

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

**Agreement No: A-11065**

- a. Authorize the CEO of Natividad Medical Center to execute an Agreement )  
with Kronos Inc. for the Time and Attendance System Installation and )  
Services at Natividad Medical Center in an amount not to exceed \$558,930 )  
for the period November 1, 2007 through September 30, 2010 and; )
- b. Modify standard County contract language. )

Upon motion of Supervisor Calcagno, seconded by Supervisor, Salinas, and carried by those members present, effective November 6, 2007 the Board hereby:

- a. Authorizes the CEO of Natividad Medical Center to execute an Agreement with Kronos Inc. for the Time and Attendance System Installation and Services at Natividad Medical Center in an amount not to exceed \$558,930 for the period November 1, 2007 through September 30, 2010.
- b. Modifies standard County contract language.

PASSED AND ADOPTED this 6th day of November 2007, by the following vote, to wit:

**AYES:** Supervisors Armenta, Calcagno, Salinas and Potter

**NOES:** None

**ABSENT:** Supervisor Smith

I, Lew C. Bauman, 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 74 for the meeting on November 6, 2007

Dated: November 29, 2007

Lew C. Bauman, Clerk of the Board of Supervisors,  
County of Monterey, State of California

By AD Armenta  
Denise Pennell, Deputy

**AGREEMENT TO PURCHASE KRONOS INCORPORATED SOFTWARE,  
EQUIPMENT & SERVICES IN CONNECTION WITH A TIME &  
ATTENDANCE PROGRAM  
FOR THE COUNTY OF MONTEREY NATIVIDAD MEDICAL CENTER**

This AGREEMENT is made and entered into by and between the **COUNTY OF MONTEREY**, a political subdivision of the State of California, hereinafter referred to as "County", and **KRONOS INCORPORATED**, hereinafter referred to as "CONTRACTOR."

**RECITALS**

- A. WHEREAS, the County has invited interests through the Request for Interests (RFI # 10010) for the provision of a Time and Attendance Program; and
- B. WHEREAS, CONTRACTOR has submitted a responsive and responsible interest to provide certain software and equipment and to perform such services; and
- C. WHEREAS, CONTRACTOR has the expertise and capabilities necessary to provide the services requested pursuant to its response to the RFI.

NOW THEREFORE, the County and CONTRACTOR, for the consideration hereinafter named, agree as follows:

**PERFORMANCE OF THE AGREEMENT**

After consideration and evaluation of the CONTRACTOR'S Interest, the County hereby engages the CONTRACTOR to provide the services pursuant to this AGREEMENT on the terms and conditions contained herein and within RFI #10010, as clarified by Contractor's Response to the RFI, dated February 16, 2007. The intent of this AGREEMENT is to summarize the contractual obligations of the parties. The component parts of this AGREEMENT include the following:

- 1. This Agreement to Purchase Kronos Incorporated Software, Equipment and Services in Connection with a Time and Attendance Program for the County of Monterey Natividad Medical Center, including the following attached Exhibits:
  - 1. Kronos Sales, Software License and Services Agreement;
  - 2. Order Form
  - 3. Depot Exchange Support Agreement;
  - 4. Professional Services Statement of Work document;
  - 5. Professional Services Statement of Work document; and
  - 6. Certificate of Liability Insurance;

2. Contractor's Response to the County of Monterey Natividad Medical Center's RFI #10010, dated February 16, 2007, which clarifies the RFI;
3. The County of Monterey, Natividad Medical Center Request for Information #10010, dated February 8, 2007;
4. Certificate of Insurance with Additional Insured Endorsements

Work required by one of the above-referenced contract documents and not by others shall be done as if required by all. In the event of a conflict between or among component parts of the contract, the contract documents shall be construed in the descending order of precedence set forth above.

The County and Contractor agree that the terms and conditions set forth: i) in Section A of the Kronos Sales, Software License and Services Agreement (attached hereto as **Exhibit 1** shall apply to all Equipment and Software specified on a Kronos order form as executed by the County (the "Order Form", attached hereto as **Exhibit 2**); ii) in Section B of the Kronos Sales, Software License and Services Agreement shall apply to all Software, firmware (contained in or downloaded to the Equipment), and Training Materials specified on the Order Form; iii) in Section C of the Kronos Sales, Software License and Services Agreement shall apply to all Professional Services, if any, specified on the Order Form; iv) in Section D of the Kronos Sales, Software License and Services Agreement shall apply to all Software Support Services, if any, and the Kronos KnowledgePass Education Subscription, if any, specified on the Order Form; and v) in Section E of the Kronos Sales, Software License and Services Agreement shall of the Agreement apply to all items specified on the Order Form and supplement the terms of Sections A through D.

The Contractor and County agree that Contractor shall provide equipment support maintenance, provided that the County elects to purchase such equipment support maintenance, pursuant to the terms and conditions of the Depot Exchange Support Agreement attached hereto as **Exhibit 3**.

## **1.0 TERM OF AGREEMENT**

- 1.1 The initial term shall commence with the signing of the AGREEMENT through and including September 30, 2010 with the option to extend the AGREEMENT for two (2) additional one (1) year periods.
- 1.2 The County reserves the right to cancel this AGREEMENT, or any extension of this AGREEMENT, without cause, with a thirty day (30) prior written notice, or with cause immediately. The County shall be liable for payment of all Software, Equipment and Services Delivered to the County by Contractor prior to the effective date of termination and which payments are not the subject of a good faith dispute.
- 1.3 If this AGREEMENT includes options for renewal or extension, CONTRACTOR must commence negotiations for rate changes a minimum of ninety days (90) prior to the expiration of the term set forth in Section 1.1 above. Both parties shall agree upon rate extension(s) or changes in writing.

- 1.4 If the County exercises its option to extend, all applicable parties shall mutually agree upon the extension, including any rate and/or terms and conditions changes.

## **2.0 GENERAL SCOPE OF SERVICE**

CONTRACTOR shall provide the installation and the management consulting professional services for the Software purchased on the applicable Order Form and pursuant to the terms and conditions of the Kronos Sales, Software License and Services Agreement and the applicable Professional Services Statement of Work, or such other professional services engagement document, mutually agreed upon and entered into between the County and Contractor. For the initial engagement, the applicable Professional Services Statement of Work document is attached hereto as Exhibits 4 and 5.

## **3.0 INSTALLATION TRAINING AND EDUCATION**

Installation Training and Education shall be as that set forth in the applicable Professional Services Statement of Work, or such other similar professional services engagement document, mutually agreed upon and as entered into between County and Contractor. (See Exhibit 5)

## **4.0 MANAGEMENT CONSULTING TRAINING AND EDUCATION**

Management Consulting Training and Education shall be as set forth in the applicable Professional Services Statement of Work, or such other similar professional services engagement document, mutually agreed upon and as entered into between County and Contractor. (See Exhibit 5)

## **5.0 COMPENSATION AND PAYMENTS**

- 5.1 It is mutually understood and agreed by both parties that CONTRACTOR shall be compensated under the AGREEMENT in accordance with the mutually agreed upon Order Form executed by the County and in accordance with the payment terms provided therein. Travel reimbursement will be as allowable by the County Travel Policy or as mutually agreed upon by the parties.
- 5.2 Prices shall remain firm for the initial term of the AGREEMENT and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this AGREEMENT.

- 5.3 Negotiations for rate changes shall be commenced, by the parties, a minimum of ninety (90) days prior to the expiration of the AGREEMENT.
- 5.4 Invoice amounts shall be billed directly to the ordering department.
- 5.5 CONTRACTOR shall reference the AGREEMENT number and RFI # 10010 on all invoices submitted to the County. CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this AGREEMENT, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

## **6.0 INDEMNIFICATION**

In addition to the indemnification obligations set forth in the Kronos Sales, Software License and Services Agreement under Section A.4, CONTRACTOR shall indemnify, defend and hold harmless, County, its governing board, directors, officers, and employees from any loss, injury, damage, expense and liability resulting from injury to or death of any person and loss of or damage to tangible or real property, or claim of such injury, death, loss or damage caused by any negligent act or omission or willful misconduct in the performance under this Agreement by CONTRACTOR, its employees, sub-consultants or agents, excepting only loss, injury or damage to the extent caused by the negligence or willful misconduct of the County.

## **7.0 INSURANCE**

- 7.1 Insurance Coverage Requirements: Without limiting CONTRACTOR'S duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this AGREEMENT a policy or policies of insurance with the following minimum limits of liability:
- 7.1.1 Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.
  - 7.1.2 Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under

this AGREEMENT, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

- 7.1.3 Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this AGREEMENT, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.
  - 7.1.4. Professional liability insurance, if required for the professional services being provided (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for errors or omissions made in the course of rendering professional services.
  - 7.1.5 A copy of the form of certificate of liability insurance currently in effect is attached hereto as **Exhibit 6**.
- 7.2 Other Insurance Requirements. All insurance required by this AGREEMENT shall be issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this AGREEMENT, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this AGREEMENT.
- 7.3 Each liability policy shall provide that the County shall be given notice within thirty (30) days of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this AGREEMENT, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.
- 7.4 Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. Contractor agrees to name County as an additional insured and will include the following endorsement upon execution of this Agreement: "The County of Monterey, its agents, officers and employees are named as additional insured. It is understood and agreed that this insurance is primary and any insurance maintained by the additional insured shall be excess only and not contributing with this insurance in regards to all operations as pertains to the named insured." Contractor agrees to provide the required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85, or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000); and the required endorsement

form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99, or endorsements providing equivalent coverage for the foregoing.

- 7.5 Simultaneously upon the execution of this AGREEMENT by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this AGREEMENT. The CONTRACTOR shall file a new or amended certificate of insurance within ten (10) business days after any change is made in any insurance policy which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this AGREEMENT, which shall continue in full force and effect.
- 7.6 CONTRACTOR shall at all times during the term of this AGREEMENT maintain in force the insurance coverage required under this AGREEMENT and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have ten (10) business days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this AGREEMENT, which entitles County, at its sole discretion, to terminate this AGREEMENT immediately

## **8.0 LAW COMPLIANCE**

The Contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of the United States and of the State of California. The Agency will be in compliance with Title 22, OSHA, Federal and State Labor Laws and the Joint Commission on Accreditation of Health Care Organizations.

## **9.0 NOTICES**

Notices required to be given to the respective parties under this AGREEMENT shall be deemed given by any of the following means: (1) when personally delivered to the County's contract administrator or to CONTRACTOR'S responsible officer; (2) when personally delivered to the party's principle place of business during normal business hours, by leaving notice with any person apparently in charge of the office and advising such person of the import and contents of the notice; (3) 24 hours after the notice is transmitted by FAX machine to the other party, at the party's FAX number specified pursuant to this AGREEMENT, provided that the party giving notice by FAX must promptly confirm receipt of the FAX by telephone to the receiving party's office; or, (4) three (3) days after the notice is deposited in the U. S. mail with first class or better postage fully prepaid, addressed to the party as indicated below.

Notices mailed or faxed to the parties shall be addressed as follows:

**TO THE COUNTY:**

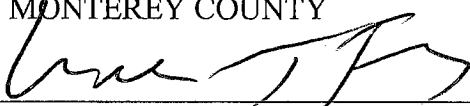
Contracts/Purchasing Manager  
County of Monterey, Contracts/Purchasing Department  
168 W. Alisal Street, 3<sup>rd</sup> Floor  
Salinas, CA 93901-2439  
Tel. No.: (831) 755-4990 FAX No.: (831) 755-4969

**TO THE CONTRACTOR:**

Kronos Incorporated  
297 Billerica Road  
Chelmsford, MA 01824  
Tel. No. (978) 250-9800

IN WITNESS WHEREOF, the County and CONTRACTOR execute this AGREEMENT as follows:

MONTEREY COUNTY

  
Contracts/Purchasing Manager

Dated: 11/20/07

Approved as to Fiscal Provisions:

  
Auditor/Controller

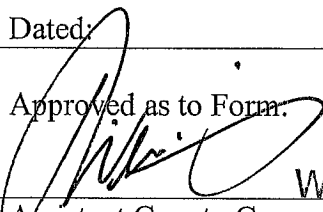
Dated: 10/23/07

Approved as to Liability Provisions:

Risk Management

Dated: 10/23/07

Approved as to Form:

  
Assistant County Counsel

Dated: 10/23/07

CONTRACTOR

By: 

Company Representative

Tarell Carter OM Specialist  
Printed Name and Title

Dated: 1/24/08

By:

Company Representative

Printed Name and Title

Dated:



## EXHIBIT 1

### KRONOS SALES, SOFTWARE LICENSE AND SERVICES AGREEMENT

The County of Monterey (the "County") and Kronos Incorporated ("Kronos") agree that the terms and conditions set forth: i) in Section A of this Agreement apply to all Equipment and Software specified on a Kronos order form (the "Order Form"); ii) in Section B apply to all Software, firmware (contained in or downloaded to the Equipment), and Training Materials specified on the Order Form; iii) in Section C apply to all Professional Services, if any, specified on the Order Form; iv) in Section D apply to all Software Support Services, if any, and the Kronos KnowledgePass Education Subscription, if any, specified on the Order Form; and v) in Section E of the Agreement apply to all items specified on the Order Form and supplement the terms of Sections A through D.

#### SECTION A. TERMS AND CONDITIONS APPLICABLE TO EQUIPMENT AND SOFTWARE ONLY

##### 1. PAYMENT AND DELIVERY

Payment terms are indicated on the Order Form or other contemporaneous ordering document containing product-specific payment terms signed by the parties. Delivery terms are as stated on the Order Form ("Delivery").

##### 2. ACCEPTANCE

For County's initial purchase of each Equipment and Software product Kronos shall provide an acceptance test period (the "Test Period") that commences upon Installation. Installation shall be defined as: a.) the Equipment, if any, is mounted; b.) the Software is installed on the data base server(s) and/or personal computer(s); and c.) implementation team training, if any, is complete. During the Test Period, County shall determine whether the Equipment and Software meet the Kronos published electronic documentation, ("Specifications").

The Test Period shall be for 30 days. If County has not given Kronos a written deficiency statement specifying how the Equipment or Software fails to meet the Specifications ("Deficiency Statement") within the Test Period, the Equipment and Software shall be deemed accepted. If County provides a Deficiency Statement within the Test Period, Kronos shall have 30 days to correct the deficiency, and County shall have an additional 30 days to evaluate the Equipment and Software. If the Equipment or Software does not meet the Specifications at the end of the second 30 day period, either County or Kronos may terminate this Agreement. Upon any such termination, County shall return all Equipment and Software to Kronos, and Kronos shall refund any monies paid by County to Kronos therefor. Neither party shall then have any further liability to the other for the products that were the subject of the Acceptance Test.

##### 3. LIMITED WARRANTY

Kronos warrants that all Kronos Equipment and Software media shall be free from defects in materials and workmanship, for a period of ninety (90) days from Delivery. In the event of a

breach of this warranty, County's exclusive remedy shall be Kronos' repair or replacement of the deficient Equipment and/or Software media, at Kronos' option, provided that County's use, installation and maintenance thereof have conformed to the Specifications. This warranty is extended to County only and shall not apply to any Equipment, (or parts thereof) or Software media in the event of:

(a) damage, defects or malfunctions resulting from misuse, accident, neglect, tampering, (including modification or replacement of any Kronos components on any boards supplied with the Equipment), unusual physical or electrical stress or causes other than normal and intended use;

(b) failure of County to provide and maintain a suitable installation environment, as specified in the Specifications; or

(c) malfunctions resulting from the use of badges or supplies not approved by Kronos.

If County is licensing Workforce Payroll Software the following additional warranty exclusions shall apply: i) County is solely responsible for the content and accuracy of all reports and documents prepared in whole or in part by using the Software, (ii) using the Software does not release County of any professional obligation concerning the preparation and review of such reports and documents, (iii) County does not rely upon Kronos, Best Software, Inc. or the Software for any advice or guidance regarding compliance with federal and state laws or the appropriate tax treatment of items reflected on such reports or documents, and (iv) County will review any calculations made by using the Software and satisfy itself that those calculations are correct.

#### 4. INDEMNIFICATION

(a) Intellectual Property Indemnification. Kronos agrees to indemnify Customer and to hold it harmless from and against any and all claims, costs, fees and expenses (including reasonable legal fees) relating to actual or alleged infringement of U.S. patents or copyrights asserted against Customer by virtue of Customer's use of the Software as delivered and maintained by Kronos, provided that: i) Kronos is given prompt written notice of any such claim and has sole control over the investigation, preparation, defense and settlement of such claim; and, ii) Customer reasonably cooperates with Kronos in connection with the foregoing and provides Kronos with all information in Customer's possession related to such claim and any further assistance as reasonably requested by Kronos. Kronos will have no obligation to indemnify Customer to the extent any such claim is based on the use of the Software with software or equipment not supplied by Kronos. Should any or all of the Software as delivered and maintained by Kronos become, or in Kronos' reasonable opinion be likely to become, the subject of any such claim, Kronos may at its option: i) procure for Customer the right to continue to use the affected Software as contemplated hereunder; ii) replace or modify the affected Software to make its use non-infringing; or iii) should such options not be available at reasonable expense, terminate this Agreement with respect to the affected Software upon thirty (30) days prior written notice to Customer. In such event of termination, Customer shall be entitled to a pro-rata refund of all fees paid to Kronos for the affected Software, which refund shall be calculated using a five year straight-line depreciation commencing with the date of the relevant Order.

(b) General Indemnification. Kronos agree to indemnify, defend and hold Customer harmless from and against all claims, suits and demands for tangible property damage or personal injury to the extent caused by the negligence or willful misconduct of Kronos' professional services employees in the performance of professional services under this Agreement on Customer's premises provided that Kronos is given prompt written notice of any such claim and has sole control over the investigation, preparation, defense and settlement of such claim, and further provided that Customer reasonably cooperates with Kronos in connection with the foregoing and provides Kronos with all information in Customer's possession related to such claim and further assistance as reasonably requested by Kronos.

