

BOARD REPORT AUTHORIZATION - ROUTING FORM

| | | | |
|-----------------------|---|--------------------|-----|
| Agenda Date | June 8, 2010 | Consent | Yes |
| Contact Person | Sid Cato/Janine Bouyea | Scheduled | |
| Phone | 4223 | Noticed | |
| Department | NMC | Time needed | |
| Subject | It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #1 to the Agreement with Kronos Inc. for Time and Attendance and Database Management Services at NMC in an amount not to exceed \$2,420,380 (an increase of \$56,880) for the period April 1, 2010 to September 30, 2011. | | |

| Yes | No | CHECK LIST |
|-----|----|--|
| | X | 4/5^{ths} Vote Required: Required to transfer appropriations from contingencies; cancel reserves; increase estimated revenues/appropriations; adopt interim (urgency) ordinances; and for other matters (seek direction from County Counsel). |
| X | | Contract: CAO-Risk Management has reviewed and signed the contract. |
| X | | Contract: County Counsel has reviewed and signed the contract. |
| X | | Contract: Auditor-Controller has reviewed and signed the contract. |
| | X | Budget Amendment: The item includes a budget amendment. |

| APPROVED BY: | Yes/ No | By | Date | Comments |
|------------------------------|------------|--------------------|---------|----------|
| Dept. Finance Manager | Yes | NW | 4/23/10 | |
| County Counsel | Yes | <i>[Signature]</i> | 5/3/10 | |
| CAO Human Resources | | | | |
| Information Technology | | | | |
| Contracts/Purchasing Officer | | | | |
| CAO Budget Analyst | Yes | <i>[Signature]</i> | 5/24/10 | |

| REQUIRED REVIEWERS | CAO Budget Analyst | County Counsel | CAO HR | ITD | Contracts Purchasing Officer |
|---|--------------------|----------------|--------|-----|------------------------------|
| Contracts over \$100k & Contracts under \$100k with changes | X | | | | X |
| Budget adjustments | X | | | | |
| Personnel actions | X | | X | | |
| Grant applications | X | | | | |
| Non-standard computer projects | X | | | X | |
| Planning/land use (non-budget issues) | | X | | | |
| Ordinances | | X | | | |
| Resolutions declaring emergencies | | X | | | |
| All other reports | X | | | | |

Questions:

Contact Clerk of the Board 755-5066 or consult the Board Report Guidelines

Revised 12/15/2008

MONTEREY COUNTY BOARD OF SUPERVISORS

| | | |
|--------------------|--|--------------------|
| MEETING: | June 8, 2010 | AGENDA NO.: |
| SUBJECT: | Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #1 to the Agreement with Kronos Inc. for Time and Attendance and Database Management Services at NMC in an amount not to exceed \$2,420,380 (an increase of \$56,880) for the period April 1, 2010 to September 30, 2011. | |
| DEPARTMENT: | Natividad Medical Center | |

RECOMMENDATION:

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #1 to the Agreement with Kronos Inc. for Time and Attendance and Database Management Services at NMC in an amount not to exceed \$2,420,380 (an increase of \$56,880) for the period April 1, 2010 to September 30, 2011.

SUMMARY/DISCUSSION:

As a result of discussions with our department managers during our product discovery for the scheduler system it was determined that the additional features associated with the Attendance and Database Management Services would assist NMC with identifying productivity issues related to unscheduled absences and tardiness.

Implementation of this system would allow NMC managers to ensure consistency hospital wide when dealing with attendance and tardiness related employment matters.

This Amendment covers the added services requested and maintains the same dollar amount for the 2010/2011 Fiscal Year regular services provided by Kronos Inc.

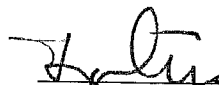
OTHER AGENCY INVOLVEMENT:

The Amendment has been reviewed and approved by County Counsel, the Auditor/Controller's office, and the Natividad Medical Center Board of Trustees.

FINANCING:

The cost for this Amendment is \$56,880 and is included in the Fiscal Year 2010/11 Recommended Budget. This action will not require any additional General Fund subsidy.

Prepared by:
Janine Bouyea
HR Director
April 27, 2010
Attachments: Agreement, Amendment #1, Board Order



Harry Weis
Chief Executive Officer

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Agreement No: A – 11065

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to)
execute Amendment No. 1 to the Agreement with Kronos Inc. for Time and)
Attendance and Database Management Services at NMC in an amount not to)
exceed \$2,420,380 (an increase of \$56,880) for the period April 1, 2010 to)
September 30, 2011.)

