

Mayor and Council Communication

DATE: 09/15/20

M&C FILE NUMBER: M&C 20-0656

LOG NAME: 14GREENHOUSE ATS

SUBJECT

(ALL) Authorize Execution of a Professional Services Agreement with Greenhouse Software, Inc., in an Amount Not to Exceed \$530,000.00 Over a Period of Five Years Including a First Year Implementation Cost of \$22,000.00, for Recruiting and Onboarding

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a Professional Services Agreement with Greenhouse Software, Inc., in an amount not to exceed \$530,000.00 over a period of Five years including a first year implementation cost of \$22,000.00 for recruiting and onboarding.

DISCUSSION:

The Talent Acquisition Division of the Human Resources Department (HR) is seeking to purchase a complete solution for its recruiting efforts so it can give the candidate a complete, seamless experience from the time of onboarding to mentoring as the new employee is on-boarded. As HR is adapting to align with the City Manager's talent acquisition (TA) philosophy that incorporates diversity recruiting and employee engagement, there is a need to find tools that have deep analytics that can give visibility into recruitments and help adjust and manage the recruitment strategies as needed. Our current talent acquisition applicant tracking system is purely an applicant system and barely generates reports that assist with return on investment, does not have accurate/detailed reporting to capture hiring team or requisition metrics, and does not produce accurate reports for Equal Employment Opportunity and Office of Federal Contract Compliance Program compliance. As TA technology is ever evolving and sourcing for candidates is constantly changing, we have to move to a platform that not only keeps up with the changing times but provides accurate reporting capabilities while incorporating social media, pipeline capabilities, and smart automation using artificial intelligence (AI) for candidates and recruiters to align with the right opportunity at the right time.

This software will reduce our hiring costs while giving us access to tools that incorporate diversity recruiting, employee engagement and accurate reporting capabilities. The single platform approach provides deeper and more meaningful metrics that can pinpoint where potential log jams might be happening and help drive strategic direction. The Greenhouse Software, Inc. (Greenhouse) product also has a diversity and inclusion module to give companies the tools to build, operationalize and scale an inclusive hiring process. This helps in disrupting unconscious bias and allows assessments to be graded objectively.

Comparison to existing levels of funding and performance:

- In FY18, we spent \$350,000.00 and hired candidates utilizing external recruiting firms.
- In FY19, we spent \$400,000.00 to hire candidates utilizing external recruiting firms.
- In FY20, so far we have spent \$295,000.00 to hire candidates utilizing external recruiting firms.

A complete recruiting system in the range of \$100,000.00 to \$120,000.00 can assist our recruiters with the tools they need to be successful in doing passive recruiting and in having latest technology that is being used by external recruiting firms so TA can provide the same services to city departments for no cost.

Some key differences between our current system and Greenhouse are listed below.

Taleo (Current System)

New ATS System

Limited Customized Reporting - can run reports but requires manual manipulation to spreadsheets to get accurate data

Robust Customized Reporting - will accurately capture recruitment data, hiring, and division metrics with no additional process needed

Not available

Diversity & Inclusion Module

Limited social media integration and limited to recruiter use only

Added social media integration options available for all users

Not available	Smart automation using AI
Not available	Integrated sourcing candidate tools
Not available	Employee engagement tools & resources
Very limited pipeline feature and no folder management capability	More robust candidate pipeline feature with ability to manage through folders and share with departments
Workflow Process Management – does not capture the flow appropriately to use for data purposes	Workflow Process Management – more options and assists for data purpose.
Limited employer branding options	Employer branding customization

The estimated fees and associated cost for the initial one-year period are \$123,435.00, including the initial implementation cost of \$22,000.00, and the anticipated future years' costs will be \$101,435.00 per year for years 2 through 5.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current operating budget, as previously appropriated, in the General Fund to support the approval of the above recommendation and execution of the agreement. Prior to any expenditure being incurred, the Human Resources and Information Technology Departments have the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: Jay Chapa 5804

Originating Business Unit Head: Brian Dickerson 7783

Additional Information Contact: Brian Dickerson 7783