## SECTION B. LICENSE TERMS APPLICABLE TO SOFTWARE (INCLUDING SOFTWARE DOCUMENTATION), FIRMWARE AND TRAINING MATERIALS ONLY

### GENERAL LICENSE TERMS

Kronos owns or has the right to license the Software. The Software and Software documentation are confidential and may not be disclosed to a third party without Kronos' written consent. The Software contains proprietary trade secret technology. Unauthorized use and copying of such Software is prohibited by law, including United States and foreign copyright law. The price County pays for a copy of the Software constitutes a license fee that entitles County to use the Software as set forth below. Kronos grants to County a non-exclusive, nontransferable, perpetual (except as provided herein) license to use the Software. This license may be terminated by Kronos by written notice to County upon any material breach of this Agreement by County. This license is subject to all of the terms of this Agreement, including those set forth below:

#### (a) FEE BASED LIMITATIONS

County recognizes and agrees that the license to use the Software is limited, based upon the amount of the license fee paid by County. Limitations, which are set forth on the Order Form, may include the number of employees, simultaneous or active users, Software product modules, Software features, computer model and serial number, and/or the number of terminals to which the Software is permitted to be connected. County agrees to: i) use the Software only for the number of employees, simultaneous or active users, computer model and serial number, and/or terminals permitted by the applicable license fee; ii) use only the product modules and/or features permitted by the applicable license fees; and iii) use the Software only in support of County's own business. County agrees not to increase the number of employees, simultaneous or active users, terminals, products modules, features, or to upgrade the model, as applicable, unless and until County pays the applicable fee for such increase/upgrade. County may not relicense or sublicense the Software to, or otherwise permit use of the Software (including timesharing or networking use) by any third party. County may not provide service bureau or other data processing services that make use of the Software without the express prior written consent of Kronos.

#### (b) OBJECT CODE ONLY

County may use the computer programs included in the Software (the "Programs") in object code form only, and shall not reverse compile, disassemble or otherwise convert the Programs into uncompiled or unassembled code.

**(c) PERMITTED COPIES**

County may copy the Programs as reasonably necessary to load and execute the Programs and for backup purposes only. All copies of the Programs or any part thereof, whether in printed or machine readable form and whether on storage media or otherwise, are subject to all the terms of this license, and all copies of the Programs or any part of the Programs shall include the copyright and proprietary rights notices contained in the Programs as delivered to the County.

**(d) UPDATES**

In the event that Kronos supplies Service Packs, Point Releases and Major Releases (including legislative updates if available) of the Software (collectively referred to as "Updates"), such Updates shall be part of the Software and the provisions of this license shall apply to such Updates and to the Software as modified thereby.

**(e) COUNTY TERMINATION**

County may terminate this license at any time by returning to Kronos the original copy of the Software and destroying all other copies of the Software. Upon termination of this license by Kronos, County will return the original Software to Kronos and destroy all other copies of the Software.

**(f) ISERIES SOFTWARE**

If County is licensing Kronos iSeries Central Software, the following additional terms shall apply: Upon County's request and full payment of all license fees, Kronos shall license to County, for County's internal use only, the source code for the Kronos iSeries Central application programs licensed to County under this license. All of the terms and conditions specified in this Agreement for object code shall also apply to the source code. County acknowledges and agrees that the Software, all source code, object code and algorithms relating thereto, all user interface screens generated by the Software and source code, and all copyright, trade secret and other proprietary rights therein, are and shall remain the sole and exclusive property of Kronos. County agrees that it shall not disclose or otherwise make the Software available to third parties unless and to the extent such disclosure is necessary for County's permitted use of the Software. Furthermore, County must obtain Kronos' written consent to any such disclosure and any such third party must agree in writing to be bound by the terms contained herein.

**(g) MICROSOFT SQL SERVER SOFTWARE**

If County is sublicensing Microsoft SQL Server software, the following additional terms shall apply: The Microsoft SQL Server software being sublicensed hereunder ("SQL") as part of the Kronos Software is "Runtime-Restricted Use" software; as such, SQL may only be used to run the Software. SQL may not be used either (i) to develop and/or (ii) in conjunction with, new applications, databases or tables other than those contained in the Software. The foregoing, however, does not prohibit County from using a tool to run queries or reports from existing tables, and/or from using a development environment or workbench, which is part of the

Software to configure or extend such Software. Notwithstanding any provision of this Agreement, County may only transfer SQL as part of the Software. County also agrees to use the Microsoft SQL Server software only on the servers, processors or other electronic devices which the Software is permitted to be connected.

#### (h) RESTRICTED RIGHTS

Use, duplication, or disclosure by the United States Government is subject to restrictions as set forth in subparagraph (c) (1) (ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013, or subparagraph (c)(1)(2) of the Commercial Computer Software Restricted Rights clause at FAR 52.227-19, as applicable. Manufacturer/distributor is Kronos Incorporated, 297 Billerica Road, Chelmsford, MA 01824.

#### (i) TRAINING MATERIALS

If County is licensing Training Materials and/or purchasing the Kronos Train-the-Trainer (KTTT) Program (the "Certification Program"), the following additional terms shall apply: "Training Materials" shall mean the instructor guide(s), student guide(s), job aids, recorded executable files, and/or tutorials developed by Kronos for one or more Kronos products. Kronos grants to County a non-exclusive, nontransferable license to use the Training Materials. County recognizes and agrees that: i) the Training Materials constitute confidential and proprietary information of Kronos; ii) the Training Materials are copyrighted by Kronos; iii) the license to use the Training Materials is limited, based upon the amount of the license fee paid by County; iv) County may not copy or reproduce the Training Materials in excess of the number of copies permitted by the applicable license fee; v) County may not transmit, distribute or disclose the Training Materials to any third party, unless agreed to in writing by Kronos; vi) County's license to use the Training Materials is granted solely for the purpose of permitting County to train County's employees and no other use of the Training Materials is permitted; and vii) County may not edit, modify, revise, amend, change, alter, customize or vary the Training Materials in any manner without the written consent of Kronos. Certification under the Certification Program is valid for two (2) years after successful completion of the Certification Program, applies only to the point release of the Software for which the Certification Program is taken, and covers only the County employee who completes the Certification Program.

### SECTION C. TERMS AND CONDITIONS APPLICABLE TO PROFESSIONAL SERVICES AND EDUCATIONAL SERVICES ONLY

#### 1. ESTIMATED PROFESSIONAL SERVICES RESOURCES AND HOURS

County recognizes and agrees that the Kronos professional services resources ("PS Resources") identified and the hours defined within any Professional Services Estimate "(PSE)", or similar statement of work document that may be provided by Kronos, have been estimated based upon: (i) the preliminary information provided by County; and, (ii) County fulfilling its obligations as defined in the PSE or similar statement of work document. Additional PS Resources and/or hours may be required to complete the implementation as a result of newly discovered information, County's delay in fulfilling its obligations, or a change in the scope of the project. Kronos will review with County the PS Resources and the number of hours Kronos anticipates will be required for the completion of the work after assessment of County's requirements.

Kronos will monitor the PS Resources and hours used as the work progresses, and will advise County through a change order if more are required. The applicable rate for each PS Resource is set forth in the PSE and/or the Order Form and shall remain in effect for 12 months from the effective date of the PSE or similar statement of work document. Pricing for professional services associated with the implementation of add-on Software licensed subsequent to an initial PSE will be priced at the then-current Kronos professional service rates.

## 2. EDUCATIONAL SERVICES/TRAINING POINTS

County agrees to purchase the quantity of Kronos "training points" indicated on the Order Form at the rate quoted (the "Training Points"). Purchased Training Points may be redeemed for an equivalent value of instructor-led training sessions offered by Kronos. Available instructor-led sessions are listed at <http://customer.Kronos.com> and each session has the Training Points value indicated. Training Points may be redeemed at any time within 12 months of the date of the applicable Order Form, at which time they shall expire. Training Points may not be exchanged for other Kronos products and/or services.

## 3. PROFESSIONAL SERVICES AND EDUCATIONAL SERVICES PAYMENT

Kronos will invoice County for professional services at the PS Resource rates and on the payment terms identified in the PSE and/or the Order Form. Kronos will invoice County for the Training Points identified in the Order Form on the payment terms indicated therein.

## 4. TRAVEL EXPENSES

County agrees to reimburse Kronos for reasonable travel incurred by Kronos in the performance of the scope of work outlined within this Agreement in compliance with the established County Travel Policy.

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## 5. WARRANTY

Kronos warrants that all professional and educational services performed under this Agreement shall be performed in a professional and competent manner. In the event that Kronos breaches this warranty, and County so notifies Kronos within 90 days of completion of the Services, the County's sole remedy and Kronos' exclusive liability shall be to re-perform the services which were deficient in a manner so as to conform to the foregoing warranty, at no additional cost to County.

## 6. KRONOS PROFESSIONAL/EDUCATIONAL SERVICES POLICIES

Kronos' then-current Professional/Educational Services Policies shall apply to all Professional and/or Educational Services purchased and may be accessed at: <http://www.kronos.com/Support/ProfessionalServicesEngagementPolicies.htm> ("Professional Services Policies"). In the event of a conflict between the Professional Services Policies and this Agreement, the terms of this Agreement shall prevail.

## SECTION D. TERMS AND CONDITIONS APPLICABLE TO SOFTWARE SUPPORT SERVICES ONLY

### 1. SUPPORT OPTIONS

County may select from the following Software support purchase options: Silver, Gold (or Gold Plus), and Platinum (or Platinum Plus) support ("Service Type"), each providing different service coverage periods and/or service offerings, as specified herein ("Service Offerings") and in the Kronos Support Service Policies (see Section 12 below). County must purchase the same Service Type for all of the Software specified on the Order Form, (however, if County is purchasing support services for Visionware Software, County may only purchase Gold Service Type for the Visionware Software.) All Updates shall be provided via remote access. County may purchase support services for Equipment under a separate agreement.

### 2. TERM OF SOFTWARE SUPPORT

Support service shall commence on the Software Delivery date and shall continue for an initial term of one (1) year. This support may be renewed for additional one (1) year terms on the anniversary date of its commencement date ("Renewal Date") by mutual written agreement of the parties or by Kronos sending to Customer an invoice for the applicable renewal term and the Customer paying such invoice prior to the commencement of such renewal term. After the one year initial term of this Agreement, the Service Offerings provided and the Service Coverage period are subject to change by Kronos with thirty (30) days advance written notice to County. For the initial two (2) renewal years the annual support fee, for the same products and service type, will not increase by more than 5% over the prior year's annual support fee.

### 3. SERVICE OFFERINGS PROVIDED FOR ALL SERVICE TYPES (SILVER, GOLD, GOLD PLUS, PLATINUM OR PLATINUM PLUS)

County shall be entitled to receive:

(a) Updates for the Software (not including any Software for which Kronos charges a separate license fee), provided that County's operating system and equipment meet minimum system configuration requirements, as reasonably determined by Kronos. If County requests Kronos to install such Service Packs, Point Releases and/or Major Releases (including legislative updates, if available) or to provide retraining, County agrees to pay Kronos for such installation or retraining at Kronos' then-current time and materials rate.

(b) Telephone and/or electronic access to the Kronos Global Support Center for the logging of requests for service during the Service Coverage Period.

(c) Web-based support including access to Software documentation, live online help, FAQ's, access to Kronos knowledge base, County forums, e-case management and e-mail support. Such offerings are subject to modification by Kronos. Current offerings can be found at <http://customer.Kronos.com>.

(d) Remote diagnostic technical assistance which may be utilized by Kronos to resolve Software functional problems and user problems during the service coverage period.

#### 4. SERVICE OFFERINGS ADDITIONAL TO THOSE SPECIFIED IN SECTION D.3 ABOVE, PROVIDED BY SERVICE TYPE:

(a) Gold and Platinum: Technical advisories, learning quick tips, brown bag seminars, technical insider tips, SHRM e-Learning, HR Payroll Answerforce and service case studies. Such offerings are subject to modification by Kronos without notice.

(b) Gold Plus: Customers purchasing Gold support service may purchase, for an additional fee, the Gold Plus services of a dedicated, but not exclusive, Kronos technical account manager ("Technical Account Manager") to provide on-going account management support to County. County shall designate up to one primary and one secondary backup technical contact ("Technical Contacts") to be the sole contacts with the Technical Account Manager. County is required to place primary Technical Contacts through Kronos certification support training for the Software covered under this Agreement at County's expense.

(c) Platinum: Platinum Customers receive a two hour or less response time for all calls placed to Kronos Global Support, regardless of the Priority level.

(d) Platinum Plus: Customers purchasing Platinum support services may purchase, for an additional fee, the Platinum Plus services of a dedicated, but not exclusive, Kronos Technical Account Manager. County shall designate up to two primary and three secondary backup Technical Contacts to be the sole contacts with the Technical Account Manager. Upon request, County may designate additional and/or backup Technical Contacts. A one day per year visit to be performed at the County location where the Software is installed. During this onsite visit, a Kronos application consultant shall work with County to identify ways to help County increase functionality or maximize utilization of the Software in County's specific environment, provided County's annual Software support fee is at least \$5,000 per year. County must be utilizing the then-current version of the Software. Travel time and expenses are not included and shall be charged to County at Kronos' then-current rate.

County is required to place all primary Technical Contacts through Kronos certification support training for the software covered under this Agreement at County's expense.

#### 5. PAYMENT

County shall pay annual support charges for the initial term in accordance with the payment terms on the Order Form and for any renewal term within thirty (30) days after receipt of invoice. County shall pay additional support charges, if any, and time and material charges upon receipt of invoice.

#### 6. ADDITION OF SOFTWARE

Additional Software purchased by County during the initial or any renewal term shall be added to this Agreement at the same support option as the then current Software support coverage in place under these terms. County agrees to pay the charges for such addition, and any such addition shall be automatically renewed as provided in these terms.



## 7. RESPONSIBILITIES OF COUNTY

County agrees (a) to provide Kronos personnel with full, free and safe access to Software for purposes of support, including use of data communication facilities, if required; (b) to maintain and operate the Software in an environment and according to procedures which conform to Kronos' specifications; and (c) not to allow support of the Software by anyone other than Kronos without prior written authorization from Kronos.

## 8. DEFAULT

County shall have the right to terminate Kronos support services in the event that Kronos is in breach of the support services warranty set forth below and such breach is not cured within fifteen (15) days after written notice specifying the nature of the breach. In the event of such termination, Kronos shall refund to County on a pro-rata basis those pre-paid annual support fees associated with the unused portion of the support term. Kronos reserves the right to terminate or suspend support service in the event the County is in default under this Agreement with Kronos and such default is not corrected within fifteen (15) days after written notice. In addition, the support services will terminate and all charges due hereunder will become immediately due and payable in the event that County ceases to do business as a going concern or has its assets assigned by law.

## 9. WARRANTY

Kronos warrants that all support services shall be performed in a professional and competent manner.

## 10. LIMITATION OF REMEDIES

Except as provided in Section D.8 above, County's exclusive remedy, and the sole liability of Kronos, for any breach of the support service warranty specified above, shall be repeat performance of any support service required under this Agreement. Kronos agrees to be liable for tangible property damage or personal injury caused solely by the negligence or willful misconduct of its support service employees.

11. KNOWLEDGEPASS EDUCATION SUBSCRIPTION: The parties hereby agree that the following terms shall apply to County's purchase of the Kronos KnowledgePass Education Subscription only, if specified on the Order Form:

(a) Scope: The KnowledgePass Education Subscription is only available to customers who are licensing Kronos' Workforce Central Software products and who are maintaining such products under a support plan with Kronos. The KnowledgePass Education Subscription provides access via the internet to certain educational offerings provided by Kronos (the "KnowledgePass Content"), including:

- i. Streaming Short Subject <sup>TM</sup> sessions streamed to County's desktop;
- ii. Tutorials;
- iii. Learning Snippets;
- iv. Job Aids in \*pdf form; and

v. Lunch and Learn information webinars.

The content of these offerings are subject to change by Kronos without notice. County may access the KnowledgePass Education Subscription through the Kronos County web site>>Education>>KnowledgePass.

(b) Term of Subscription: The KnowledgePass Education Subscription shall run co-terminously with County's Software Support, and shall renew for additional one (1) year terms provided County renews its KnowledgePass Education Subscription as provided below.

(c) Payment: County shall pay the annual subscription charge for the initial term of the KnowledgePass Education Subscription in accordance with the payment terms on the Order Form. Kronos will send County a renewal invoice for renewal of the KnowledgePass Education Subscription at least forty five (45) days prior to expiration of the then current term. KnowledgePass Education Subscription shall renew for an additional one (1) year term if County pays such invoice before the end of the initial term or any renewal term.

(d) Limitations: County recognizes and agrees that the KnowledgePass Content is copyrighted by Kronos. County is permitted to make copies of the KnowledgePass Content provided in \*pdf form solely for County's internal use and may not disclose such KnowledgePass Content to any third party other than County's employees. County may not edit, modify, revise, amend, change, alter, customize or vary the KnowledgePass Content without the written consent of Kronos.

## 12. KRONOS SUPPORT SERVICE POLICIES

Kronos' then-current Support Services Policies shall apply to all Support Services purchased and may be accessed at:

<http://www.kronos.com/Support/SupportServicesPolicies.htm> ("Support Policies"). In the event of a conflict between the Support Policies and this Agreement, the terms of this Agreement shall prevail.

## SECTION E. TERMS AND CONDITIONS APPLICABLE TO ALL ORDERED ITEMS AND SERVICES

### 1. APPLICABILITY

The terms of this Section E supplement the terms of Sections A through D above and apply to all items specified on the Order Form.

### 2. APPROVAL

All orders are subject to the approval of Kronos' corporate office in Chelmsford, Massachusetts.

### 3. TAXES AND OVERDUE AMOUNTS

County agrees to pay all applicable taxes levied or based on the products, services or other charges hereunder, including state and local sales and excise taxes, and any taxes or amount in lieu thereof paid or payable by Kronos, exclusive of taxes based on net income.

If full payment is not made within 90 days of final payment due date, County is responsible for all expenses, including legal fees, incurred by Kronos for collection.

#### 4. LIMITATION OF LIABILITY

COUNTY'S EXCLUSIVE REMEDIES AND KRONOS'S SOLE LIABILITY FOR ANY KRONOS BREACH OF THIS AGREEMENT ARE EXPRESSLY STATED HEREIN. EXCEPT AS PROVIDED IN THIS AGREEMENT, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXCLUDED.

EXCEPT FOR KRONOS' INTELLECTUAL PROPERTY INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION A.4 ABOVE, IN NO EVENT SHALL KRONOS' OR ITS PARENTS', SUBSIDIARIES' AFFILIATES' OR THIRD PARTY LICENSOR'S LIABILITY TO THE COUNTY, HOWSOEVER CAUSED, EXCEED THE VALUE OF THE ORDER WHICH GIVES RISE TO THE CLAIM, AND IN NO EVENT WILL KRONOS OR ITS PARENTS, SUBSIDIARIES AFFILIATES OR THIRD PARTY LICENSORS BE LIABLE FOR LOST PROFITS, LOST DATA OR ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT WHETHER SUCH CLAIM IS BASED ON WARRANTY, CONTRACT, TORT OR THE EXISTENCE, FURNISHING, FUNCTIONING OR COUNTY'S SPECIFIC USE OF, OR INABILITY TO SO USE, ANY EQUIPMENT, SOFTWARE OR SERVICES PROVIDED FOR IN THIS AGREEMENT.