Upon motion of Supervisor Armenta, seconded by Supervisor Parker, and carried by those members present, the Board hereby:

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 1 to the Agreement with Kronos Inc. for Time and Attendance and Database Management Services at NMC in an amount not to exceed \$2,420,380 (an increase of \$56,880) for the period April 1, 2010 to September 30, 2011.

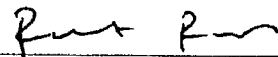
PASSED AND ADOPTED this 8th day of June, 2010, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker, Potter
NOES: None
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 75 for the meeting on June 8, 2010.

Dated: June 11, 2010

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By 
Deputy

AMENDMENT NO. 1

TO

AGREEMENT TO PURCHASE KRONOS INCORPORATED SOFTWARE, EQUIPMENT & SERVICES IN CONNECTION WITH A TIME & ATTENDANCE PROGRAM FOR THE COUNTY OF MONTEREY NATIVIDAD MEDICAL CENTER (the "Agreement") BETWEEN KRONOS INCORPORATED AND THE NATIVIDAD MEDICAL CENTER

The parties to Agreement, dated November 20, 2007 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Kronos Incorporated (Contractor), hereby agree to amend their Agreement No. (A-11065) on the following terms and conditions:

- 1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-11065). Additionally, Contractor will provide the services described in Attachment A attached to this Amendment #1.
2. Pursuant to Section 1.1 of the Agreement, the parties hereby agree to extend the term of the Agreement through September 30, 2011.
3. This Amendment shall become effective as of April 1, 2010.
4. The total amount payable by County to Contractor under Agreement No. (A-11065) shall not exceed the total sum of (a) \$2,420,380 for the full term of the Agreement (unless the Agreement is otherwise amended by mutual agreement of the parties in writing) and (b) \$747,086 for fiscal year July 1, 2009 through June 30, 2010. As of the date of execution of this Amendment, the parties acknowledge that the total amount paid by the County to the Contractor under this Agreement is \$517,171.58, and the total sum paid by the County to Contractor for the County's fiscal year 2009 - 2010 is approximately \$60,000.
5. All other terms and conditions of the Agreement shall continue in full force and effect.
6. A copy of this Amendment shall be attached to the original Agreement No. (A-11065).

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment and Professional Service Agreement on the basis set forth in this document and have executed this amendment on the day and year set forth herein.

KRONOS INCORPORATED

Signature [Handwritten Signature]

Dated 4/21/10

Printed Name Jarrett Carter

Title OM Specialist

NATIVIDAD MEDICAL CENTER

Signature [Handwritten Signature]

Dated 4/27/10

Purchasing Manager

Signature [Handwritten Signature]

NMC - CEO

Reviewed as to legal provisions

Auditor-Controller County of Monterey 4-26-10

Approved as to Legal Form:

Charles J. McKee, County Counsel

By Stacy Salletto, Deputy Attorneys for County and NMC

Dated: 4/26, 2010

Statement of Work

For Kronos Database Management Services (Managed Services)

Prepared for Natividad

| | | | |
|-------------------------------------|-----------------|-------------------------------|--------------------------------|
| Created: | 2/04/2010 | Expires unless SOW signed by: | 3/31/2010 |
| Prepared By: | Kenneth Stewart | Filename: | Natividad Managed Services SOW |
| *Customer requires a purchase order | | Project Type: | |

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1 EXECUTIVE SUMMARY

1.1 SERVICE OVERVIEW

Kronos Managed Services provide the customer with proactive, reliable solution management for ongoing success. Kronos resources apply years of experience and industry best practices to maintain your solution in a smart cost predictable model. The services protect customers from "knowledge evaporation" and bandwidth contention. Kronos recommends the following Managed Services offerings for Natividad: 1) Database Management; 2) Managed Services Essentials; 3) Application Management Essentials; and 4) Managed Services Allowance Budget.

The Kronos Database Management Service is a program designed to assist Kronos customers with database maintenance while alleviating the need to maintain an experienced database professional on staff. Your Kronos DBA will be responsible for creating and maintaining maintenance plans to protect your data and keep the database running at an optimal level. The Kronos DBA will work remotely on your database system each week and inform you of any abnormal situations that may arise. From time to time, your Kronos DBA may request meetings with you and or other members of your IT staff to discuss the database and environment. The Kronos DBA will perform miscellaneous DBA tasks such as refreshing the test database with production data upon request. These services are provided for a flat monthly fee.

