



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

Legistar File Number: A 15-414

January 26, 2016

Introduced: 12/14/2015

Current Status: Consent Agenda

Version: 1

Matter Type: BoS Agreement

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute Amendment No. 8 to the Agreement (A-11065) with Kronos, Inc., for software support and professional services at NMC, increasing the total Agreement amount by \$114,466 for additional Kronos timekeeper user licenses for a revised total Agreement amount of \$2,697,158 with no change to the Agreement term of November 20, 2007 through June 30, 2016.

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute Amendment No. 8 to the Agreement (A-11065) with Kronos, Inc., for software support and professional services at NMC, increasing the total Agreement amount by \$114,466 for additional Kronos timekeeper user licenses for a revised total Agreement amount of \$2,697,158 with no change to the Agreement term of November 20, 2007 through June 30, 2016.

SUMMARY/DISCUSSION:

On November 20, 2007, the Board of Supervisors authorized NMC to enter into an Agreement with Kronos, Inc. to purchase the Kronos Time & Attendance software application and the Scheduler and Workforce Analytics modules with an amount not to exceed \$558,930. This original Agreement was a result of the Request for Information (RFI) #10010. The Agreement included payment for initial Software Licensing and Support Services and Equipment. NMC purchased this Application to appropriately schedule staff, to capture and allocate all productive and non-productive time worked, and to provide managers with the tools necessary to assist them in meeting the hospital adopted productivity standards.

On June 8, 2010, the Board of Supervisors approved Amendment No. 1 to the Agreement for additional licenses and services, providing application oversight including but not limited to regular maintenance, license uploads, fix-it patches as well as software upgrades. At the time this amendment was approved NMC did not have the expertise in-house to provide such services. Amendment No. 1 also increased the "not to exceed" amount of the Agreement to \$2,420,380 to allow for the purchase of additional hardware to properly support the system.

On February 15, 2011, the Board of Supervisors approved Amendment No. 2 to the Agreement, adding the Absenteeism & Leave Management Module to the Kronos system. This addition

provides NMC management with additional resources to track each employee's "leave time". Monitoring of this assists NMC in meeting the hospital's adopted productivity standards. Amendment No. 2 also allowed for continued license renewals through June 30, 2012. The Amendment No. 2 increased the "not to exceed" amount of the Agreement to \$2,478,790.

On March 27, 2012, the Board of Supervisors approved Amendment No. 3 to the Agreement adding additional services and system functionality to assist with monitoring productivity of hospital staff, to provide the necessary funds for the annual maintenance costs associated with the system, and to allow for continued license renewals through June 30, 2013,. This Amendment No. 3 also reduced the total "not to exceed" amount to \$1,630,737.90 making a correction to the amount requested for hardware established in Amendment No. 1.

On August 27, 2013, the Board of Supervisors approved Renewal and Amendment No. 4 adding Cloud Services Database Management, additional Time Clock modules, upgrades to several Workforce modules, to provide the necessary funds for the annual maintenance costs associated with the system, and to allow for continued license renewals through June 30, 2013, for a revised total Agreement amount not to exceed \$2,214,863.

On February 25, 2014, the Board of Supervisors approved Amendment No. 5 adding system modifications to several existing modules for improved functionality, to provide the necessary funds for the annual maintenance costs associated with the system, and to allow for continued license renewals through June 30, 2014, for a revised total Agreement amount not to exceed \$2,456,363.

On June 24, 2014, the Board of Supervisors approved Amendment No. 6 to provide the necessary funds for the annual maintenance costs associated with the system and to allow for continued license renewals through June 30, 2015 with no additional services added, for a total Agreement amount not to exceed \$2,456,363.

To date, NMC has completed implementation of the following Kronos modules: Timekeeper, Absence Manager, Basic Scheduler and Human Resources. NMC is currently utilizing the Kronos system to calculate hours worked, overtime, shift differential, determine "unscheduled shifts", track call-offs, manage schedules, track absences and tardiness along with tracking employee health data, and other HR information.

On July 14, 2015 the Board of Supervisors approved Amendment No. 7 which included the user licenses costs for 1500 users to access the Kronos timekeeper system for an additional cost of \$126,328 and a revised total Agreement amount not to exceed 2,582,692, and also to extend the term of the Agreement through June 30, 2016.

NMC now has a need to add 300 additional user licenses due to the increased number of hires since July 1, 2015. In order to effectively manage employee hours worked & departmental productivity for all NMC staff, we must ensure that each newly hired employee has an active Kronos timekeeper license assigned to their Kronos profile. Our current inventory of licenses is approximately 25 with numerous positions yet to fill that we're actively recruiting & hiring for on a daily basis. As it stands now, without the procurement of these additional licenses, our number of employees (& non-County employees) would exceed the number of available

licenses, which would hinder our ability to appropriately monitor hours worked & departmental productivity. NMC uses Kronos to track all staff types, such as, County, Registry, Agency, etc. & the request for 300 covers all these types.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment No. 8 as to legal form and risk provisions, and the Auditor-Controller has reviewed and approved as to payment provisions. The Amendment No. 8 has also been reviewed and approved by NMC's Finance Committee on January 21, 2016. Amendment No. 8 was reviewed and approved by NMC's Board of Trustees on February 5, 2016.

FINANCING:

The cost for this Amendment No. 8 is \$114,466, all of which is included in the Fiscal Year 2015-16 Adopted Budget. There is no impact to the General Fund.

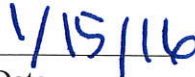
Prepared by: Janine Bouyea, Human Resource Administrator, 783-2701
Approved by: Gary Gray, DO, Interim Chief Executive Officer, 783-2504

Attachments:

- Kronos Amendment No. 8
- Kronos Amendment No. 7
- Kronos Amendment No. 6
- Kronos Amendment No. 5
- Kronos Renewal & Amendment No. 4
- Kronos Amendment No. 3
- Kronos Amendment No. 2
- Kronos Amendment No. 1
- Kronos Original Agreement
- Spend Sheet

Attachments on file with the Clerk of the Board


for Dr. Gary R. Gray, Chief Executive Officer


Date