#### 5. FUTURE PURCHASES

For three (3) years following the execution of this Agreement County may order additional Equipment, Software and Services under the terms and conditions hereof (subject to then applicable pricing) by placing an order which expressly references these terms. Thereafter, the terms and conditions of this Agreement may be renewed for additional one year periods upon the mutual agreement of the parties. This Agreement and the Order Form shall supersede the pre-printed terms of any County purchase order or other County ordering document, and no such County pre-printed terms shall apply to the Equipment, Software and/or Services ordered.

#### 6. CONFIDENTIAL INFORMATION

Confidential Information means any information of one party that is clearly marked as "confidential" and that is disclosed to the other party pursuant to this Agreement. Additionally, the terms, conditions and pricing contained in this Agreement and the Order Form, the Software (and Software documentation), and the Specifications shall be deemed to be Kronos' Confidential Information. Each party shall protect the Confidential Information of the other party with at least the same degree of care and confidentiality, but not less than a reasonable standard of care, which such party utilizes for its own information of similar character that it does not wish disclosed to the public. Neither party shall disclose to third parties (except the parent company or the wholly owned subsidiaries of the disclosing party who have a need to know) the other party's Confidential Information, or use it for any purpose not explicitly set forth herein, without the prior written consent of the other party. The obligation of confidentiality shall survive for three (3) years after the disclosure of such Confidential Information.

This Agreement imposes no obligation upon either party with respect to the other party's Confidential Information which the receiving party can establish by legally sufficient evidence: (a) was rightfully possessed by the receiving party without an obligation to maintain its confidentiality prior to receipt from the disclosing party, (b) is generally known to the public without violation of this Agreement; (c) is obtained by the receiving party in good faith from a third party having the right to disclose it without an obligation with respect to confidentiality; (d) is independently developed by the receiving party without use of the disclosing party's confidential information, which can be shown by tangible evidence; or (e) was required to be disclosed by applicable law; provided that the receiving party notifies the disclosing party of such requirement prior to disclosure, and provided further that the receiving party makes diligent efforts to limit disclosure. County agrees that Kronos may use County's name as part of Kronos' published County lists.

## 7. GENERAL

- (a) This Agreement shall be governed by California law.
- (b) The invalidity or illegality of any provision of this Agreement shall not affect the validity of any other provision. The parties intend for the remaining unaffected provisions to remain in full force and effect.
- (c) County shall not assign this Agreement or the license to the Software without the prior written consent of Kronos and any purported assignment, without such consent, shall be void.
- (d) Neither party shall be liable for failures or delays in performance due to causes beyond its reasonable control, including war, strikes, lockouts, fire, flood, storm or other acts of God. Both parties agree to use their best efforts to minimize the effects of such failures or delays.
- (e) All notices given under this Agreement shall be in writing and sent postage pre-paid, if to Kronos, to the Kronos address on the Order Form, or if to County, to the billing address on the Order Form.
- (f) County understands that any export of the Equipment or Software or related documentation or information may require an export license and County assumes full responsibility for obtaining such license. County must obtain Kronos' prior written consent before exporting the Software.
- (g) No action, regardless of form, may be brought by either party more than two (2) years after the cause of action has arisen.
- (h) The section headings herein are provided for convenience only and have no substantive effect on the construction of this Agreement.
- (i) This Agreement and any information expressly incorporated herein (including information contained in any referenced URL), together with the applicable Order Form, constitute the entire agreement between the parties for the products and services described herein and supersede all prior or contemporaneous representations, negotiations, or other communications between the parties relating to the subject matter of this Agreement. This Agreement may be amended only in writing signed by authorized representatives of both parties. County understands and acknowledges that while Kronos may disclose to County certain confidential information regarding general product development direction, potential future products and/or product enhancements under consideration, County is not entitled to any products or product enhancements other than those contained on the Order Form. County has not relied on the availability of any future version of the Software or Equipment identified on an Order Form, not any other future product in executing this Agreement.

DATED: 11/20/07

COUNTY OF MONTEREY

BY: [Signature]

NAME: William T. Poling

TITLE: NAC CPS

KRONOS INCORPORATED

BY: [Signature]

NAME: Darett Carter

TITLE: OM Specialist

1/24/08

**KRONOS®**

# Kronos Order Form

Kronos Incorporated  
297 Billerica Road  
Chelmsford, MA 01824  
Telephone: 1-978-250-9800

Quote# : 94813 - 1  
Date : 13-SEP-2007  
Page : 1 / 2

Payment Terms N30  
Customer PO Number

Sales Representative Haupt, Charles E  
Order Type Standard US

Bill To Attn: MICHAEL JOBIN  
NATIVIDAD MEDICAL CENTER  
1441 CONSTITUTION BLVD  
SALINAS  
CA 93906  
United States

FOB Shipping Point  
Ship Method

Ship To Attn: MICHAEL JOBIN  
NATIVIDAD MEDICAL CENTER  
1441 CONSTITUTION BLVD  
SALINAS  
CA 93906  
United States

License Contact Michael Jobin  
License Email jobinma@co.monterey.ca.us

**NOTES**

Please fax all documents to 925-905-1669.

Line	Product	Product Description	Payment Terms	Units	Qty	License Capacity /Billing Role	Unit Price Selling (USD)	Total Price Selling (USD)
1.2	8800036-000	WORKFORCE TK v5	N30	EA	1	1000	43,050.00	43,050.00
1.2.1	GOLD-WFC	Gold Support Service	N30	CON	1		7,749.00	7,749.00
	Duration: 1 YR							
1.3	8800039-000	WORKFORCE MANAGER v5	N30	EA	1	85	29,274.00	29,274.00
1.3.1	GOLD-WFC	Gold Support Service	N30	CON	1		5,269.15	5,269.15
	Duration: 1 YR							
1.4	8800038-000	WORKFORCE EMPLOYEE v5	N30	EA	1	900	27,121.50	27,121.50
1.4.1	GOLD-WFC	Gold Support Service	N30	CON	1		4,881.87	4,881.87
	Duration: 1 YR							
1.5	8800040-000	WORKFORCE SCHEDULER,v5	N30	EA	1	600	9,450.00	9,450.00
1.5.1	GOLD-WFC	Gold Support Service	N30	CON	1		5,166.00	5,166.00
	Duration: 1 YR							
1.7	8700515-001	SW KIT,WF TIMEKEEPER V5.2	N30	EA	1		0.00	0.00
1.8	8700520-001	SW KIT,WF SCHEDULER v5.2	N30	EA	1		0.00	0.00
2.2	8800065-000	WF CONNECT v5,UNLIM,EMPLOYEE	N30	EA	1	1000	23,575.00	23,575.00
2.2.1	GOLD-OTHER	Gold Support Service	N30	CON	1		4,243.50	4,243.50
	Duration: 1 YR							
2.3	8800066-000	WF CONNECT v5,UNLIM,I/F	N30	EA	1		0.00	0.00
2.3.1	GOLD-OTHER	Gold Support Service	N30	CON	1		0.00	0.00
	Duration: 1 YR							
2.5	8700523-001	SW KIT,WF CONNECT v5.2	N30	EA	1		0.00	0.00
3.0	8602800-003	4500,FULL,NUM,PROX	N30	EA	13		2,836.00	36,868.00

Invoice amount will reflect deposit received. All professional services are billed as delivered with a payment term of Net Upon Receipt. Unless otherwise indicated above, this order is subject to the attached terms and conditions which the customer acknowledges have been read. THIS ORDER IS SUBJECT TO APPLICABLE TAXES. THE TAX AMOUNT SHOWN ON THIS ORDER IS ONLY AN ESTIMATE. THE ACTUAL TAX AMOUNT TO BE PAID BY CUSTOMER WILL BE SHOWN ON CUSTOMER'S INVOICE.



Kronos Incorporated  
297 Billerica Road  
Chelmsford MA 01824  
Phone:(978)250-9800 Fax:(978)947-2801

## SERVICE RENEWAL QUOTE

Customer : NATIVIDAD MEDICAL CENTER  
Customer #: 6083270  
Contract# : 1178219-R06-AUG-09  
Date : 10-AUG-2009

Page : 1 / 4

**Payment Terms** N30  
**Customer PO Number**

**Sales Representative** West3 Recurring  
**Email**

**Bill To** NATIVIDAD MEDICAL CENTER  
1441 CONSTITUTION BLVD  
SALINAS CA 93906  
United States

**Ship To** NATIVIDAD MEDICAL CENTER  
1441 CONSTITUTION BLVD  
SALINAS CA 93906  
United States

**Contact**  
**Email**

Line	Product	Product Description	Lic Cnt	Service Price Price(USD)	Tax	Total Service (USD)
1	<b>DEPOTEX-4000</b>	<b>Depot Exchange Support Service</b>				
1.1	8602800-003	4500,FULL,NUM,PROX Start: 05-DEC-09 End: 04-DEC-10	00EL085242	253.02	0.00	253.02
1.2	8602800-003	4500,FULL,NUM,PROX Start: 05-DEC-09 End: 04-DEC-10	00EL076003	253.02	0.00	253.02
1.3	8602800-003	4500,FULL,NUM,PROX Start: 05-DEC-09 End: 04-DEC-10	00EL076001	253.02	0.00	253.02
1.4	8602800-003	4500,FULL,NUM,PROX Start: 05-DEC-09 End: 04-DEC-10	00EL075747	253.02	0.00	253.02
1.5	8602800-003	4500,FULL,NUM,PROX Start: 05-DEC-09 End: 04-DEC-10	00EL075495	253.02	0.00	253.02
1.6	8602800-003	4500,FULL,NUM,PROX Start: 05-DEC-09 End: 04-DEC-10	00EL074863	253.02	0.00	253.02
1.7	8602800-003	4500,FULL,NUM,PROX Start: 05-DEC-09 End: 04-DEC-10	00EL074814	253.02	0.00	253.02
1.8	8602800-003	4500,FULL,NUM,PROX Start: 05-DEC-09 End: 04-DEC-10	00EL074795	253.02	0.00	253.02
1.9	8602800-003	4500,FULL,NUM,PROX Start: 05-DEC-09 End: 04-DEC-10	00EL074782	253.02	0.00	253.02
1.10	8602800-003	4500,FULL,NUM,PROX Start: 05-DEC-09 End: 04-DEC-10	00EL074721	253.02	0.00	253.02

# SERVICE RENEWAL QUOTE

Customer : NATIVIDAD MEDICAL CENTER

Customer #: 6083270

Contract#: 1178219-R06-AUG-09

Date : 10-AUG-2009

Page : 2 / 4

<b>Payment Terms</b> N30	<b>Sales Representative</b> West3 Recurring
<b>Customer PO Number</b>	<b>Email</b>
<b>Bill To</b> NATIVIDAD MEDICAL CENTER 1441 CONSTITUTION BLVD SALINAS CA 93906 United States	<b>Ship To</b> NATIVIDAD MEDICAL CENTER 1441 CONSTITUTION BLVD SALINAS CA 93906 United States

**Contact  
Email**

Line	Product	Product Description	Lic Cnt	Service Price Price(USD)	Tax	Total Service (USD)
1	<b>DEPOTEX-4000</b>	<b>Depot Exchange Support Service</b>				
1.11	8602800-003	4500,FULL,NUM,PROX Start: 05-DEC-09 End: 04-DEC-10	00EL074693	253.02	0.00	253.02
1.12	8602800-003	4500,FULL,NUM,PROX Start: 05-DEC-09 End: 04-DEC-10	00EL071176	253.02	0.00	253.02
1.13	8602800-003	4500,FULL,NUM,PROX Start: 05-DEC-09 End: 04-DEC-10	00EL070983	253.02	0.00	253.02
<b>Subtotal Hardware Service</b>				<b>3,289.26</b>	<b>0.00</b>	<b>3,289.26</b>
4	<b>GOLD-OTHER-EDS</b>	<b>Gold Support Service</b>				
4.1	8800092-000	WORKFORCE CONNECT V6.0,UN Start: 05-DEC-09 End: 04-DEC-10	1000	4,589.77	0.00	4,589.77
4.2	8800093-000	WORKFORCE CONNECT V6.0,UN Start: 05-DEC-09 End: 04-DEC-10	1	0.00	0.00	0.00
2	<b>GOLD-VISIONWARE</b>	<b>Gold Support Service</b>				
2.1	8601818-000	VISION,M/U,WEB Start: 05-DEC-09 End: 04-DEC-10	1000	9,734.40	0.00	9,734.40
3	<b>GOLD-WFC-EDS</b>	<b>Gold Support Service</b>				
3.1	8800079-000	WORKFORCE TIMEKEEPER V6 Start: 05-DEC-09 End: 04-DEC-10	1000	8,381.32	0.00	8,381.32



## SERVICE RENEWAL QUOTE

Customer : NATIVIDAD MEDICAL CENTER

Customer #: 6083270

Contract# : 1178219-R06-AUG-09

Date : 10-AUG-2009

Page : 3 / 4

<b>Payment Terms</b> N30	<b>Sales Representative</b> West3 Recurring
<b>Customer PO Number</b>	<b>Email</b>
<b>Bill To</b> NATIVIDAD MEDICAL CENTER 1441 CONSTITUTION BLVD SALINAS CA 93906 United States	<b>Ship To</b> NATIVIDAD MEDICAL CENTER 1441 CONSTITUTION BLVD SALINAS CA 93906 United States
<b>Contact</b> <b>Email</b>	

Line	Product	Product Description	Lic Cnt	Service Price Price(USD)	Tax	Total Service (USD)
3	<b>GOLD-WFC-EDS</b>	<b>Gold Support Service</b>				
3.2	8800081-000	WORKFORCE EMPLOYEE V6 Start: 05-DEC-09 End: 04-DEC-10	900	5,280.23	0.00	5,280.23
3.3	8800082-000	WORKFORCE MANAGER V6 Start: 05-DEC-09 End: 04-DEC-10	85	5,699.12	0.00	5,699.12
3.4	8800083-000	WORKFORCE SCHEDULER V6 Start: 05-DEC-09 End: 04-DEC-10	600	5,587.55	0.00	5,587.55
<b>Subtotal Software Service</b>				<b>39,272.39</b>	<b>0.00</b>	<b>39,272.39</b>
<b>Total(USD)</b>				<b>42,561.65</b>	<b>0.00</b>	<b>42,561.65</b>
<b>Grand Total(USD)</b>				<b>42,561.65</b>	<b>0.00</b>	<b>42,561.65</b>

### Notes :

THESE SERVICES ARE SUBJECT TO APPLICABLE TAXES.THE TAX AMOUNT SHOWN ON THIS QUOTE IS ONLY AN ESTIMATE.THE ACTUAL TAX AMOUNT TO BE PAID BY CUSTOMER WILL BE SHOWN ON CUSTOMER'S INVOICE.

## SERVICE RENEWAL QUOTE

Customer : NATIVIDAD MEDICAL CENTER

Customer #: 6083270

Contract# : 1178219-R06-AUG-09

Date : 10-AUG-2009

Page : 4 / 4

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**Approved By**

**Date**

\_\_\_\_\_  
**Kronos Authorized Signature**

\_\_\_\_\_  
**Customer Approved Signature**

Inv Status	Vendor Name	Vendor #	Inv Date	Inv #	Inv Gross	Status	Check #	Date Paid	Payment AMT
PAID	KRONOS	M1002192	5/21/2008	10339764	3280	ISSUED	0017273	7/6/2008	3280
PAID	KRONOS	M1002192	5/22/2008	10340658	450	ISSUED	0017315	7/13/2008	450
PAID	KRONOS	M1002192	5/22/2008	10340635	1196.82	ISSUED	0017315	7/13/2008	1196.82
PAID	KRONOS	M1002192	5/22/2008	10341373	3600	ISSUED	0017315	7/13/2008	3600
PAID	KRONOS	M1002192	5/22/2008	10340633	11075	ISSUED	0018191	9/11/2008	11075
PAID	KRONOS	M1002192	6/5/2008	10345248	2250	ISSUED	0018191	9/11/2008	2250
PAID	KRONOS	M1002192	6/26/2008	10351645	128.22	ISSUED	0018191	9/11/2008	128.22
PAID	KRONOS	M1002192	6/26/2008	10350820	442.66	ISSUED	0018191	9/11/2008	442.66
PAID	KRONOS	M1002192	6/26/2008	10350770	5400	ISSUED	0018191	9/11/2008	5400
PAID	KRONOS	M1002192	6/26/2008	10351642	11700	ISSUED	0018191	9/11/2008	11700
PAID	KRONOS	M1002192	6/27/2008	10352503	820	ISSUED	0018293	9/22/2008	820
PAID	KRONOS	M1002192	7/24/2008	10359025	1181.25	ISSUED	0018191	9/11/2008	1181.25
PAID	KRONOS	M1002192	7/24/2008	10359887	4050	ISSUED	0018191	9/11/2008	4050
PAID	KRONOS	M1002192	8/21/2008	10369219	1181.25	ISSUED	0018293	9/22/2008	1181.25
PAID	KRONOS	M1002192	9/25/2008	10378370	2840.74	ISSUED	0018705	10/20/2008	2840.74
PAID	KRONOS	M1002192	9/26/2008	10378994	168.75	ISSUED	0018705	10/20/2008	168.75
PAID	KRONOS	M1002192	10/8/2008	10383097	40507.5	ISSUED	0018705	10/20/2008	40507.5
PAID	KRONOS	M1002192	10/23/2008	10387149	281.25	ISSUED	0019208	11/18/2008	281.25
PAID	KRONOS	M1002192	11/19/2008	10394561	215.5	ISSUED	0019398	12/9/2008	215.5
PAID	KRONOS	M1002192	11/20/2008	10395985	675	ISSUED	0019398	12/9/2008	675
PAID	KRONOS	M1002192	12/23/2008	10404488	731.25	ISSUED	0020053	1/22/2009	731.25
PAID	KRONOS	M1002192	1/22/2009	10411196	4743.75	ISSUED	0020286	2/9/2009	4743.75
PAID	KRONOS	M1002192	2/19/2009	10419134	915.95	ISSUED	0020823	3/9/2009	915.95
PAID	KRONOS	M1002192	2/19/2009	10419059	15993.75	ISSUED	0020823	3/9/2009	15993.75
PAID	KRONOS	M1002192	3/26/2009	10428368-3	775.43	ISSUED	0021714	4/30/2009	775.43
CANCEL	KRONOS	M1002192	3/26/2009	10428371-3	8437.5	ISSUED	0021714	4/30/2009	8437.5
CANCEL	KRONOS	M1002192	3/31/2009	10428368	0	VOIDED	0021505	4/17/2009	0
CANCEL	KRONOS	M1002192	3/31/2009	10428371	0	VOIDED	0021505	4/17/2009	0
CANCEL	KRONOS	M1002192	3/31/2009	10428368-2	0	VOIDED	0021713	4/30/2009	0
CANCEL	KRONOS	M1002192	3/31/2009	10428371-2	0	VOIDED	0021713	4/30/2009	0
PAID	KRONOS	M1002192	4/23/2009	10435426	225	ISSUED	0022125	5/28/2009	225
PAID	KRONOS	M1002192	5/21/2009	10442578	112.5	ISSUED	0022400	6/10/2009	112.5
PAID	KRONOS	M1002192	7/22/2009	10456022	1800	ISSUED	0023432	9/9/2009	1800
PAID	KRONOS	M1002192	8/20/2009	10464087	3937.5	ISSUED	0023499	9/16/2009	3937.5