Managed Services Essentials is a service designed to keep your entire Kronos solution up-to-date and running without issues. This service helps to ensure that that you get the maximum value and all the features your system has to offer. Included in this service offering: Kronos service packs, Kronos patches, quarterly system health checks, and technical Kronos software version upgrades.

Application Management Essentials will keep your Kronos solution flexible. Kronos consultants will make configuration and interface changes for you when needed. Monitors will be created to ensure that terminals are always working properly, and errors in payroll extracts and employee imports are spotted and fixed quickly.

Finally, the Managed Services allowance budget can be used by Kronos Managed Services consultants as directed by Natividad for a variety of Kronos related activities that go beyond the scope of the services listed above. Natividad will be billed for these hours only when they are used, and there is no penalty for not using the hours.

1.2 DESCRIPTION OF DATABASE MANAGEMENT SERVICES

The service includes:

- An initial analysis of the database server and environment
- A review of NATIVIDAD's disaster recovery plan or assist in creation
- Creation of database maintenance plans or jobs
- Review of maintenance job output and alert notification
- Corrective actions necessitated by alerts or job failures
- Assistance in response to unplanned database down events
- Perform database integrity checks and take corrective action as needed
- Perform full database and transaction log backups
- Rebuild indexes as required to maintain optimal performance
- Monitor and review SQL Server logs
- Monitor Server Performance and Activity
- Monitor Windows Event Viewer

- Monitor memory and CPU utilization and adjust the size of in-memory structures for efficient operation and monitor usage patterns
- Notify NATIVIDAD of changes needed to the system to improve performance
- Notify NATIVIDAD of any issues or problems that NATIVIDAD should escalate to Kronos Global Support
- Notify NATIVIDAD of any identified system-related issues that may impact the performance or reliability of the system
- Periodic Test database refreshes
- Capacity planning and monitoring
- Regular communications about your database system

1.2.1 DATABASE SERVICES KEY TASK DESCRIPTION

The following key activities will be completed as part of this service:

| Activity | Description |
|------------------------------|---|
| Initial Analysis* | <ul style="list-style-type: none"> • A complete review of the database system resulting in a report detailing findings and recommendations • Review analysis and disaster and recovery plans with customer |
| Initial setup | <ul style="list-style-type: none"> • Creation of maintenance plans or modification of existing maintenance plans** • Configure database system to meet customer's DR requirements • Alert setup • Test plans and alerts |
| Ongoing Maintenance | <ul style="list-style-type: none"> • Review maintenance plan history • Review database health check output • Review database reconcile reports |
| Test Database Refresh | <ul style="list-style-type: none"> • Copy production database to test database periodically on request • Scrub copy of database and deliver to KGS on request |

* If the initial analysis reveals that the database server is underpowered or adequate disk space is not available, upgrade recommendations will be included in the report.

** Basic database backup and recovery is part of the service. Advanced scenarios such as SQL Server log shipping can be configured after a change order has been completed.

1.2.2 KRONOS DELIVERABLES

The Kronos deliverables for this engagement are:

- Initial analysis report
- Database maintenance plan report/design
- Database recovery plan

1.3 DESCRIPTION OF MANAGED SERVICES ESSENTIALS

Managed Services Essentials are defined as those services and activities associated with providing system updates and administrative support for Natividad including:

- Kronos service pack installations in test and production
- Kronos patch installations in test and production
- Quarterly system health checks
- Technical Kronos software upgrades

1.3.1 KRONOS DELIVERABLES

The Kronos deliverables for this engagement are:

- Monthly reporting from Program Manager to Natividad
- Routine tasks as described above

1.4 DESCRIPTION OF APPLICATION MANAGEMENT ESSENTIALS

Application Management Essentials Services are defined as those services and activities associated with providing application monitoring and support for Natividad including:

- Production Environment Support including (5 per quarter):
 - Configuration Management and Changes
 - Interface Management and Changes
- Monitoring setup service (up to 3 monitors). Common examples of monitors are described below. Other options are available for Aviva USA's specific requirements.
 - Terminals availability – if applicable
 - Employee Import Failure
 - Payroll Export Failure

1.4.1 KRONOS DELIVERABLES

The Kronos deliverables for this engagement are:

- Monthly reporting from Program Manager to Natividad
- Routine tasks as described above

1.5 DESCRIPTION OF ALLOWANCE SERVICES BUDGET

Allowance services are considered to be any Application Management Services performed by the Kronos managed services team that are beyond the scope of the services described above.

