

**AMENDMENT NO. 3 AND RENEWAL OF
COUNTY OF MONTEREY AGREEMENT NO. A-11065 WITH
KRONOS INCORPORATED**

This Amendment No. 3 and Renewal (hereinafter, "Amendment No. 3 and Renewal") of the County of Monterey Agreement No. A-11065 (hereinafter, "Agreement") is made and entered into effective as of October 1, 2011 (the "Effective Date"), by and between the County of Monterey, a political subdivision of the State of California (hereinafter, "County"), and Kronos Incorporated (hereinafter, "Contractor") (collectively, the County and Contractor are referred to as the "Parties").

WHEREAS, the Parties had previously entered into the Agreement on November 20, 2007 for the purchase and sale of certain of Contractor's software, support services, and professional services related to the Kronos Workforce suite of software that provides time and attendance management and worker productivity improvement at Natividad Medical Center ("NMC") (the County purchased an initial license and paid for maintenance services for three software modules: Kronos Timekeeper – tracking employees work time, Workforce Scheduler – online hospital wide scheduling system, and Workforce Analytics – real time productivity system) for a total not to exceed amount of \$558,921.26 as reflected in the Order Form Quote # 94813-1, which Agreement specifically provided that "[t]he County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement"; and

WHEREAS, the Agreement was amended on or about April 27, 2010, and approved by the Board of Supervisors for the County of Monterey on or about June 8, 2010, to add additional software, support services, and professional services related to maintaining and managing the Kronos database at NMC, and adding \$1,861,458.74 for a total not to exceed amount of \$2,420,380.00 (hereinafter, "Amendment No. 1"); and

WHEREAS, the Agreement was further amended on or about February 16, 2011, as approved by the Board of Supervisors for the County of Monterey on or about February 15, 2011, by Amendment No. 2, adding additional software, support services, and professional services related to worker productivity improvement at NMC (the County paid for the Kronos Absence Manager Module monitoring employee attendance and leave of absences) and increased the not to exceed amount by adding \$58,410.00 (hereinafter, "Amendment No. 2") for a total not to exceed amount of \$2,478,790.00; and

WHEREAS, the Agreement, as amended, expired on September 30, 2011, (See Attachment 1); and

WHEREAS, the Parties wish to extend the term of the renewed Agreement through and including June 30, 2013 (the "Term of Agreement"), to allow for the County to purchase additional software, support services, and professional services related to Contractor's time and attendance software for worker productivity improvement management at NMC, and to restate and reduce the total Agreement maximum liability under the Agreement, up through and including June 30, 2013, from \$2,478,790.00 to \$1,630,737.90; which more accurately reflects the County's anticipated purchases of the Kronos products through the Term of the Agreement and County's maximum potential financial exposure to the County;

2. The term of this Amendment No. 3 and Renewal is from October 1, 2011 to June 30, 2013 unless sooner terminated pursuant to the terms of this Amendment No. 3 and Renewal, or extended in writing by written agreement of the Parties.
3. Kronos shall provide County with additional software and additional support services and professional services related to worker productivity improvement at NMC, as described in to this Amendment No. 3 and Renewal.
4. If there is any conflict or inconsistency between the provisions of the Agreement, Amendment No. 1, Amendment No. 2, or this Amendment No. 3 and Renewal, the provisions of this Amendment No. 3 and Renewal shall govern.
5. The total amount payable by County to Contractor under the Agreement shall not exceed the total sum of \$1,630,737.90 for the full term of the Agreement and \$984,536.54 for the period October 1, 2011 through June 30, 2013.

IN WITNESS WHEREOF, the parties hereby execute this Amendment No. 3 and Renewal as follows:

NATIVIDAD MEDICAL CENTER

By: 
NMC Contracts/Purchasing Agent

Date: 4-3-12

By: 
Department Head (if applicable)

Date: 2/14/12

By: 
Stacy Saetta, Deputy County Counsel

Date: 3/5/12

By: 
Auditor/Controller

Date: 3/5/12

CONTRACTOR

KRONOS INCORPORATED

Contractor's Business Name***

By: _____
Signature of Chair, President, or Vice-President

Name and Title

Date: _____

By: _____
Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer

Name and Title

Date: _____

NOW THEREFORE,

For valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The Agreement is hereby renewed in accordance with its prior terms and conditions as set forth in **Attachment 1**, incorporated herein by this reference, and except as otherwise specifically set forth below.
2. Section 1.0 of the Agreement is hereby amended by extending the Term of the Agreement through June 30, 2013, unless sooner terminated pursuant to the terms of this Amendment No. 3 and Renewal, or extended in writing by written agreement of the Parties.
3. If there is any conflict or inconsistency between the provisions of the Agreement, Amendment No. 1, Amendment No. 2, or this Amendment No. 3 and Renewal, the provisions of this Amendment No. 3 and Renewal shall govern.
4. The parties further desire to restate the total amount payable by County to Contractor under the Agreement shall not exceed the total sum of \$1,630,737.90 for the Term of the Agreement and \$984,536.54 for the period October 1, 2011 through June 30, 2013.

IN WITNESS WHEREOF, the parties hereby execute this Amendment No. 3 and Renewal as follows:

NATIVIDAD MEDICAL CENTER

By: _____
NMC Contracts/Purchasing Agent

Date: _____

By: _____
Department Head (if applicable)

Date: _____

By: _____
Stacy Saetta, Deputy County Counsel

Date: _____

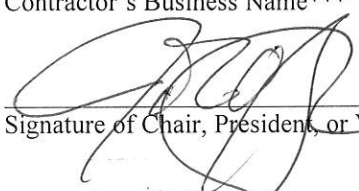
By: _____
Auditor/Controller

Date: _____

CONTRACTOR


KRONOS INCORPORATED
Contractor's Business Name***

By: _____
Signature of Chair, President, or Vice-President


John O'Brien
Senior Vice President, Sales
Name and Title

Date: 9/10/12

By: _____
Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer


Alyce Moore, Asst. Secretary
Name and Title

Date: 9/10/12