**KRONOS®**

# Kronos Order Form

Kronos Incorporated  
 297 Billerica Road  
 Chelmsford, MA 01824  
 Telephone: 1-978-250-9800

Quote#: 94813 - 1  
 Date: 13-SEP-2007  
 Page: 2 / 2

Line	Product	Product Description	Payment Terms	Units	Qty	License Capacity /Billing Role	Unit Price Selling (USD)	Total Price Selling (USD)
3.0.1	DEPOTEX-4000	Depot Exchange Support Service	N30	CON	13		235.00	3,055.00
Duration: 1 YR								
4.0	9990002-HOS	MOMENTUM FOR HEALTHCARE		HR	163	Project Manager	225.00	36,675.00
5.0	9990002-HOS	MOMENTUM FOR HEALTHCARE		HR	416	Application Const	225.00	93,600.00
6.0	9990002-HOS	MOMENTUM FOR HEALTHCARE		HR	24	Technical Consult	225.00	5,400.00
7.0	9990002-HOS	MOMENTUM FOR HEALTHCARE		HR	72	Consultant	225.00	16,200.00
8.0	9990430-1	ON-SITE TRAINING	N30	PTS	9000		1.00	9,000.00
9.0	9990430-1	ON-SITE TRAINING	N30	PTS	9000		1.00	9,000.00
10.0	9999418-0	WTK On-Site Setup 8 Hours	N30	PTS	750		1.00	750.00
11.0	9999418-0	WTK On-Site Setup 8 Hours	N30	PTS	750		1.00	750.00
12.0	TRAINPTS	Training Points	N30	PTS	18400		1.00	18,400.00
13.0	8601818-000	VISION,M/U,WEB	N30	EA	1	1000	45,000.00	45,000.00
13.0.1	GOLD-VISIONW	Gold Support Service	N30	CON	1		9,000.00	9,000.00
Duration: 1 YR								
14.0	9990013-062	VISIONPLUS IMPLEMENT 1 HOSP		HR	433	Application Const	225.00	97,425.00

Subtotal 540,903.02

Tax 18,018.24  
 Deposit 0.00

Total Less Deposit (USD) 558,921.26

NATIVIDAD MEDICAL CENTER

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Effective Date: \_\_\_\_\_

Kronos Incorporated

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Invoice amount will reflect deposit received. All professional services are billed as delivered with a payment term of Net Upon Receipt. Unless otherwise indicated above, this order is subject to the attached terms and conditions which the customer acknowledges have been read. THIS ORDER IS SUBJECT TO APPLICABLE TAXES. THE TAX AMOUNT SHOWN ON THIS ORDER IS ONLY AN ESTIMATE. THE ACTUAL TAX AMOUNT TO BE PAID BY CUSTOMER WILL BE SHOWN ON CUSTOMER'S INVOICE.

### **EXHIBIT 3**

#### **DEPOT EXCHANGE SUPPORT AGREEMENT**

Kronos Incorporated ("Kronos") and the County of Monterey (the "County") hereby agree that Kronos shall provide Depot Exchange Support Services under the following terms and conditions for County's Kronos Product(s).

##### **1. TERM**

This Agreement has a term of one (1) year commencing upon the expiration of any applicable warranty period, as specified in the Kronos Sales, Software License and Services Agreement. This Agreement may be renewed for additional one (1) year terms on the anniversary date of its commencement date ("Renewal Date") provided that the County notifies Kronos in writing at least sixty (60) days prior to the Renewal Date of its intent to renew the Depot support under this Agreement.

##### **2. PAYMENT**

County agrees to pay the Depot Exchange Support Charges set forth on the Order Form for each Equipment listed ("Product(s)"). County agrees that all such Products owned by the County will be subject to this Agreement. County agrees that if County purchases, during the term of this Agreement, any Products beyond those specified on the Order Form, such additional Products shall be subject to this Agreement. County agrees to pay a prorated fee for such additional Products and agrees to pay the full annual fee for such additional Products, upon the renewal date.

Kronos will invoice County for the annual Depot Exchange support charges each year in advance of the Renewal Date. Should the County elect to renew the Depot support, the County will notify Kronos at least sixty (60) days in advance and will pay the renewal invoice prior to the Renewal Date. In addition to Depot Exchange support charges, County agrees to pay all taxes, however designated, on this Agreement, and on services rendered, including state and local taxes or excise taxes based on gross revenue, and any taxes or amount in lieu thereof paid or payable by Kronos, exclusive of taxes based upon net income.

Kronos may change the Depot Exchange support charges effective at the end of the initial one (1) year term or effective on the Renewal Date, by giving County at least thirty (30) days prior written notification. For the initial two (2) renewal years the annual Depot Exchange support fee, for the same products, will not increase by more than 4% over the prior year's annual support fee.

##### **3. DEPOT EXCHANGE SUPPORT SERVICE**

Upon the failure of an installed Product, County shall notify Kronos' Global Support organization at 1-800-394-4357 of such failure. Global Support will provide remote fault isolation and attempt to resolve the problem. Those failures determined by Global Support to be Product related shall be dispatched to the Depot Repair Center by Global Support. Hours of operation for the Depot Repair Center are Monday through Friday 8:00A.M. to 5:00 P.M. EST, excluding Kronos holidays. Kronos will provide a replacement for the failed Product on an "advanced exchange" basis, utilizing a carrier of

Kronos' choice. Replacement Product will be shipped the same day, for next business day delivery to County, if such request is received prior to 3:30 P.M., EST. REPLACEMENT PRODUCT(S) MAY BE NEW OR RECONDITIONED. County shall specify the address to which the Product is to be shipped, and any special shipping or insurance instructions. All shipments will include a Return Shipping Label designating Kronos Depot, 300 Billerica Road, Chelmsford, Massachusetts 01824, as the recipient. County agrees that it shall return failed Products promptly as the failures occur and that it shall not hold failed Equipment and send failed Product to Kronos in "batches" which shall result in a longer turnaround time and surcharge to County.

County, upon receipt of the replacement Product from Kronos, shall package the defective Product in the materials provided by Kronos, with the return label supplied. Failed Product not received by Kronos within ten (10) calendar days shall be billed to the County at the prevailing Kronos List Price. All returned Product becomes the property of Kronos. Failed Product returned between calendar days eleven (11) through thirty (30) will be subject to an additional \$150 processing fee. Kronos will not accept Product after thirty (30) days, and County shall not be issued any credit for any attempted return.

#### 4. DEPOT EXCHANGE SUPPORT EXCLUSIONS

Depot Exchange Support service does not include, and County agrees to pay on a time and materials basis for, repair of damages resulting from:

- (a) Any cause external to the Products including, but not limited to, electrical work, fire, flood, water, wind, lightning and transportation, or any act of God;
- (b) County's failure to continually provide a suitable installation environment including, but not limited to, adequate electrical power;
- (c) County's improper use, relocation, refinishing, management or supervision of the Product(s) or other failure to use Products in accordance with Kronos' specifications;
- (d) County's use of the Products for purposes other than those for which they are designed or the use of accessories or supplies not approved by Kronos; or
- (e) County shall be charged Kronos' then-current time and materials rate for the installation of any Software or firmware upgrades, if available, and if requested by County. If such Software or firmware upgrades are available on Kronos' County web site, County may download such Software or firmware upgrades for no additional charge.

#### 5. RESPONSIBILITIES OF COUNTY

County agrees to:

- (a) Maintain the Products in an environment conforming to Kronos' established specifications for such Products;
- (b) Deinstall all failed Products and install all replacement Products in accordance with Kronos' published installation guidelines; and
- (c) Ensure that the Product(s) are returned to Kronos properly packaged.

## 6. DELIVERY

All Products shall be delivered to County FOB shipping point. Title to and risk of loss for the Products shall pass to County upon delivery to the carrier by Kronos. All shipments to Kronos shall be made "freight prepaid" using the Return Shipping Label and shipping instructions as specified by Kronos. Kronos will select the carrier to be utilized under the program.

## 7. WARRANTY

Kronos warrants that all repairs performed under this Agreement shall be performed in a professional and competent manner.

ALL OTHER WARRANTIES FOR THE REPAIR SERVICES PROVIDED HEREUNDER, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF FITNESS FOR ANY PARTICULAR PURPOSE AND MERCHANTABILITY, ARE EXCLUDED BY AGREEMENT OF THE PARTIES.

## 8. DEFAULT

Kronos reserves the right to terminate or suspend support service in the event County is in default under this or any other Agreement with Kronos, and such default is not corrected within fifteen (15) business days after written notice. In addition, this Agreement will terminate and all charges due hereunder will become immediately due and payable in the event that County ceases to do business as a going concern or has its assets assigned by law.

## 9. LIMITATION OF REMEDIES

The exclusive remedy of County and sole liability of Kronos shall be replacement of the repaired Product.

IN NO EVENT SHALL KRONOS OR ITS SUBSIDIARIES OR AFFILIATES BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES.

## 10. GENERAL

- (a) This Agreement shall be governed by California law.
- (b) The invalidity or illegality of any provision of this Agreement shall not affect the validity of any other provision. The parties intend for the remaining unaffected provisions to remain in full force and effect.
- (c) Neither party shall assign this Agreement without the prior written consent of the other and any purported assignment, without such consent, shall be void; provided however, that Kronos may assign this Agreement to its parent, affiliate or subsidiary without such written consent.
- (d) Kronos shall not be liable for failures or delays in performance due to causes beyond its reasonable control, including war, strikes, lockouts, fire, flood, storm or other acts of God. Kronos agrees to use its commercially reasonable efforts to minimize the effects of such failures or delays.

(e) All notices which must be given under this Agreement shall be in writing and sent First Class regular or certified mail, postage pre-paid, to the Kronos address on the Order Form, to the attention of the Director of Corporate County Service, or if to County, to \_\_\_\_\_ at the billing address on the Order Form.

(f) No action, regardless of form, may be brought by either party more than two years after the cause of action has arisen.

(g) This Agreement supersedes all prior or contemporaneous representations, negotiations, or other communications between the parties relating to the subject matter of this Agreement. This Agreement may be amended only in writing signed by authorized representatives of both parties.

DATED:

COUNTY OF MONTEREY

KRONOS INCORPORATED

BY: [Signature]

BY: [Signature]

NAME: William T. Foley

NAME: Jarett Carter

TITLE: NMC CEO

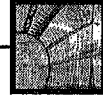
TITLE: AM Specialist

1/24/08





Improving the Performance of People and Business™



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***Visionware® v5.0.3 (VisionPlus)***

**Professional Services Statement of Work  
from Kronos® Incorporated**

**Natividad Medical Center**

**April 27, 2007**

This proposal is valid through 90 days unless extended in writing by Kronos.

## Table of Contents

<b>SCOPE .....</b>	<b>4</b>
<b>VISIONWARE INSTALLATION SERVICES PROVIDED BY KRONOS.....</b>	<b>5</b>
SYSTEM CONFIGURATION REQUIREMENTS .....	5
MAJOR DELIVERABLES – LABOR DISTRIBUTION CONFIGURATION .....	5
MAJOR DELIVERABLES – PRODUCTIVITY CONFIGURATION .....	7
PRODUCTS PROVIDED BY KRONOS LABOR ANALYTICS .....	9
SERVICES PROVIDED BY CUSTOMER .....	9
PRODUCTS PROVIDED BY CUSTOMER .....	10
<b>TECHNICAL CONFIGURATION .....</b>	<b>11</b>
NETWORK .....	11
HARDWARE AND SOFTWARE SPECIFICATIONS .....	11
<i>Servers</i> .....	11
<i>Super User Visionware PC(s)</i> .....	11
<i>Management Exception Desktop (MED) Module PC(s)</i> .....	11
PLANNING MEETINGS .....	12
COMMUNICATION PLAN .....	12
CUSTOMER PREPARATION.....	12
NON-INVASIVE DATA FILE INTERFACES .....	12
SOFTWARE INSTALLATION .....	12
INSTALLATION TRAINING AND EDUCATION .....	12
MANAGEMENT CONSULTING TRAINING AND EDUCATION .....	12
<b>TRANSITION TO SUPPORT SERVICES.....</b>	<b>12</b>
<b>VISIONWARE MANAGEMENT CONSULTING SERVICES PROVIDED BY KRONOS</b>	
<b>.....</b>	<b>12</b>
MANAGEMENT CONSULTING PROJECT STAFFING AND EXPERIENCE .....	12
<b>SUMMARY OF ESTIMATED PROFESSIONAL SERVICE HOURS .....</b>	<b>12</b>
<b>PROJECT TIMING .....</b>	<b>12</b>
<b>CHANGE CONTROL MANAGEMENT .....</b>	<b>12</b>
<b>TERMS AND CONDITIONS.....</b>	<b>12</b>
<b>APPENDIX “A” – ON-SITE BASIC AND ADVANCED OPERATOR TRAINING</b>	
<b>OVERVIEW.....</b>	<b>12</b>
<b>APPENDIX “B” - HARDWARE AND SOFTWARE SPECIFICATIONS .....</b>	<b>12</b>
REMOTE CONNECTIVITY – ALL SERVERS AND SUPER USER PCs.....	12
DEDICATED DATABASE SERVER .....	12
DEDICATED WEB/APPLICATION SERVER .....	12
SUPER USER PC .....	12

USER PC (MED / REPORTS)..... 12

**APPENDIX “C” – ROLES AND RESPONSIBILITIES OF CUSTOMER PROJECT TEAM AND PROGRAM MAINTENANCE ..... 12**

CUSTOMER PROJECT TEAM..... 12

KRONOS PROFESSIONAL SERVICE ROLES..... 12

**APPENDIX “D” – TYPICAL PROJECT ORGANIZATION CHART..... 12**

**APPENDIX “E” – LABOR ANALYTICS CONSULTING STAFF..... 12**

**APPENDIX “F” – EXECUTIVE LEVEL SAMPLE WORK PLAN ..... 12**

**APPENDIX “G” – STANDARD REPORTS TO AUTOMATE ..... 12**

## Scope

The purpose of this document is to define the Scope of Work for the Visionware Installation and Management consulting services provided by the Labor Analytics Division of Kronos Incorporated ("Kronos"). The Professional Services purchased by Natividad Medical Center ("Customer") will support the operation of Visionware functionality at the following facilities:

Facility Name
Natividad Medical Center

This Statement of Work document defines both the installation and management consulting professional services referenced above. If Visionware will be installed at facilities other than those listed above, additional professional services can be purchased from Kronos but are expressly excluded from this Statement of Work.

The **installation** services includes collecting basic control table information (such as department names and numbers), establishing data file feeds, developing automated reporting processes, and training the identified facility personnel on the general operation and maintenance of the Visionware system. Upon completion of the installation process, the facilities will have the ability to generate reports that contain "Actual" Labor Distribution information.

The **management consulting** services provided by our consulting staff include the implementation of both biweekly and daily productivity. This involves the development of performance assumptions for daily and biweekly labor management reporting. Education and training of management staff on the concepts and interpretation of the reports selected by the Customer to better manage their labor resources. Finally, to work with the Customer to ensure the appropriate infrastructure is in place to maintain the program once our consulting engagement is complete.

## Visionware Installation Services Provided by Kronos

### System Configuration Requirements

- One on-site kickoff visit to customer's Corporate office.
- All employees on a common payroll cycle.
- Data file feeds from the payroll, billing and time & attendance systems.
- Up to 200 Report / Management Exception Desktop users
- On-site Basic/Advanced Operator training for customer's Super Users.
- Customer to purchase the appropriate version of the Business Objects Crystal Report Writer application if custom reports will be used or developed.

### Major Deliverables – Labor Distribution Configuration

The following elements are included in the Labor Distribution Configuration Installation Services purchased by the Customer:

1. One 1-day on-site kick-off site visit. The visit will include a 2 to 3 hour overview and planning meeting with the facility project team (including the Executive Sponsor), a brief product demonstration for the facility Visionware Coordinator and System Operator, and individual meetings with the Visionware Coordinator, Payroll, Human Resources, and Information Systems as necessary to discuss the data collection elements required for installation.
2. Remote installation of the database and Visionware v5.0.3 software programs on Customer's designated Servers and Super User Personal Computers (PCs), which meet the specifications provided by Kronos.
3. Establishment of a non-invasive electronic interface between Customer's payroll system and Visionware, sufficient to accommodate up to One (1) distinct payroll cycle. The interface will be sufficient to generate actual (but not expected) biweekly payroll information in the Visionware standard reports.
  - a. Customer is responsible for automating the routine generation of the payroll file and for providing appropriate mappings from Customer's payroll system to Visionware of earning codes and employee status codes.

4. Input into Visionware of Customer's cost center names and numbers, required general Facility information (Facility name, length and dates of payroll periods, etc.).
5. Input into Visionware of cost center roll-up rules for standard Visionware roll-up reports. If desired, Kronos Labor Analytics will develop a roll-up group structure based on an organization chart provided by Customer. As a default, if no other roll-up group information is provided, Kronos Labor Analytics will input one Total Facility roll-up group including all departments.
  - a. Customer is responsible for reviewing any Visionware developed roll-up groups for validity.
6. Input into Visionware of Facility-specified job code to Visionware Work Group mappings. This input assistance will be limited to fifty Work Groups. Should the Facility desire to use standard Visionware Work Groups, Kronos will develop and input these standard Visionware Work Group mappings into Visionware.
  - a. Customer is responsible for reviewing any Visionware developed workgroup mappings for validity.
  - b. Standard Visionware Work Groups are:

Management	Other Clinical Professional
Supervisor	Other Clinical Non-Professional
Clerical	Non-Clinical Professional
Secretarial	Non-Clinical Specialist
Staff RN	Non-Clinical Other
Staff LPN	Educator
Aide	Physician
Technologist	Student/Intern
Technician	
7. Establish a backup automation script using the Visionware Job Manager to automatically create a database backup (export) to the Visionware database server on a pay period basis.
  - a. Customer assumes responsibility for the safe storage of the database backup files.
8. Reconciliation of one pay period's payroll information from Customer's payroll system to Visionware. The reconciliation is dependent upon the availability and level of detail of the payroll summary report. At a minimum, the reconciliation will compare total hours and dollars by earning code from the payroll summary report to the summary data in Visionware (Audit.log). If the proper detail is available, a more detailed reconciliation will also be done to compare productive and non-productive hours and dollars from the payroll summary report to the summary data in Visionware.