1.5.1 ALLOWANCE SERVICES TASKS DESCRIPTION

The following key activities will be completed during this consulting engagement (program manager may determine the task identified below may fit within the Application Management Services planned tasks):

- New custom reports
- Additional locations implementing in Kronos
- New integration
- Additional Modules
- Configuration or integration changes beyond quarterly guidelines
- Emergency database assistance outside normal business hours (M – F, 8 AM – 5 PM)

2 ENGAGEMENT GUIDELINES

2.1.1 KEY ENGAGEMENT ASSUMPTIONS

- NATIVIDAD will grant VPN access to members of the Kronos DBA team, enabling them to log onto database servers and other required machines in the customer's internal network.
- NATIVIDAD will assist in scheduling with the Kronos Consultant and provide a single point of contact to facilitate coordination.
- NATIVIDAD will provide access as necessary to all technical and application resources and environments.
- The Kronos DBA team will perform the service throughout the week and not necessarily at the same time each week
- NATIVIDAD is required to maintain the Kronos Software pursuant to the Master Agreement as a condition of Kronos' services hereunder.
- NATIVIDAD will provide access as required to the subject matter experts in the relevant functional and technical areas.
- NATIVIDAD will assist in scheduling any required onsite meetings with the Kronos Consultant, with a single point of contact to facilitate coordination.
- NATIVIDAD will provide access as necessary to all technical and application resources and environments.
- Consulting services will be delivered remotely.

2.1.2 NATIVIDAD'S RESPONSIBILITIES

- NATIVIDAD is responsible for providing and maintaining all computer hardware, operating system software, database software, and non-Kronos provided software and hardware necessary for the operation of Kronos applications.
- NATIVIDAD is solely responsible for system backup and recovery, including disaster recovery
- NATIVIDAD shall provide a person who will function as the System Manager, responsible for securing and scheduling resources for the support of the Kronos System.
- NATIVIDAD's System Manager manages open technical service issues.
- NATIVIDAD is responsible for ensuring that hardware / technology environment meets current Kronos specifications.
- NATIVIDAD personnel should attend appropriate Kronos training classes.
- NATIVIDAD shall provide Kronos access to the appropriate human resources during DBMS service delivery.
- NATIVIDAD shall provide remote dial-in support sufficient to ensure Kronos' ability to perform these services.

3 SERVICE PRICING

3.1 MONTHLY FEES

| Application Management – Database Management Services | Role | Monthly Fees | 24 Month Fee Total |
|--|------------|--------------|--------------------|
| Database Management Essentials-M/F-8-5 (part number 9990067-CON) | Consultant | \$850.00 | \$20,400.00 |
| Managed Services Essentials-Time & Labor (part number 9990055-CON) | Consultant | \$510.00 | \$12,240.00 |
| Application Management Essentials-Time & Labor (part number 9990061-CON) | Consultant | \$510.00 | \$12,240.00 |
| Total | | | \$44,880.00 |

3.2 TIME AND MATERIAL FEES

| Application Management - Flexible Allowance Budget | Effort | Role | Rate (Hourly) | Investment |
|--|--------|------------|---------------|--------------------|
| Managed Services Allowance Budget (part number 9990074-CON) | 60 | Consultant | \$200.00 | \$12,000.00 |
| Total | | | | \$12,000.00 |

3.3 PAYMENT TERMS

Monthly Fees – An invoice will be issued at the beginning of each month for the services delivered in that month.

Time and Material Fees – An invoice will be issued at the end of each month for hours of service used during that month.

All invoices will be paid within thirty (30) days of receipt.



3.4 SIGNATURES AND APPROVALS

SUBMITTED AND APPROVED BY KRONOS REPRESENTATIVE

By: _____ Date: _____

By signing below, Customer agrees to purchase the Services described in this document. Customer agrees to allocate appropriate resources to ensure successful completion of the project detailed within this document.

Very truly yours,

Kronos Incorporated

ACCEPTED AND AGREED

NATIVIDAD

By: _____ Date: _____

Title: _____

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Crystal Reports is a registered trademark of Business Object SA.

4 APPENDIXES

4.1 ADDITIONAL REFERENCE DOCUMENTS

4.1.1 ENGAGEMENT GUIDELINES

For information related to Kronos' Engagement Guidelines, please point your browser to:

<http://www.kronos.com/Support/ProfessionalServicesEngagementPolicies.htm>

4.1.2 SUPPORT POLICIES

For information related to Kronos' Support Policies, please point your browser to:

<http://www.kronos.com/Support/SupportServicesPolicies.htm>