Solutions

- **Types of Integrations:**

- Time and attendance
- POS platforms
- 401(k)
- General ledger/accounting systems
- Workers' compensation

## Payroll Tax Management

- Multiple payment options
- Management reporting

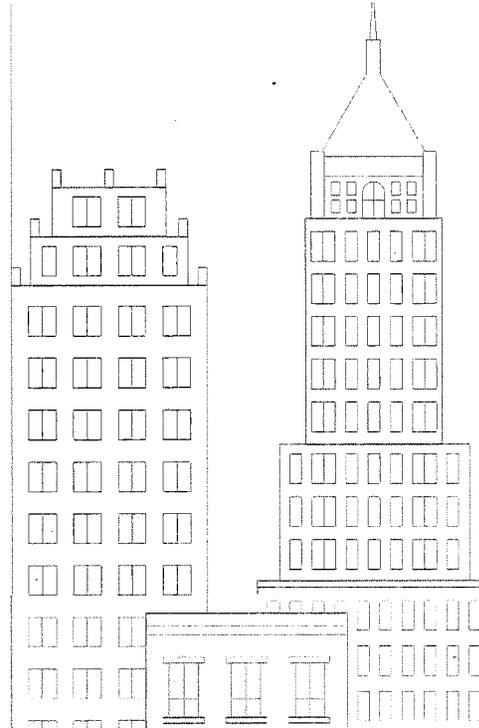
## Pre-Employment Solutions

- **Applicant tracking system** - Allows users to post jobs to various job boards, collect applications, schedule and conduct interviews, and track and identify top candidates throughout the process.
- **Onboarding system** - Employers provide access to new employees who complete all hiring documentation required. Once approved, the data is automatically entered into the payroll system.
- **WOTC determination and processing** - New employees are screened to determine eligibility for WOTC. Those eligible are flagged, allowing the client to elect to have credits certified and processed.



## ACA Reporting

- Preparation, printing and filing of required forms (i.e. Forms 1094-C/1095-C)
- ACA tools and guidance provided through the HR Support Center and HR On-Demand
- Track employee eligibility for health insurance and the determination of large employer status with our ACA reporting tool.



## Payroll Onboarding Documents

(Note: Any exceptions to the below data collection requirements - Sales Rep to discuss with Payroll Ops Mgmt  
The following requested company & employee information can be extracted and imported by accessing current payroll provider.

Items Collected	Items Required:		6. Current Quarter Tax Liabilities <u>"Payroll Liability"</u>
<input type="checkbox"/>	1. atlas Payroll Application and Agreement	<input type="checkbox"/>	• For each individual payroll run in the current Quarter
<input type="checkbox"/>	2. <u>Voided Business Check</u> <u>Voided business check, starter check or MICR statement</u> (No "Verification of Business" forms)	<input type="checkbox"/>	7. <u>Quarterly Tax Returns (Federal, State, Unemployment and Local Taxes)</u> - <u>"941 Employers Quarterly Federal Tax Return" and "State Unemployment / State Withholding Returns" (if applicable, Local Tax Withholding Returns)</u>
<input type="checkbox"/>	*3. <u>Employee Personal Information (active and terminated employees paid in the current year)</u> <u>"Employee Summary"</u> from the most recent payroll run • <u>If the Social Security numbers are masked (truncated), we will need a separate list or report of Social Security numbers for all active and terminated employees paid in current year</u>	<input type="checkbox"/>	8. <u>Proof of Federal ID</u> <u>IRS Form 941, EFTPS Form, IRS Confirmation Letter or IRS 8109 Voucher</u>
<input type="checkbox"/>	*4. <u>Prior Quarter Employee Wage Information</u> <u>"Payroll Details"</u> • <u>For each individual Quarter completed this year (must contain company TOTALS per Quarter)</u>	<input type="checkbox"/>	9. <u>State Unemployment ID &amp; Rate Notice, State Withholding ID and Local ID Numbers</u> <u>"State Unemployment Return" and/or "Employers Quarterly Report/Continuation Sheet"</u> • <u>Require the appropriate ID's and Unemployment Rate or the actual Unemployment Tax return</u>
<input type="checkbox"/>	*5. <u>Current Quarter Employee Wage Information</u> <u>"Payroll Details"</u> • <u>Payroll Details report for each individual payroll run in the current Quarter (must contain company TOTALS per check date)</u>	<input type="checkbox"/>	10. <u>For Clients with 151 or more Employees/1099s paid in the current year (active and terminated), data needs to be supplied electronically using the appropriate Heartland Import templates</u>

Estimated Time Frame to Onboard 134 employees is about 2-3 business days

## Why Choose Heartland?

### Single Point of Contact

For the best client care, clients are assigned to a personal service representative who will serve as your point person for all service-related needs. For HR support, we provide our clients access to HR professionals who are available for guidance on HR issues, state-specific and industry-related labor law questions/needs and customizable documents.

### Secure and Flexible

Our web-based payroll service is customized to accommodate our clients' specific needs, whether it's processing employee payroll, time and attendance, workers' compensation or offering a 401(k). It's a complete workforce management solution that supports them in their present stage while providing flexibility for future enhancements as the need arises.

### Competitive Pricing

We want our clients to be able to focus on revenue-generating areas of their business rather than monitoring their payroll invoices. That's why we provide clear, straightforward payroll pricing for our all-inclusive service without hidden fees or surprises.

### Secure

Our superior technology allows your payroll data to be securely accessed by providers of banking services, benefit programs or insurance providers for a variety of payroll-related services. Nothing is more important to us than your business, and we pledge to earn it every day.

**Heartland**

*A Global Payments Company*

We're Proud of the Company We Keep

**CAESARS  
PALACE**  
LAS VEGAS

Great Clips®

**Arby's**



**300,000**

U.S. businesses and educational institutions who trust Heartland payment and payroll solutions for their needs.



**Heartland  
Secure™**

The end-to-end encryption system developed by Heartland that leads the industry in security standards.



**Merchant  
Bill of Rights™**

We created the **Merchant Bill of Rights** to promote fair card processing practices for small to mid-sized businesses.



**+12,000,000**

Payroll checks processed each year for over 38,000 clients.