- a. Customer is responsible for providing a payroll summary report (or equivalent) from the payroll system that includes productive and non-productive hours and dollars by department for one pay period if available, or at a minimum, a report providing total hours and dollars by earning code.
  - b. In the event the detailed reconciliation information from paragraph "a" above is not available, Kronos Labor Analytics will provide Customer with a printout of the Employee Level Detailed Hours report for Customer's two largest departments. Customer will be responsible for validating the FTEs and dollars for these two departments in addition to closely reviewing the earning code mapping for accuracy.
  - c. Customer is responsible for reconciling any differences between the payroll file and the payroll summary report.
9. Generation of selected Visionware standard Labor Distribution reports for one pay period. The reports are to include all data except data that is dependent upon Implementation assumptions. Please refer to **Appendix G**.

## Major Deliverables – Productivity Configuration

The following elements are included in the Productivity Configuration Installation Services purchased by the Customer:

1. Input into Visionware of productivity control table information provided by the Kronos Labor Analytics Consulting Services group (if services are engaged) including (as necessary): fixed and variable hour targets, non-productive hour targets, volume mapping, department consolidations, variance thresholds and workload statistic descriptions.
2. Establishment of a non-invasive electronic interface between Customer's billing system (revenue and usage system or equivalent) and Visionware.
  - a. Customer is responsible for any programming necessary to provide revenue and usage system data on a daily basis (versus monthly) and for automating the routine generation of the billing file.
  - b. Customer is responsible for providing any mappings necessary to convert revenue department numbers to expense department numbers.
3. Establishment of a non-invasive electronic interface between Customer's Kronos time and attendance system and Visionware. This includes establishing the scripting necessary to automatically generate a daily labor file from the Kronos time and attendance system.
  - a. For non-Kronos time and attendance systems, Customer is responsible for

automating the routine generation of the daily labor file.

4. Input into Visionware of Customer's Charge Master, including the department number, procedure code and weighting factor fields. In the absence of actual weighting factors, a default weighting factor of 0 (zero) for each procedure code will be used.
5. Reconciliation of up to one pay period of daily time and attendance files from the raw data files to Visionware and to Customer's source system to confirm the accuracy of the total hours by earning code and /or department that are loading into Visionware.
6. Reconciliation of up to one pay period of daily billing files from the raw data files to Visionware and to Customer's source system to confirm the accuracy of the total un-weighted units of volume by account code and/or department.
7. Generation of selected Visionware standard Productivity reports for one pay period. Please refer to **Appendix G**.
8. One day (up to 8 hours) of Visionware Basic/Advanced Operator Training. This training is conducted on-site for the Visionware Coordinator, System Operator, and Backup System Operator assigned by Customer and uses a "training" database.
  - a. Training will include an overview of the Management Exception Desktop (MED) module for the facility Visionware Coordinator.
9. One day (up to 8 hours) of on-site oversight and walk-through of the productivity system for the Visionware Coordinator, System Operator, and Backup System Operator. This provides a guided "hands-on" opportunity for the Super User to gain experience with using the live productivity system immediately following the Advanced Operator Training. Focus will be on Super User loads of live billing and time & attendance data, final review of productivity report data, and observation of Super User generation and distribution of live productivity reports.
10. Development of a scheduled report generation and distribution automation structure for the reports identified in **Appendix G**. Includes testing of the automation scripting on Customer's database and/or web-application server(s).
  - a. The reports will be automatically generated based on the Roll-Up Groups contained within the Department Roll-Up control table and will contain information specific to the departments associated with each roll-up group and will be distributed to end-user folders on the Corporate web server.
  - b. During the initial configuration, end-user IDs and Passwords will be automatically generated.
  - c. Customer is responsible for developing and/or updating the Roll-Up Group structure in the Department Roll-Up control table on an on-going basis.



- d. Customer is responsible for distributing ID and Password information to end-users to enable access to each end-user's specific web folder containing the pre-generated reports and for maintaining end-user ID and Password information in the Visionware application on an on-going basis.
- e. Customer is responsible for maintaining access for end-users in the User Administration module of the software, including adding new users and modifying access for or deleting existing users.

**The creation of custom reports is outside the scope of the installation process.** Assistance with the development of custom reports can be provided as necessary for an additional professional service fee (minimum 24 hours). The development of custom reports can occur parallel to the installation process, but will not be considered a factor for the successful, timely completion of the installation. A separate Statement of Work will be developed, to include a detailed report specification provided by Customer, for any requested custom reports, and the actual professional service hours estimate will be provided at that time.

## **Products Provided by Kronos Labor Analytics**

- Visionware v5.0.3 Software and documentation.

## **Services Provided by Customer**

This list is in addition to the customer responsibility elements noted in the "Services Provided by Kronos" section above.

- Facility personnel with the appropriate skill level, authority, and availability (as identified in the Roles and Responsibilities section of this Statement of Work).
- Collection of basic installation control table data and electronic data files from the payroll, billing, and/or time & attendance systems. Basic control table data includes:
  - Contact / Systems / Goals questionnaire
  - Department names, numbers and manager names
  - Department mappings (Revenue-to-Expense)
  - Department groupings (Reporting Roll-up Groups)
  - Earning codes, descriptions, and Visionware mappings
  - Status codes, descriptions, and Visionware mappings
  - Workgroup (Skill) levels
  - Job codes, descriptions, and skill mappings
  - Pay period dates
  - Payroll reconciliation report
  - Charge Description Master

- Generation of payroll and billing data files. Generation of daily labor files for non-Kronos time & attendance systems.
- Validation of the accuracy of the earning code mapping and validation of the total FTEs in the two largest departments to Visionware [in cases where a detailed payroll summary report (or equivalent) is not available from Customer's payroll system for use in reconciling the data in Visionware].
- Internal project management and communication between executive management and facility managers.
- FTP of data files as necessary.
- Ensure network (TCP/IP and/ or mapped drive) connectivity between all servers, Super Users, MED Users and Report Users.
- Identification and setup of IDs and Passwords in Visionware for all identified Standard Report and MED end-users.
- On-going maintenance of Data Load and Report automation scripting.
- On-going maintenance of end-user security within the User Administration module.

## **Products Provided by Customer**

- SQL Server 2000 Standard Edition
- Dedicated Database Server with the operating system installed and properly configured, including configuration of an Administrator account to be used for on-going operation and maintenance of the Visionware application.
- Dedicated Web/Application Server with the operating system installed and properly configured, including configuration of an Administrator account to be used for on-going operation and maintenance of the Visionware application.
- Seagate Crystal Report Writer v9.0, if Customer will be using or developing custom reports.
- Client PCs for Super User and Management Desktop PCs.
- Network connectivity to end-user PCs as necessary.
- Desktop Streaming (or PCAnywhere v10.0+) remote connectivity to the web-application server and all Super User PC(s).

## Technical Configuration

The agreed upon technical configuration for the Visionware installation includes the following. Any delay by Customer in providing, or lack of availability, of any of the items in the configuration will delay the Visionware installation and may increase the total installation cost.

### Network

Customer is responsible for ensuring that a Local and/or Wide Area Network with adequate bandwidth is in place which connects the Visionware Database server to the Web/Application server and connects all remote Super Users, Management Exception Desktop Users, and Standard Report Users to the Web/Application server (TCP/IP protocol). Ethernet networks exist in the various facilities. The ability to map drives from the Super User PC(s) to the application and database servers is also required.

Please note that specific bandwidth requirements are not provided due to the subjective nature of this measurement. Factors, such as the level of network traffic and individual Customer perception will determine the acceptability of Customer's LAN/WAN performance when using the Kronos Labor Analytics system.

### Hardware and Software Specifications

Please refer to **Appendix "B"** for the Hardware and Software requirements specific to your intended Visionware environment. Customer will provide the Hardware and Software indicated in Appendix "B" and its price is not included in this Statement of Work.

### Servers

Customer will purchase dedicated Database and Web/Application servers meeting the appropriate minimum specifications. The SQL Server 2000 Standard Edition database will be used and will be installed on the servers by the appropriate Labor Analytics Installation personnel.

### Super User Visionware PC(s)

The Visionware Super User machines are for individuals who will have a need to load data, maintain control tables, and generate standard / custom reports or scripts in the Visionware system. The Super Users are generally the Visionware Coordinators and/or the System Operators.

### Management Exception Desktop (MED) Module PC(s)

The Visionware MED machines are for individuals who will only be utilizing the MED remote reporting module.

## Planning Meetings

To assist Customer in planning the Visionware installation and monitoring the on-going status of the project:

- Customer and Kronos Visionware representatives will participate in an initial Education and Planning (“Kick-Off”) Meeting to provide information and guidance relating to the installation process, answer installation questions, and develop detailed project plans.
- Kronos Visionware will review with Customer the Visionware Statement of Work and Installation Project Plan, which defines in further detail Kronos’ installation approach.
- Kronos Visionware will review with Customer the electronic Visionware Installation Kit, which defines the basic data that Customer will be responsible for providing during the installation (including data file requirements). In addition, Kronos Visionware will hold data collection meetings with appropriate Customer personnel to discuss data requirements and to obtain any available data.

## Communication Plan

- Customer is responsible for generating internal communications to management and employees affected by this project.
- Customer and Kronos Visionware will participate in periodic status meetings to monitor installation progress, identify issues and barriers, and develop plans to address these issues. These meetings or conference calls are currently expected to be held, at a minimum, on a biweekly basis during the installation.
- Kronos Visionware will update the Project Plan as necessary and will communicate any changes to Customer in a timely manner.
- Kronos Visionware will maintain thorough documentation of all technical configuration elements during the installation and will document all Customer decisions.

## Customer Preparation

An electronic Installation Kit (MS Excel workbook) will be provided to Customer. Customer should provide the information requested in the Installation Kit prior to or during the on-site kickoff and data collection meeting(s). The information in the Installation Kit will be used to populate the basic control tables in the Visionware system.

## Non-Invasive Data File Interfaces

The non-invasive interfaces utilized by Kronos Visionware are accomplished via the generation of fixed-column text files from Customer's payroll, billing, and time & attendance systems. **It is the responsibility of Customer's Information Systems Liaison to generate, and automate the generation of the necessary files from the appropriate systems.**

The following non-invasive interfaces will be developed to load data from Customer's existing systems into Visionware:

- **Payroll System** – to load files generated from Customer's payroll system on a pay period basis that provide employee-level detail information.
- **Billing (Revenue & Usage) System** – to load files generated from Customer's billing system on a daily basis that provide charge-code level billing information.
- **Time & Attendance System** – a standard report generated from your Kronos time & attendance system on a daily basis that provides earning code level hours by department. **-----or-----** a fixed-column text file generated from Customer's time & attendance system on a daily basis that provides earning code level hours by department.

## Software Installation

Kronos Visionware will lead the initial installation of the Visionware software module. Customer agrees to provide assistance from key information systems personnel, such as the network administrator, as required during the installation.

The tasks involved in the software installation include:

- Remote installation of the database and Visionware software on the Database and Web/Application servers.
- Remote installation the database client components and Visionware software on the contracted Super User PC(s).
- Testing of the basic Visionware software functionality on the servers and on the contracted Super User PC(s).

## Installation Training and Education

The Kronos installation team will conduct training for Customer in the use and administration of the Visionware. The training elements included in this installation are:

Training and Education Element	Method	Timeframe	# of Hours	Provided By	Provided To*
<b>General Product Overview and Demonstration</b>					
Overview of the Visionware software and the types of information available from the system.	On-Site	Initial Installation Kick-off	1	Visionware Installation App. Cons.	ES, VC, IS, HR, PR
Product Demonstration	On-Site	Initial Installation Kick-off	1	Visionware Installation App. Cons.	VC, SO
<b>Operator Training</b>					
Instruction on the detailed operation of the Visionware software.	On-Site	End of Installation	11.5	Visionware Installation App. Cons.	VC, SO, BU
Management Exception Desktop Overview and End User Installation	On-Site	End of Installation	1	Visionware Installation App. Cons.	IS, VC, SO, BU
Understand the automated database backup process.	On-Site	End of Installation	0.5	Visionware Installation App. Cons.	VC, SO, BU
Understand the data load and report automation process (high-level).	On-Site	End of Installation	3	Visionware Installation App. Cons.	VC, SO, BU
*Legend: ES = Executive Sponsor    VC = Visionware Coordinator    SO = System Operator    BU = Backup System Operator IS = I.S. Liaison        HR = H.R. Liaison        PR = Payroll Liaison					

Upon completion of the installation, additional Basic Operator training may be obtained through the Kronos Visionware Training Services Group. Please contact your Kronos Visionware Support Application Consultant for a current course schedule and pricing information.

\* For an overview and agenda of the Basic Operator Training class please see **Appendix "A"** at the end of this document.

## Management Consulting Training and Education

The Kronos consulting services team will conduct the following training for Customer:

Training and Education Element	Method	Timeframe	Hours Per Manager	Provided By	Provided To*
<b>Department Management Workshop - Productivity</b>					
Provide Comprehensive Understanding of Visionware. Understanding Stages of Management Decisions. Required Management Commitment. Understanding Assumption Development Process. Managing Expectations.	On-Site	Beginning of Productivity Implementation	1	Visionware Consulting Manager	EM, DM, VC, SO
<b>Report Interpretation - Productivity</b>					
Productivity measurement, targeting, and monitoring concepts. Productivity targeting methodology. Overview of Visionware Reports. Distribution of individual cost center target development worksheets.	On-Site	End of Productivity Implementation	2	Visionware Consulting Manager	EM, DM, VC, SO
*Legend: VC = Visionware Coordinator SO = System Operator EM = Executive Managers DM = Department Managers					

## Transition to Support Services

The **implementation** process is considered complete when Customer can generate standard Visionware Labor Distribution and Productivity reports and the on-site Basic and Advanced Operator Training has been provided.

Immediately upon completion of the installation, Customer's account will be transitioned to an assigned Visionware Support Application Consultant who will be responsible for providing technical support related to the application.

The assistance provided by the Support Services Group is included in Customer's contracted annual Support Maintenance fee and includes elements such as:

- Remote diagnostic technical assistance to resolve software functional problems and user problems.
- Unlimited phone support
- Remote troubleshooting support via Desktop Streaming, GoToMyPC or PCAnywhere
- Standard software maintenance releases
- Year-end table maintenance updates
- Proactive features/solutions announcements
- Access to request optional training or consulting or professional services



## Visionware Management Consulting Services Provided by Kronos

As discussed in the Scope section of this document, the *management consulting* services provided by our consulting staff include the development of assumptions daily and biweekly reporting. Further, Kronos will also ensure that general operation / maintenance training and report interpretation training is conducted for appropriate facility personnel.

The following are the objectives of the material and management consulting assistance Kronos recommends:

Expedite implementation process by supplementing Customer expertise and resources.

- Calibrate labor performance targets relative to management expectations and financial goals.
- Assure actual information feeds (hours and volume) reported to Vision correspond to target calibration.
- Educate and train management on Vision concepts, performance targets, and report interpretation.

Our consulting assistance will be initiated with the installation of Vision. The scope of our consulting assistance will be to calibrate productivity targets consistent with the financial needs of the organization, and to educate department managers on the calibration process and the interpretation of Visionware Bi-Weekly and Daily Productivity Reports. The project will include the following major activities: .

**Engagement Principal** – When a Customer contracts with Labor Analytics Consulting Services, the first thing Kronos does is to assign a Engagement Principal to the engagement. Each Engagement Principal has over 15 years of experience exclusively in healthcare labor resource management. The Engagement Principal is responsible for:

- Develop/Maintain Work Plan – The Engagement Principal works with the Customer Executive Sponsor, other key Customer resource and our Installation, Support and Consulting Staff to develop a Customer specific work plan depicting the activities, sequence of activities and time frame for completing the various phases of the project. Once the Plan is developed, the Engagement Principal is responsible to ensure the engagement is kept on schedule.
- Coordinating Resources – During the course of the engagement the Engagement Principal has over all responsibility for coordinating resources between the Customer and Labor Analytics.

- **Executive Management Liaison** – The Engagement Principal is the primary liaison between the Customer Executive Staff and Labor Analytics. In this role they are responsible for communicating project status and progress with the Customer Executive Sponsor and staff. This includes, if any, conflict resolution for all aspects of the engagement. The purpose is to make sure that issues impacting the engagement are elevated to the appropriate level within the Customer organization and Labor Analytics.
- **Facilitate Steering Committee Meeting** – The Engagement Principal has the responsibility for assisting the Customer with the establishment of Steering Committee Meeting agendas and conducting the meetings.
- **Education** – During the course of the engagement it is the responsibility of the Engagement Principal to ensure the proper transfer of knowledge is taking place, and the appropriate infrastructure is in place. The Engagement Principal will advise the Customer if they detect any concerns regarding either of these matters.

**Project Initiation** – Labor Analytics will meet with the Customer's designated Executive Sponsor and other key Customer staff associated with the implementation of Visionware for this project. The purpose of the meeting will be to discuss:

- Project scope, approach, time frame, and expected outcomes.
- Role and responsibilities of Labor Analytics and the Customer staff.
- Resources available to assist on the project and for ongoing maintenance.
- Planned near-term and long-term uses of the Visionware Labor Management System.
- Customer infrastructure to support labor resource management philosophy in terms of management education and training, human resource policies and procedures, etc.
- Discussion and Selection of Steering Committee Representatives.

Based upon the information gathered during this meeting, the Project Team will modify and complete the written design documents for developing the critical assumptions for Visionware. These documents include educational materials, project work plan, department data collection forms, and project update and maintenance procedures.

**Senior and Department Management Orientation** - Labor Analytics will conduct Vision Orientation Presentations for the corporate and Facility senior and department management. The Orientation objectives are:

- Provide Project Overview

- Understand Project Plan in Terms of Activities, Sequence of Activities and Time Frames and Milestones.
- Provide Comprehensive Understanding of Visionware.
- Understanding Stages of Management Decisions.
- Required Management Commitment.
- Understanding Assumption Development Process.
- Managing Expectations

**Infrastructure Development** – Labor Analytics will work with the Customer to insure the appropriate infrastructure is in place to address Vision implementation and program management issues. Core to the infrastructure is the establishment of a Steering Committee, selection of an Executive Sponsors from corporate and the facilities. Labor Analytics will facilitate 4 to 6 Steering Committee meeting during the course of this project. This will include facilitating Steering Committee meeting to address issues such as management accountability, performance thresholds, performance trending, frequency of reporting, exception reporting, assumption maintenance, resources, etc. Kronos will work with Customer to determine the composition of this Committee and identifying the appropriate Customer resources to facilitate the implementation and maintains of the program. Appendix D shows a typical project organization chart..

