



Monterey County

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Board Report

Legistar File Number: 15-0914

August 25, 2015

Introduced: 8/12/2015

Current Status: Consent Agenda

Version: 1

Matter Type: General Agenda Item

- a. Ratify, approve and authorize the Contracts/Purchasing Officer or his designee to execute Amendment #3 to the Professional Services Agreement by and between County of Monterey and Kronos, Incorporated to complete implementation of a timekeeping and scheduling system, which adds \$115,777 to the agreement, bringing the not to exceed amount to \$550,277; and
- b. Authorize the Contracts/Purchasing Officer or his designee to approve one (1) future amendment to this Agreement where future amendment and the current contract value (\$550,277) together do not exceed \$675,000 and do not significantly change the scope of work.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Ratify, approve and authorize the Contracts/Purchasing Officer or his designee to execute Amendment #3 to the Professional Services Agreement by and between County of Monterey and Kronos, Incorporated to complete implementation of a timekeeping and scheduling system, which adds \$115,777 to the agreement, bringing the not to exceed amount to \$550,277; and
- b. Authorize the Contracts/Purchasing Officer or his designee to approve one (1) future amendment to this Agreement where future amendment and the current contract value (\$550,277) together do not exceed \$675,000 and do not significantly change the scope of work.

SUMMARY/DISCUSSION:

The Sheriff's Office is serving as a pilot program for other county departments and is testing full integration of the Kronos time keeping activities into the County's General Ledger system. The Office anticipates a go live date of this functionality within the next four months.

This project started when the Sheriff's Office contracted with Kronos, Incorporated in 2012 to provide an enterprise time keeping system with a beginning agreement amount of \$395,000. The contract was subsequently amended in April 2013 to add a project manager at no cost to the County and was amended again in January 2014 to purchase Telestaff Auctions and add more programming time, bringing the agreement cost to \$434,500. Telestaff Auctions allowed staff to "bid", based on seniority and other variables, on open shifts, which reduced the administrative burden of manually processing this function. This amendment also financed the programming necessary to build the connections between the Kronos software and the County's General Ledger system.

Subsequent to those amendments, the project team has determined that additional amendment to the contract is required in three specific areas:

Software support: The original contract did not include funding for support service fees, although the contract specifically calls for the support service fees to renew automatically each year. This amendment seeks to ratify the support service fee agreements retroactively to January 24, 2015 and extends and funds the agreement through March 7, 2017, at a cost of \$95,777 for two years.

Establishment of a spare parts, sales tax and repairs allowance: The system is now three years old and will start to need maintenance and replacement of parts. The Office has enrolled in Depot Repair, which reduces repair costs and repair time, but will need back up parts to run the system when clocks are taken off line to be shipped back to Kronos for repair or replacement. This allowance is set at a not to exceed amount of \$20,000.

Establishment of an end date for the contract: The County is moving away from evergreen agreements and following this direction, the amendment adds an end date of March 7, 2017 to this contract. The contract can be terminated for convenience at any time by providing thirty (30) days written notice to Kronos, Incorporated, and can also be extended by providing sixty (60) days notice of intent to renew prior to the end date of the contract

OTHER AGENCY INVOLVEMENT:

County Counsel, Contracts/ Purchasing and Auditor-Controller have reviewed and approved as to legal and fiscal provisions respectively. The Sheriff's Office has worked closely with the Auditor Controller's Office and Information Technology Department to set up the interfaces to the County's General Ledger system. Risk Management declined to sign the original contract because the company did provide insurance meeting county limits, but declines to provide policy pages delineating primary/non-contributory status. The Office is willing to accept this limitation in light of what the system provides in terms of accountability, efficiency and overall operational improvements.

FINANCING:

There is no increase in the General Fund Contribution as a result of this recommendation. The estimated annual contract amount was included in the Sheriff's Office Fiscal Year 2015-16 Approved Budget.

Prepared by: Nina Ryan, Management Specialist

Approved by: Stephen Bernal, Sheriff-Coroner

Attachments:

Kronos contract