**Initial Steering Committee Meeting** - Labor Analytics will facilitate a series of Steering Committee Meetings. The first meeting will cover:

- Provide Overview of Project and Preliminary Work Plans.
- Steering Committee Roles and Responsibilities.
- Required Management Commitment.
- Understanding Target Calibration Development Process.
- Managing Expectations.

The following are the type of issues the Steering Committee will be addressing.

- Automation Versus Manual Reporting
- Reporting Frequency (Daily, Bi-Weekly, Exception)
- Roll – Up Reporting (Batching
- Cost Centers Reporting Daily

- Daily – Enforcement Policies on Time and Charge Reporting
- Benchmarking Plans
- Work Group (Skill Level) Formation
- Target Sources (budget, engineered, benchmark, etc.)
- Target Calibration Issues (Worked Versus Paid)
- Worked vs. Paid Hours
- Fixed vs. Variable Staffing
- Minimum Staffing, etc.
- Report Types, Frequency, Format, Roll-Ups, Corporate Versus Facility, etc.
- Agency Hours Reporting (How to Capture)
- Establishment of Variance Thresholds
- Variance Reporting Expectations
- Accountability Structure and Process

**Data Collection** - Labor Analytics will lead the process to collect the necessary data and information to calibrate the productivity targets for each cost center:

- Worked Hours (Regular and Supplemental Labor)
- Paid Time Off
- Paid Hours
- Volume Statistic (Units of Measure)

**Bi-Weekly Productivity Data Refinement** – Initially, Labor Analytics will work with the Customer to ensure the Visionware product is calibrated, on a bi-weekly basis, consistent with management expectations. This includes reviewing and culling down the list for cost centers, inspecting and making any corrections to cost center names and manager names, assuring that feeds of the charge description master (CDM) (department number, procedure code and description) are flowing correctly into Vision with the appropriate volumes, reviewing and editing the skills list and skills to job code mappings and performing a productivity target calibration. Data is collected on productive time, non-productive time, the volume statistic and units for a baseline period, and then the target and a PTO percent will be calculated. The volume statistic used to calculate the target will be reconciled with the volume that flows from the billing file into Visionware. Based on the information collected, we will calibrate the productivity targets consistent with management expectations.

**Department Managers Productivity Workshop** - Labor Analytics will prepare a Department Managers Productivity Workshop that will include:

- Productivity measurement, targeting, and monitoring concepts
- Productivity targeting methodology
- Overview of Vision Reports
- Distribution of individual cost center target development worksheets

**Department Managers Meetings** - Labor Analytics will meet with department managers to address questions and confirm target calibration.

**Load Vision Targets** - Labor Analytics will finalize labor performance targets for implementation into Vision.

**Conduct Vision Education Workshops** - Labor Analytics will conduct Reports Educational Workshops after System has been operational for 4 to 6 pay periods.

**Daily Productivity Cost Center Identification** – Labor Analytics will work with the Customer to select cost centers among the facilities for development of daily productivity information. The selection of cost centers represent the primary cost centers Kronos believes will benefit the most from daily productivity. Labor Analytics and the Customer will finalize the list of cost centers with the Steering Committee in our initial meeting. The criteria for selecting the cost centers are labor cost and the relationship of staffing requirements to variable workload volume. Typically, the cost centers selected will represent over 75% of the labor costs.

**Daily Productivity** – After Kronos has verified the Targets are calibrated correctly with bi-weekly data and the time and attendance system has been installed, Labor Analytics will work with the Customer to establish electronic files for time and attendance – payroll data and billing data (volumes) to be loaded on a daily basis. Also, templates for manual hours and manual volume statistics will be established and utilized daily. The following issues will be considered.

- Assist the Customer in developing policies and procedures to ensure the timely updating of daily time & attendance and billing statistical files.
- Coordinate between the Customer and Labor Analytics Support Services loading and testing of daily time & attendance and billing statistical files.
- Ensure that the Customer is collecting and loading daily manual workload statistics and agency hours and dollars.

- Review and revise daily productivity targets based on evaluating workload statistics associated with each cost center.
- For the fixed departments, determine whether the Customer even wants to include them in daily productivity. They may want to for total roll-up reporting, even though they may not distribute individual department reports. Make the same determination for small variable departments (for the same reasoning).
- In variable departments, assist the Customer to determine minimum daily staffing requirements, if any, for variable personnel. This determination will be made at the department level (not for each individual variable Work Group).

**Department Managers Daily Productivity Workshop** - Labor Analytics will prepare a Department Managers Daily Productivity Workshop that will include:

- Productivity measurement, targeting, and monitoring concepts
- Productivity targeting methodology
- Overview of Visionware Daily Productivity Reports
- Distribution of individual cost center's daily productivity report.

## **Management Consulting Project Staffing and Experience**

Labor Analytics has been directly performing Hospital operational consulting assistance services since 1989, with individual experience spanning over three decades. The Labor Analytics staff available for this project and their project related qualifications and experience are included in Appendix E. Labor Analytics may also assign additional qualified consultants to the project, as needed. Kronos would also require the assignment of at least one Customer employee to the project team. The Customer employee(s) primary role will be that of liaison between Labor Analytics and the Customer. However, this individual(s) will also be involved in all aspects of the project, to ensure that the system is fully understood and can be properly maintained without future consulting assistance.

Labor Analytics takes great pride in the quality, accuracy, and timeliness of its work and corresponding Customer satisfaction levels, however, Customer has the right of refusal for any Kronos staff member assigned to this project.

## Summary of Estimated Professional Service Hours

Kronos will require 367 hours to execute the activities associated with the scope of professional services articulated in this proposal. The hours by major milestones are as follows:

<b>Application Consulting</b>	<b>Hours</b>
Planning / Kickoff / Data Collection	25
Account Building	74
Technical Installations	10
Training and Account Transition	52
Productivity Configuration	48
Total Hours	<u>209</u>

<b>Management Consulting</b>	<b>Hours</b>
Project Initiation	8
Project Meetings	14
Data Collection	19
Target Calibration	36
Workshop Preparation	16
Load Reconcile Reports	13
Daily Process	11
Vision Education Workshops	19
Manager Meetings	22
Total Hours	<u>158</u>

The sales agreement submitted along with this proposal identifies the hourly billing rate in effect for these services. The billing schedule for these professional fees will be monthly as rendered. Out-of-pocket expenses will be billed monthly in arrears for the expenses incurred during the previous month.



## PROJECT TIMING

Appendix F contains a sample of an executive level consolidated installation and implementation professional services work plan/timeline for a facility. One of the initial activities of the project will be to develop a specific plan for the project. Once the major milestones and time frames have been agree to a master plan for the enterprise will be developed and detailed work plans consisting of 15 to 20 pages are developed depicting all of the key activities, sequence of activities and time frames for each facility. The execution of the activities associated with this work plan in the time frame depicted will require cooperation from the Customer in terms of timely submission of data and availability of Customer resources for meetings.

.....

All of us at the Labor Analytics Division look forward to the possibility of working with you to better meet your information goals.

Sincerely,

Labor Analytics Division of Kronos Incorporated

By: *Kronos Labor Analytics Division*  
Kronos Labor Analytics Division

Date: *April 27, 2007*

## Change Control Management

Modifications to the scope of the project may require additional professional service hours, which can be purchased at the prevailing Kronos hourly rate. Approval will be obtained from Customer prior to incurring and/or billing for out-of-scope service. Changes to the original report specification, data feed requirements, and other defined responsibilities herein will be considered additional scope. A Change Order Form will be used to define all changes in scope and additional hours required.

The following summarizes the Change Control Procedures for the Project:

1. Any request for additional products and/or services may result in an additional Sales Agreement.
2. A Change to Scope is defined as any change affecting the project scope, deliverables, budgeted time, quality, schedule or allocation of Kronos resources.
3. An approved Change Request will be required for any Changes to Scope, as defined above.
4. Any request for a change to Project Scope originating from Customer must first be approved as a contemplated change by the Customer Project Manager, who will then contact the Kronos Engagement Principal and submit a Change Request Form for approval.
5. Any request for a change to Project Scope originating from Kronos must first be approved as a contemplated change by the Kronos Engagement Principal, who will then contact the Customer Project Manager and submit a Change Request Form for approval.
6. No Change Requests will become part of the Project until approved in writing by Customer Project Manager and the Kronos Engagement Principal.
7. Any Change Request not approved by the Customer within 2 business days will be deemed to be not approved. Any project schedule delays or additional costs due to lengthy delays in obtaining Change Request approval by Customer will be the responsibility of Customer. Kronos reserves the right to bill Customer for the time required to prepare responses to Change Requests on a time and material basis whether eventually approved or not.
8. Any approved Change Requests will form part of the project scope.
9. Any requests for additional work or changes to project scope may result in changes to previous deliverables or delivery dates.
10. Changes to Interface requirements will be considered as additional work. Changes to the Contingencies may require changes to the project scope.
11. Any additional travel time will be additionally billed in accordance with the policies defined in the "Kronos Travel Expenses" section below.

## Terms and Conditions

1. The applicable Kronos Sales Agreement and Software License shall specify the Products purchased / licensed by Customer, and prices for the Professional Services. The Professional Services provided by Kronos are subject to all the terms and conditions of the Kronos Sales Agreement and Software License and this Professional Services Work Order.
2. Kronos and Customer agree that Customer is under no obligation to implement the recommendations resulting from this engagement, and that Kronos assumes no responsibility for the performance of Customer's Kronos systems as a result.
3. Customer shall reimburse Kronos for reasonable travel, administrative and out-of-pocket expenses incurred by Kronos personnel in conjunction with the Services.
4. Kronos warrants that the Services will be performed in a professional manner and by qualified individuals who possess the knowledge and skills necessary to perform the Services. Customer must report any deficiencies in the Services to Kronos in writing within thirty (30) days from the performance of the Services.
5. Kronos and Customer acknowledge that the timely provision of and access to office accommodations, facilities, equipment, cooperation and complete information from Customer's employees are essential to performance of the Services and that Kronos' ability to complete the Services within the time periods provided is dependent on same.
6. Kronos shall own all right, title and interest, including copyrights and patent rights, in and to any and all ideas, concepts, expertise, program, systems, methodologies, data or other materials that are developed by Kronos under this Agreement ("Intellectual Property").
7. Customer is granted a non-exclusive, perpetual, fully paid-up, royalty free, non-transferable license to use and copy (for its own internal use) the Intellectual Property.
8. Each party shall own all rights, title and interest in any and all of its ideas, concepts, expertise, programs, systems, methodologies, data or other materials that it acquired or developed prior to this Agreement, and neither party shall acquire any right, title or interest by virtue of this performance under this Agreement in the intellectual property rights to any hardware or software of the other party.
9. During the term of this Agreement and for a period of one year after the completion of services under this Agreement, Customer agrees that it shall not hire, as an employee or consultant, any Kronos employee who has performed services for Customer under this Agreement.
10. If Customer must cancel a scheduled appointment, Customer must notify the Kronos Engagement Principal at least 48 hours prior to the scheduled appointment. If Customer cancels a scheduled appointment with less than 48 hours prior notice, but prior to the day of the appointment, Customer shall be responsible to pay Kronos a cancellation charge equal to fifty percent (50%) of the scheduled Professional Services. If Customer cancels a scheduled appointment on the day of the appointment, Customer shall be responsible to pay Kronos a cancellation charge equal to one hundred percent (100%) of the scheduled Professional Services.

ACCEPTED AND AGREED:

Customer

By: 

Authorized Signature/Title

 MMC CEO

Date: 

## Appendix “A” – On-site Basic and Advanced Operator Training Overview

On-site Basic Operator Training	
Description	<b>Audience</b> Vision Coordinator, System Operator, Backup System Operator
	<b>Course Description</b> This on-site, instructor-led course is designed to provide participants with a comprehensive understanding of system operation and maintenance tasks that are completed on a day-to-day and/or payperiod basis. These tasks include loading payroll and time & attendance data, verifying the validity of the data loads, performing basic control table maintenance, generating and distributing standard Labor Distribution reports, and building and maintaining system automation elements. This course combines verbal instruction, demonstration, and includes a significant amount of hands-on practice. Customer receives a User Manual, which provides a review of many of the activities covered in the course. This course provides participants with a well-rounded foundation in the basic operations required to accurately operate and maintain the Visionware system on a regular basis with regards to Payperiod Labor Distribution.
	<b>Objectives</b> After completing this course participants should be able to: <ul style="list-style-type: none"> <li>• Understand what Customer data sources are feeding the Visionware system and how to retrieve data files from each of the respective systems to load into Visionware.</li> <li>• Understand the roles and responsibilities of Customer personnel involved in the installation and on-going support of the software.</li> <li>• Log-in to and shut down the database.</li> <li>• Search for assistance in the on-line help files.</li> <li>• Load daily and payperiod Labor data.</li> <li>• Perform on-going control table maintenance.</li> <li>• Query the system for basic information.</li> <li>• Run and view the standard Labor Distribution reports.</li> <li>• Understand the qualification parameters available when generating the standard Payperiod Labor Distribution reports.</li> <li>• Read and interpret the most commonly used standard Labor Distribution reports.</li> <li>• Understand the automated database backup process.</li> <li>• Understand the use and basic functionality of the Management Exception Desktop (MED).</li> </ul>

Title	On-site Basic Operator Training
Requirements	Visionware software installation complete. Modem or VPN connectivity to the Visionware PCs.
Length	Up to 16 Hours
Prerequisite Knowledge	Basic understanding of the Windows user interface including a working knowledge of Windows Explorer (CompUSA offers Kronos Customers discounted rates for introductory Windows courses.)
Price	Basic Operator training provided on-site at end of Phase I installation is included in the installation professional service fees.  For additional training, please contact your Kronos Visionware Support Application Consultant for a current course schedule and pricing information.

<b>On-site Advanced Operator Training</b>	
Description	<b>Audience</b> Vision Coordinator, System Operator, Backup System Operator
	<b>Course Description</b> This on-site, instructor-led course is designed to provide participants with a comprehensive understanding of system operation and maintenance tasks that are completed on a day-to-day and/or payperiod basis. These tasks include loading payroll, billing, and time & attendance data, verifying the validity of the data loads, performing basic control table maintenance, generating and distributing standard reports (Labor Distribution and Productivity), and building and maintaining system automation elements. This course combines verbal instruction, demonstration, and includes a significant amount of hands-on practice. Customer receives a User Manual, which provides a review of many of the activities covered in the course. This course provides participants with a well-rounded foundation in the basic operations required to accurately operate and maintain the Visionware system on a regular basis.
	<b>Objectives</b> After completing this course participants should be able to: <ul style="list-style-type: none"> <li>• Understand how Customer will utilize the Visionware system and what goals Customer expects to achieve by using the Visionware system.</li> <li>• Understand the difference between the Labor Distribution and Productivity modules of the software.</li> <li>• Understand what Customer data sources are feeding the Visionware system and how to retrieve data files from each of the respective systems to load into Visionware.</li> <li>• Understand the roles and responsibilities of Customer personnel involved in the installation and on-going support of the software.</li> <li>• Log-in to and shut down the database.</li> <li>• Search for assistance in the on-line help files.</li> <li>• Load daily and payperiod data (labor and volume).</li> <li>• Perform on-going control table maintenance.</li> <li>• Query the system for basic information.</li> <li>• Run and view the standard Labor Distribution reports and Productivity reports.</li> <li>• Understand the qualification parameters available when generating the standard reports.</li> <li>• Read and interpret the most commonly used standard Labor Distribution reports and Productivity reports.</li> <li>• Understand the automated database backup process.</li> <li>• Understand the use and basic functionality of the Management Exception Desktop (MED).</li> </ul>

<b>Title      On-site Advanced Operator Training</b>	
Requirements	Visionware software installation complete. Modem or VPN connectivity to the Visionware PCs.
Length	Up to 16 Hours
Prerequisite Knowledge	Basic understanding of the Windows user interface including a working knowledge of Windows Explorer (CompUSA offers Kronos Customers discounted rates for introductory Windows courses.) Completion of Visionware Basic Operator Training.
Price	Advanced Operator training provided on-site at the end of installation is included in the installation professional service fees.  For additional training, please contact your Kronos Visionware Support Application Consultant for a current course schedule and pricing information.

## Appendix "B" - Hardware and Software Specifications

*This hardware estimate is the recommended configuration based on the parameters identified below. This recommendation is based on the best information currently available about Customer's environment and is subject to change based on changes to scope, system availability, and other factors outside Kronos' control.*

*Dedicated servers are required to ensure application / database performance, to avoid conflicts with other applications and to ensure the future upgradeability of the Visionware application. Reducing the scope of the hardware configuration or modifying the hardware configuring to include the Visionware application / database on servers with other applications / databases is not recommended and may result in undesirable results including slow or erratic performance, application conflicts and/or database conflicts. Exceeding the specification within a dedicated server environment is acceptable and is at Customer's discretion.*

The following parameters were used in developing the hardware recommendation:

- Up to 2,000 employees
- Up to 200 Report / Management Exception Desktop (MED) users
- One (1) Facility
- All information will be stored in one database schema
- Central system operation
- Network connectivity between each facility and the central server(s) is T-1 or greater
- An additional application server should be added at approximately 200 concurrent users.
- SQL Server 2000 Standard Edition license provided by customer.



## Remote Connectivity – All Servers and Super User PCs

Item	Minimum Recommendations
Internet	Internet (GoToAssist)
VPN Connection	Internet / Network or Dial-up w/ FTP availability for file transfers as necessary
Modem	56K connectivity Modem Pool / RAS Server dial-up with TCP/IP connectivity to the PC <i>or</i> Direct-dial to the PC
Software	Remote Desktop — or — GoToAssist (No Software Required) — or — GoToMyPC (Runs as a service) — or — PCAnywhere version 10.0 or higher for Windows

## Dedicated Database Server

Item	Recommended
Number of Servers	One (1)
Operating System	Windows 2000 Server * Windows 2003 Server *
	*With the most current service pack.
	<b>NOTE:</b> The Server name must be comprised of only alpha-numeric characters...no special characters. In some cases, anti-virus software may need to be disabled during the database installation and scans may need to be disabled for certain database files/folders.
Processor (CPU)	Pentium (2.4+ GHz)...upgradeable to 2 CPUs **  ** Subject to additional database licensing requirements.
RAM	1 GB...upgradeable to 2 GB
Hard Drives	Disk 1 – 10+ GB Operating System Disk 2 – 40+ GB Free
CD-ROM Drive	24X + (internal)
Network	10M/sec 10BaseT Ethernet running MS Winsock (32bit) TCP/IP stack
Other Software	Internet Explorer 6.0 Windows Task Scheduler
Server Rights	Need Full Administrator Rights to the Server (not necessarily the Domain) for installation of the database and Visionware.  For SQL Server, the Default Instance will be used and a local service account will need to be created in the Local Admin Group for on-going use by the application. The primary database user account requires the ServerAdmin, SecurityAdmin, DBCreator and BulkAdmin roles.

## Dedicated Web/Application Server

Item	Recommended
Number of Servers	One (1)
Operating System	Windows 2003 Server * *With the most current service pack.  <b>NOTE:</b> The Server name must be comprised of only alpha-numeric characters...no special characters. In some cases, anti-virus software may need to be disabled during the Visionware application installation and scans may need to be disabled for certain application files/folders.
Processor (CPU)	Pentium (2.4+ GHz)...upgradeable to 2 CPUs
RAM	1 GB...upgradeable to 2 GB
Hard Drives	Disk 1 – 10+ GB Operating System Disk 2 – 40+ GB Free
CD-ROM Drive	24X + (internal)
Network	10M/sec 10BaseT Ethernet running MS Winsock (32bit) TCP/IP stack
Other Software	Microsoft IIS 5 or greater .NET Framework 1.1 (installed with Visionware) MDAC 2.8 (installed with Visionware) Internet Explorer 6.0 Windows Task Scheduler Additional software such as E-Mail, WinZip, etc... may be required based on Customer requirements. For e-mailing reports, need a mail account / profile on the SMTP server
Server Rights	Need Full Administrator Rights to the Server (not necessarily the Domain) for installation of the database and Visionware.  Must have trust/authorization to specified folders/files on the Web/Application server.  The application is designed to reside in the Default Web site in IIS and with <u>no</u> load balancing.

## Super User PC

Item	Minimum Recommendations
Operating System	Windows 2000 <i>or</i> Windows XP Professional  <b>NOTE:</b> In some cases, anti-virus software may need to be disabled during the Visionware installation.
Processor (CPU)	Pentium III (600+ MHz)
RAM	256 MB
Hard Drives	1 GB Free
CD-ROM Drive	24X + (internal)
Network	10M/sec 10BaseT Ethernet running MS Winsock (32bit) TCP/IP stack
Printer	Laser printer comparable to HP4 or above
Other Software	.NET Framework 1.1 (installed with Visionware) MDAC 2.8 (installed with Visionware) Internet Explorer 6.0 Windows Task Scheduler. Most current version of Adobe Acrobat Reader to print reports.
PC Rights	Full Administrator Rights to the machine (not necessarily the Domain) are required for installation of the database client elements and Visionware if applicable. On-going Administrator rights on the local PC may not be necessary in cases where anonymous access is configured on the web/application server.  <b>Note:</b> Users with roaming profiles on the network may experience difficulty connecting to the web server via the Visionware desktop.  Must have trust/authorization to specified folders/files on the Web/Application server.

**User PC (MED / Reports)**

<b>Item</b>	<b>Minimum Recommendations</b>
Operating System	Windows 2000 <i>or</i> Windows XP Professional
Processor (CPU)	Minimum processor as required by the operating system.
RAM	Minimum RAM as required by the operating system.
Network	10M/sec 10BaseT Ethernet running MS Winsock (32bit) TCP/IP stack
Printer	Laser printer comparable to HP4 or above
Other Software	Internet Explorer 6.0 Most current version of Adobe Acrobat Reader to print reports.

## Appendix "C" – Roles and Responsibilities of Customer Project Team and Program Maintenance

Title	Name	Recommended Personnel
<b>Executive Sponsor</b>	<b>TBD</b>	Member of Executive Staff
<b>Visionware Coordinator</b>	<b>TBD</b>	Director / Manager of Productivity --or-- Director of Operations Improvement --or-- Director of Management Engineering --or-- Controller --or-- Director of Decision Support
<b>System Operator</b>	<b>TBD</b>	Management Engineer --or-- Financial Analyst --or-- Decision Support Analyst --or-- Other position that reports to the Visionware Coordinator
<b>Payroll Liaison</b>	<b>TBD</b>	Payroll Manager / Supervisor
<b>Human Resources Liaison</b>	<b>TBD</b>	H.R. Manager / Supervisor
<b>Information Systems Liaison</b>	<b>TBD</b>	Director of Information Systems

### Customer Project Team

#### Executive Sponsor

- Chairs Steering Committee
- Provides executive management of program
- Acts as liaison to other Executive staff
- Assists the Visionware staff in maintaining project schedules in terms of project activities, sequence of activities and time frames through conflict resolution with other priorities

#### Visionware Coordinator

- Learns assumption development methodologies and interpretation of performance reports critical to the success of program
- Attends and participates in all critical meeting and education sessions such as productivity, assumption development, report interpretation, and Steering Committee meetings
- Coordinates collection of installation and performance data at the facility
- Provides general support to senior and department managers on report interpretation, variance analysis, and action plans
- Facilitates program maintenance

- Acts as liaison to senior and department managers
- Audits labor reports prior to distribution
- Educates operational managers in the interpretation of standard labor distribution reports and the use of the MED

**Visionware Coordinator Assistants** – (Depending on size of Customer organization)

- Supports Visionware Coordinator in all functions listed above
- Provides continuity to program in Visionware Coordinators absences
- Provide focused support to selected clinical or ancillary area on report interpretation and variance analysis and action plans

**System Operator**

- Provides on-going system operation and maintenance
- Audits data loads
- Trained in all aspects of basic program development and maintenance
- Generates and distributes standard / custom reports

**Payroll Liaison**

- Provides earning codes and descriptions from the payroll and/or time and attendance systems
- Assists in mapping earning codes to Visionware pay categories
- Provides a payroll summary report to facilitate reconciliation
- Provides a data file from non-Kronos time and attendance system and assists with automating the generation of the files

**Human Resources Liaison**

- Provides job codes and descriptions
- Maps job codes to standard Visionware skill levels
- Insures payroll employee-level payroll records are assigned with the correct status and regular agreed hours
- Provides Visionware project updates to Facility staff via HR routine employee communications

**Information Systems Liaison**

- Provides payroll and billing files and automates the generation of the files
- Insures the Database server, Web/Application server, and Super User PCs are in place per the project time frame and meet Visionware specifications
- Insures remote connectivity is functioning to the Database server, Web/Application server, and all Super User PCs (recommend using Desktop Streaming for Super User PCs)

- Ensures that all standard report, MED, and Super User PCs have the appropriate version of Internet Explorer and have proper TCP/IP and/or mapped network drive connectivity to the Visionware Web server

## **Kronos Professional Service Roles**

**Kronos Labor Analytics Engagement Principal** – (Defined in Implementation Services Section)

### **Kronos Labor Analytics Consulting Manager**

- Coordinate collection of data essential for developing performance assumptions
- Calibrates productivity targets based as agreed to by Customer
- Conducts productivity, assumption development, and report interpretation workshops
- Reconciles data to assure performance report reflect senior management objectives
- Participates in education and training of Customer staff

### **Kronos Labor Analytics Installation Application Consultant**

- Coordinate initial account turnover and initiation activities with the Kronos Sales Representative
- Coordination of all installation activities with the identified Customer personnel
- Conduct the installation “Kick Off” and on-site data collection meetings
- Track installation progress and communicate project status
- Build the database account based on installation information provided by Customer
- Build non-invasive data file interfaces to Customer’s payroll, billing, and/or time and attendance systems
- Reconcile one pay period of information to an earning code level payroll register and/or department level payroll management report Audit up to one pay period of billing and time and attendance information
- Build data load automation and automatic database backup structures (if included in the Scope section above)
- Conduct on-site Basic Operator Training with the Visionware Coordinator, System Operator, and backup personnel

### **Kronos Labor Analytics Sales Representative**

- Coordinate the initial conference call with the Customer
- Participate in the Installation Kick-Off and provide an overview of the Statement of Work
- Assist with communication to senior management to remove roadblocks as necessary
- Long-term Customer relationship management



## Appendix "D" – Typical Project Organization Chart

**Client Executive Staff  
Steering Committee**

**Client Executive Sponsor**

**Project Team**

### Client Team

- Visionware Coordinator –
- Visionware Operator –
- Clinical/Support Partners
- >
- >
- >
- Finance Liaison -
- IS Liaison -
- Payroll Liaison -
- Human Resources Liaison -

### Kronos Team

- Project Manager –
- Installation Manager –
- Consultant –
- Support Manager –
- Sales Reps –

## **Appendix “E” – Labor Analytics Consulting Staff**

### **David Donaldson – Director - BSIM**

David Donaldson is Director of Consulting Services for the Labor Analytics Division of Kronos Incorporated. He has directed the implementation of labor resource management programs exclusively for over 15 years in the health care field. The projects involved conducting operational and clinical resource management improvement assessments; work redesign to achieve improvements; establishment of performance targets based on improvement goals; and implementation of labor management reporting systems to monitor progress towards achieving those goals.

Prior to joining Labor Analytics, David worked with several other consulting firms including Arthur Young & Company and Booz-Allen & Hamilton. He directed the Performance Management practice for VHA Enterprise, Inc., a prior Division of the VHA hospital alliance. Also, he directed the Operations Improvement consulting service practice for the Health Central Enterprises in Minneapolis. He has over 25 years of consulting experience. The last 15 years have been exclusively in healthcare cost management and operations improvement consulting.

### **Marc Sasser – Assistant Director - BSIE**

Marc Sasser, Assistant Director Consulting Services for the Labor Analytics Division of Kronos Incorporated. He has over 10 years of experience in health care operations improvement. He has facilitated cross functional and department process improvement teams; analyzed, designed, and improved work systems, work centers, and processes; and developed productivity standards based on recommended improvements.

Prior to joining Labor Analytics, Marc was a management engineer for a multi-hospital system with responsibility for operations improvement and productivity monitoring. In that capacity, he also had responsibility for operating Visionware, providing support to management on interpreting reports, and developing enhancements to the system. He was a consultant in operations improvement for SunHealth Inc., and a management engineer for a Florida hospital.

### **Ed Giordano – Senior Manager - BSBA, MBA**

Ed Giordano is a Senior Manager in Consulting Services for the Labor Analytics Division of Kronos Incorporated. His experience includes general financial and operational improvement studies. He has participated in a number of operational improvement initiatives, such as, development of performance targets, re-engineer hospital protocols, redesign of process flows, design and implementation of decision support systems, establishment of cost containment programs, and creating financial performance measures to assist managers in achieving their business goals.

Prior to joining Labor Analytics, Ed was Director of Operational Accounting for the University of Massachusetts Medical Center for approximately seven years. Part of his responsibilities at the Medical Center included installation of the Transition Systems Inc. decision support cost accounting system. Ed has 27 years of industry and consulting experience, with special emphasis on cost management applications (product and departmental) encompassing both operations and systems implementation issues.

**Susan M. Reese – Senior Manager - RN, BSN, MBA**

Susan Reese is a Senior Manager in Consulting Services for the Labor Analytics Division of Kronos Incorporated. She has over 20 years of clinical and managerial experience in freestanding, multi-campus community hospitals, and integrated health systems. Her consulting experience includes engagements for operational re-design, facility planning, utilization and productivity analysis, physician contract development, charge capture analysis, mentoring, and implementation assistance.

Prior to joining Labor Analytics, Susan was a self-employed nurse consultant, Service Line Administrator with Higman Associates, Director of Nursing for AMI Town and Country Hospital, and Director of Medical/Surgical Nursing and Case Management at Mease Medical Center. She holds degrees in Nursing from Fairfield University and a Master's in Business Administration from the University of South Florida.

**Jim McCarville – Senior Manager - BSIE, MBA**

Jim McCarville is a Manager in Consulting Services for the Labor Analytics Division of Kronos Incorporated. He has over 16 years of experience in healthcare operations, finance, and information technology. Past project experiences include operations improvement, work redesign, computer simulation, productivity and flexible budgeting systems, cost/benefit analysis, and project management.

Prior to joining Labor Analytics, Jim was Director of Management Support Services at Sarasota Memorial Hospital. His responsibilities included managing an internal consulting group that provided advice in Productivity Management, Decision Support, Technology Assessment, and Process Design. He was also the project director of a conversion to Transition Systems Inc.'s Decision Support system. He has a bachelor's degree in Industrial Engineering from Iowa State University, and a Master's in Business Administration from the University of South Florida. Jim is a Fellow in the Healthcare Information and Management Systems Society (HIMSS) and a member and former board member with the Society for Health Systems (SHS).

**Bill Vrooman – Manager - MS, FHIMSS**

Bill Vrooman is a Manager in Consulting Services for the Labor Analytics Division of Kronos Incorporated. He has over 25 years of healthcare experience split between operations improvement and information systems. He has led operations improvement efforts, development and implementation of labor resource management systems, and planning, selection and

implementation for information systems. His specific experience includes productivity monitoring and target development, benchmarking, work re-design, process improvement, re-engineering, cost accounting, continuous quality improvement and nursing patient acuity.

Prior to joining Labor Analytics, Bill was a director of information systems in Georgia at both the Department of Medicaid and an integrated healthcare delivery system where he started management engineering, decision support and re-engineering efforts. As an operations specialist at a West Virginia hospital system, he supported the justification and installation of a Kronos Timekeeper system, operation of TSI cost accounting, and Medicus patient acuity systems. As a senior consultant with InfoPartners in Nashville and Healthcare Management Counselors in New York, he was responsible for information systems selection and implementation projects (including an HBO TrendStar installation). He was the Management Engineering Director at Vanderbilt Hospital and Management Systems Manager at Hospital Corporation of America.

### **Freda Rankin – Manager - BA**

Freda Rankin is a Manager in Consulting Services for the Labor Analytics Division of Kronos Incorporated. She has over 17 years of healthcare experience in decision support systems, budgeting, financial planning, charge master, cost accounting, statistical reporting and payroll conversion for individual hospitals as well as multi-hospital systems. She has facilitated process improvement initiatives for hospital budgeting (operational and capital) and has co-authored the design of the budget template used by management throughout an eight hospital Health System in the Tampa Bay area of Florida. She has participated actively in several cross-functional process improvement task forces relating to staffing plans, salary and benefit issues. Another one of her accomplishments has been to develop and facilitate a regional educational program designed for management addressing reporting tools and understanding finance, budgeting, finance indicators, etc.

Prior to joining Labor Analytics, Freda was the Manager of Budget and Decision Support separately for the larger two community health alliances (five of the eight Hospitals) of BayCare Health System. Her responsibilities related to budget, charge master, cost accounting, financial analysis, management reporting including education and special projects (i.e. CON's, bond issues, merger activities). She holds a Bachelor's Degree in Accounting from the University of South Florida and recently returned to complete her 5<sup>th</sup> year in accounting.

### **Karen Powers – Manager - BSIE, MBA**

Karen Powers is a Manager in Consulting Services for Labor Analytics Division of Kronos Incorporated. She has over ten years experience in healthcare process improvement and new project startup. Her project work included implementation of patient-focus care concepts, opening a hospital based subacute unit and long-term acute care hospital, managing startup and operations of a non-medical companion service for the elderly, and facilitating the cost reduction efforts for a 31-facility nursing facility chain.

Prior to joining Labor Analytics, Karen was a Project Manager of process improvement efforts with Lucas Heath Group, a management-consulting firm that served post-acute healthcare entities. She also served as Adjunct Facilitator for Indiana Wesleyan University teaching business courses for bachelor and master level programs. Before working with Lucas, Karen was an Operations Consultant for St. Vincent Hospitals and Health System in Indianapolis.

**Terri Sahli – Manager - RN, BSN, MBA**

Terri Sahli is a Manager in Consulting Services for the Labor Analytics Division of Kronos Incorporated. She has over 20 years of leadership experience in both community and specialty hospital settings. She has extensive experience with operational, regulatory and financial management in the healthcare setting. Responsibilities included development of peer review budget processes, departmental reconfigurations to enhance productivity and efficiency, operational re-design, master facility planning, project management and regulatory compliance.

Prior to joining Labor Analytics, Terri was the Nurse Executive for Kindred Hospital – Bay Area – Tampa/St. Petersburg, Director of Medical/Surgical Services at University Community Hospital and Director of Patient Care Services at Sarasota Memorial Hospital. She holds degrees in Nursing from Grand Valley University, and a Master's in Business Administration from the University of Sarasota.

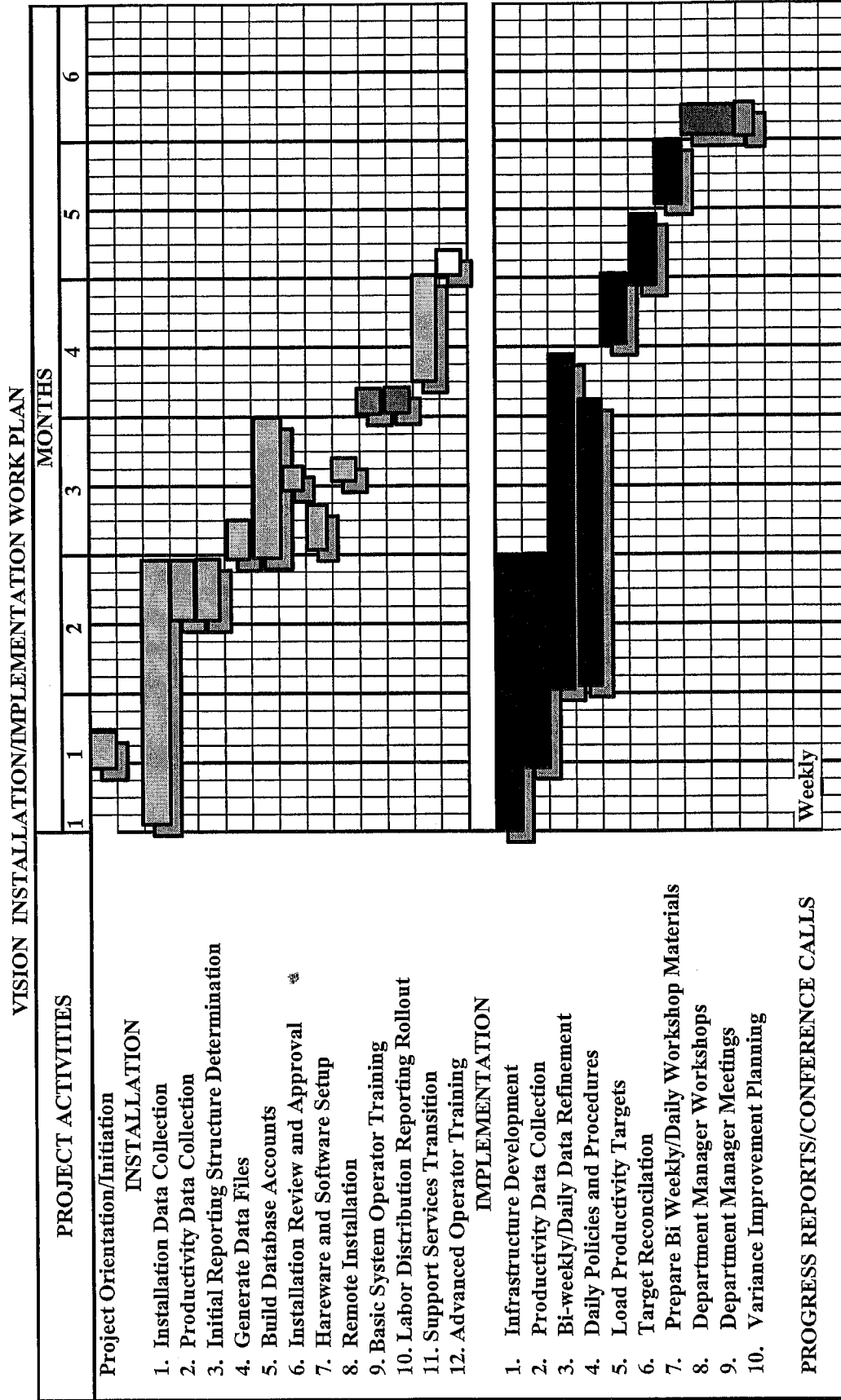
**Larry Shear – Manager  
PHD, MS, BS**

Larry Shear is a Manager in Consulting Services for the Labor Analytics Division of Kronos Incorporated. He has over 30 years of operations and systems analysis, labor budgeting and control systems and project management experience in the healthcare industry. This includes design, development and implementation of pro-active and retrospective productivity systems, cost containment programs, comparative data reporting, staff acuity systems, and quality assurance.

Prior to joining Labor Analytics, Larry had his own firm for 11 years in which he provided human resources consulting services to healthcare client. Prior to that he was Director of Unique Consulting Services, Inc. The Firm provided consulting and contract management services to client, and software sales. He was Vice President of Marketing and Consulting Services for Lutheran Hospital Society of Southern California. His responsibilities included marketing and coordination of consulting and human resources services. Larry has been an instructor at California State University and the University of Southern California, and a guest lecturer at Arizona State University and Golden State University.

# EXHIBIT 5

## Appendix "F" – Executive Level Sample Work Plan



## EXHIBIT 5

### Appendix "G" – Standard Reports to Automate

Report automation scripting will be configured for the following facilities:

Report Name	Report Run Frequency	Reports Available After...
Employee Level Actual Hours	Biweekly	Installation
Position Control Detail	Biweekly	Installation
Position Control Summary	Biweekly	Installation
6 Period Trend (Graph)	Biweekly	Productivity Implementation
Procedure Volume Weights Detail	Biweekly	Productivity Implementation
Procedure Volume Weights Summary Totals	Biweekly	Productivity Implementation
Summary Productivity Detailed Hours	Biweekly	Productivity Implementation
14 Day Trend w/ Graph 1	Daily	Productivity Implementation
14 Day Trend w/ Graph 2	Daily	Productivity Implementation
Daily Summary Detailed Hours	Daily	Productivity Implementation

*Note: Reports marked as "Available After Installation" above will be scheduled to be automatically generated and distributed upon completion of the Installation. Reports identified as being available upon completion of implementation will be scheduled to run upon completion of the respective implementation processes.*

## EXHIBIT 4



# KRONOS®

Improving the Performance of People and Business™

## Professional Services Engagement Estimate

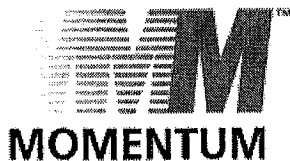
Prepared For County of Monterey Natividad Medical Center

For the Implementation of

Workforce Timekeeper V5.2 and Workforce Scheduler V5.2

This Professional Services Estimate was created on May 4, 2007.  
It is valid for County of Monterey Natividad Medical Center signature until August 4, 2007.

Salesperson: Chuck Haupt  
Prepared By: Rochelle Ferris



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## EXHIBIT 4

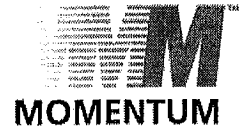
# Table of Contents

1.	Engagement Overview:	1
1.A.	Implementation Assumptions	2
1.B.	Timekeeping Assumptions	2
1.C.	Additional Time and Labor Modules to be Implemented	3
1.C.1.	Timekeeper Terminal Assumptions	3
1.C.2.	Scheduling Assumptions	3
1.D.	Hardware	3
1.E.	Additional Assumptions	3
1.F.	Engagement Summary	4
1.G.	Engagement Detail	4
1.G.1.	Professional Services Hourly Breakdown By Role	4
1.H.	Estimated Travel Hours	4
1.H.1.	Engagement Estimate by Role	4
2.	Educational Services Estimate	5
3.	Required Technology Environment	6
3.A.	Workforce Central Suite	6
4.	Momentum Implementation	7
5.	Roles and Responsibilities	7
5.A.	Plan	8
5.B.	Assess	9
5.C.	Solution Build, Workforce Timekeeper	9
5.D.	Solution Build, Workforce Employee	9
5.E.	Solution Build, Workforce Scheduler with Organizational Maps	10
5.F.	Solution Build, Workforce Connect Interfaces	10
5.G.	Test & Certify	10
5.H.	Deploy & Support	11
6.	Engagement Guidelines	12
7.	Approvals	13



## Professional Services Estimate

Prepared for County of Monterey Natividad  
Medical Center



### 1. Engagement Overview:

The purpose of this Professional Services Estimate is to estimate the services required for the Implementation of Kronos products purchased by County of Monterey Natividad Medical Center. Any change to the assumptions or discovery of increased complexity will be considered a change in the scope of this estimate.

By engaging Kronos to perform the services described in this proposal, County of Monterey Natividad Medical Center will understand the detailed planning effort, implementation model and the associated costs for this engagement.

The proposed engagement provides a documented basis for making future decisions and for confirming or developing common understanding of project scope among the stakeholders. As the project progresses, the scope statement may need to be revised or refined to reflect changes to the scope of the overall engagement.

Insert here any information you have from the sales meeting, BA or presales discovery document.

#### **Engagement Description:**

The following is a brief summary of the products and services to be delivered within the definition of this proposed engagement.

#### **Server Specifics:**

Kronos' recommendations for the server(s) that County of Monterey Natividad Medical Center should install for the successful operation of the Kronos system are contained in the Required Technology Environment section of this Professional Services Estimate or in a separate document. This section also identifies the database that County of Monterey Natividad Medical Center intends to use and the Operating System that will run on the database server.

#### **Customer Education Specifics:**

County of Monterey Natividad Medical Center will send the core project team to the recommended training courses identified in the Professional Services Estimate. Please refer to Section 2 for detailed education suggestions included in this Engagement Estimate.

#### **Deliverables Associated with this Implementation:**

Following is a list of major deliverables. Based on the contracted agreement, these deliverables may be modified. Satisfactory delivery of these deliverables marks completion of the project.

- *Project Handbook*—including supporting project documentation and templates.
- Project schedule detailing the project timeline, activities and resources assignments.
- Project Scope Management.
- Change Control Management.
- Quality Control Management.
- Project Communications Management.
- Planning and Coordination of Training requirements.
- Installed, configured and certified purchased Kronos software.
- Testing Strategy and Testing Support.

#### **Exclusions:**

List any specific constraints that you have discussed during the sales cycle that you consider KEY to this engagement. If none, delete this text so it does not print when the PSE is assembled.

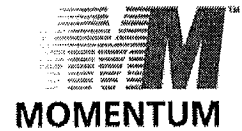
#### **Criteria for Success:**

List any specific criteria that you have discussed during the sales cycle that you consider KEY to this engagement. If none, delete this text so it does not print when the PSE is assembled.



# Professional Services Estimate

## Prepared for County of Monterey Natividad Medical Center



### 1.A. Implementation Assumptions

#### General Assumptions

- Custom Reports are not included unless specified in this Engagement Estimate.

#### Project Assumptions

- Commitment from County of Monterey Natividad Medical Center upper management is crucial to the success of the project. Kronos assumes County of Monterey Natividad Medical Center will assign a Project Executive Sponsor. The Executive Sponsor is responsible for implementing the necessary change management for County of Monterey Natividad Medical Center to embrace using an automated Workforce Management system and for ensuring the Project Team is appropriately staffed, made available and is and executing their tasks according to the Project Plan.
- County of Monterey Natividad Medical Center is responsible for developing their workforce management policies and for documenting and disseminating business procedures to support the Kronos system.
- County of Monterey Natividad Medical Center's information technology support personnel will adhere to the project timeline and responsibilities.
- County of Monterey Natividad Medical Center's Project Team will attend appropriate Kronos training to participate in the implementation and properly support the application post-implementation.
- County of Monterey Natividad Medical Center understands Kronos recommends setup of both a TEST and PRODUCTION environment.
- County of Monterey Natividad Medical Center will effectively communicate the procedures & policy changes associated with their new system.
- County of Monterey Natividad Medical Center will take ownership of the Kronos system during implementation and maintain it after go-live.

#### Integration Assumptions

- Interfaces to non-Kronos systems are not included unless specified in this Engagement Estimate.
- The estimate for interfaces defined in this Engagement Estimate is based on Kronos' understanding of the interface requirements prior to actual design; therefore a discovery/assessment must be performed during the Collaborative Solution Workshop (CSW) and a Functional Specification Document delivered before a final estimate is presented to the customer. Before Kronos will proceed with configuration and testing, the customer is required to sign-off on the Functional Specification Document and change order (if applicable).
- Discovery is included for any additional interfaces not specified in this document
- Kronos generally finds that our standard reports library, and the ability to export to Excel is sufficient for passing data to benefit providers. In cases where this capability does not meet the County of Monterey Natividad Medical Center's benefit provider's specifications, Kronos will advise County of Monterey Natividad Medical Center of options and any additional costs required to meet the specifications.
- When Kronos provides data via an interface to a non-Kronos system(s), Kronos will provide an export file. It is the responsibility of County of Monterey Natividad Medical Center or 3rd party to import the data and update the appropriate database.

### 1.B. Timekeeping Assumptions

#### Parameters for Time & Labor Products

- Number of Employees to be managed by the Time & Labor product 501-1500
- Number of sites 1-10
- Number of unions 3-5
- Number of shift differentials 0-2
- Number of pay periods 2
- Number of overtime rules 3-4
- The intended database for the Workforce Timekeeper system is SQL Server 2005
- Will AIX or Unix be used as the Operating System for Workforce Central servers? No
- The Application Server software is: JBOSS (Kronos Provided)
- Will the Customer be using a Load Balancing solution for Application Servers No
- Will the Customer be implementing LDAP? No
- Does the Customer use DMZs? No



## Professional Services Estimate

Prepared for County of Monterey Natividad  
Medical Center



- Does the Customer plan to use Single Sign-on? No
- Does the Customer plan to use Secure Sockets Layer (SSL)? No
- Kronos resources will configure the Timekeeping product for 1 locations.
- Kronos resources will configure up to 15 Work Rules / Pay Rules.
- Historical loads for Time and Attendance data are not included in the scope of this project.
- Kronos resources will assist and support 1 locations Go-Live with Time and Attendance Scheduler. Anticipated Go-Live for 1st location is TBD
- County of Monterey Natividad Medical Center's internal resources will roll out Time and Attendance for the remaining locations independent of Kronos resources. Go-Live for all locations is TBD

### 1.C. Additional Time and Labor Modules to be Implemented Quantity

Workforce Connect, Advanced Interface - Pay Data Export	1
Workforce Connect, Advanced Interface - Employee Import	1
Workforce Connect, Advanced Interface - accrual balances	1
Workforce Connect, Simple Interface - Discovery for interfaces	1
Workforce Employee	1
Workforce Scheduler with Organizational Maps	1

#### 1.C.1. Timekeeper Terminal Assumptions

Kronos resources will configure 1 Timekeeper Terminal(s). County of Monterey Natividad Medical Center's internal resources will configure the remaining 25 Terminals.

#### 1.C.2. Scheduling Assumptions

- The primary factor in estimating the professional services hours is the number of departments or lines with unique scheduling requirements. For Workforce Scheduler, a "Scheduling Group" can be considered to be any situation where Kronos will have to configure a separate set of schedule rules. If there are different rules for the same job in multiple sites, there needs to be multiple sets of schedule rules. This Professional Service Estimate includes service hours for four (4) pilot Scheduling Groups. Kronos resources will configure 0 additional Scheduling groups. If additional Scheduling Groups are identified during the assessment phase of this implementation it will be considered a change to the scope of the project and will require additional implementation services.
- The engagement estimate excludes consulting services to standardize County of Monterey Natividad Medical Center's scheduling processes or system reporting across Scheduling Groups.
- Kronos resources will assist and support pilot locations Go-Live with Workforce Scheduler. Anticipated Go-Live for the first location location will be set in the Collaborative Solutions Workshop and planning sessions.
- County of Monterey Natividad Medical Center's internal resources will configure Workforce Scheduler for the remaining Scheduling Groups independent of Kronos resources.

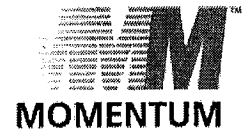
1.D. Hardware	Quantity	Part Number	Configured by Kronos
4500 Series Terminal, Numeric Bar Code Reader, 10/100 Mbit Ethernet	25	8602800-001	No

#### 1.E. Additional Assumptions



## Professional Services Estimate

Prepared for County of Monterey Natividad  
Medical Center



- Services will be billed at the end of each month for work delivered that month. Any dispute of hours billed must be presented in writing to the Kronos project manager no later than 15 days after receipt of the invoice. If no written dispute is received, the charges are deemed accepted by the customer and payment for those services remitted according to the terms of the contract
- Discovery for additional interfaces may incur a Change Request for additional funding

### 1.F. Engagement Summary

The Professional Services Hours (and Dollars) can range from 622 hours, (\$139,995.00) to 842 hours, (\$189,405.00).

The recommended investment in Education Services is:

\$13,675.00.

### 1.G. Engagement Detail

#### 1.G.1. Professional Services Hourly Breakdown By Role

Product	Plan	Assess	Solution Build	Test & Certify	Deploy & Support	Other	TOTAL HOURS
Workforce Timekeeper V5.2	36	41	46	24	24	0	171
Workforce Connect	17	17	23	16	7	0	80
Workforce Employee	5	2	7	10	2	0	26
Additional Professional Services	0	0	0	0	0	73	73
Workforce Scheduler with Organizational Maps	80	80	60	64	41	0	325
							675
TOTAL ESTIMATED HOURS							675

### 1.H. Estimated Travel Hours

Billable travel expenses will be charged pursuant to the terms and conditions contained within the KRONOS SALES, SOFTWARE LICENSE AND SERVICE AGREEMENT. In certain instances specialized resources may be used that require the payment of airfare, lodging and related travel expenses. Customers shall be made aware of any such instance during the sales or Change Order process.

- Travel time will be billed for all travel in excess of one hour from the resource's Kronos office.
- Travel time will be billed at an hourly rate of \$100 per hour.
- Travel time estimated for this engagement is 104 hours.
- Travel time estimated budget for this engagement is \$10,400.00.

#### 1.H.1. Engagement Estimate by Role

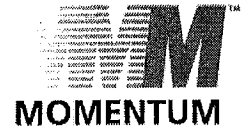
The Engagement Estimate is derived from the roles and rates associated with the resources necessary to complete the engagement. A Change Order signed by both the Customer Project Manager and the Kronos Project Manager is required to reallocate the Engagement Estimate to fund a role whose budget has been exhausted. The table below defines the Engagement Estimate by role:

Role	Hourly Rate	Estimated Hours
Project Manager	\$225	163
Application Consultant	\$225	416
Technology Consultant	\$225	24
Solutions Consultant	\$225	72



## Professional Services Estimate

Prepared for County of Monterey Natividad  
Medical Center



### 2. Educational Services Estimate

Many courses are offered locally but depending upon the timing requirements of your implementation you may need to travel to one of the other Kronos training center. Please note that the more advanced and technical courses are offered in the area training centers (Chelmsford, MA; Washington, DC; Chicago, IL; San Francisco, CA; Irvine, CA; and Orlando, FL). Your Kronos Project Manager and Education Portfolio Specialist will give you the details of the training schedules. As a Kronos customer you will also have access to online course descriptions, schedules, availability and registration.

For complete course descriptions, objectives, and pre-requisite information, please see the Kronos Education learning paths that your Kronos salesperson will provide, or visit [www.kronos.com/education/education.htm](http://www.kronos.com/education/education.htm). For information on Kronos Virtual Classroom (KVC) offerings, please visit <http://kvc.kronos.com>

All training courses, both Instructor led and Kronos Virtual Classroom (KVC) are priced per person per class/session unless otherwise noted.

Training points allow you to plan and budget training for your organization, yet give you flexibility to select specific courses to meet your implementation and continuing education needs. One training point equals one dollar. The total training points and associated dollar value will be reflected on your Sales Agreement.

Training points can be applied to Instructor Led Courses (ILT), Kronos Virtual Classroom (KVC) courses, and on site training - across the entire catalog of courses. Our online course descriptions now include the training point value.

Course Name	No. of Participants	Course Price/Points	Extended Price
Workforce Timekeeper V5.2 IMPLEMENTATION TEAM TRAINING			
Workforce Timekeeper 5.2 Project Team Fundamentals	3	500	\$1,500.00
Workforce Timekeeper 5.2 Managing Timecards and Preparing for Payroll	2	1,000	\$2,000.00
Workforce Timekeeper 5.2 Administering the Application	2	1,200	\$2,400.00
Workforce Timekeeper 5.2 Architecture and Technology	1	1,300	\$1,300.00
Workforce Timekeeper 5.2 Configuring and Managing Pay Rules	1	2,400	\$2,400.00
Workforce Timekeeper 5.2 Configuring Organizational Jobs	1	600	\$600.00
Workforce Timekeeper 5.2 Managing Timecards and Schedules	1	275	\$275.00
Workforce Scheduler 5.2 Configuring and Administering Schedules	1	1,200	\$1,200.00
Workforce Scheduler 5.2 Creating Future Healthcare Schedules	2	500	\$1,000.00
Workforce Scheduler 5.2 Managing Day to Day Healthcare Schedules	2	500	\$1,000.00
			\$13,675.00

The minimum recommended investment in Education Services is:

**\$13,675.00**



**Professional Services Estimate**  
**Prepared for County of Monterey Natividad**  
**Medical Center**



3. Required Technology Environment

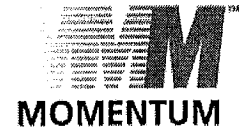
3.A. Workforce Central Suite

Hardware recommendations for servers, workstations, etc. for the Workforce Central Suite will be provided to you in a separate document.



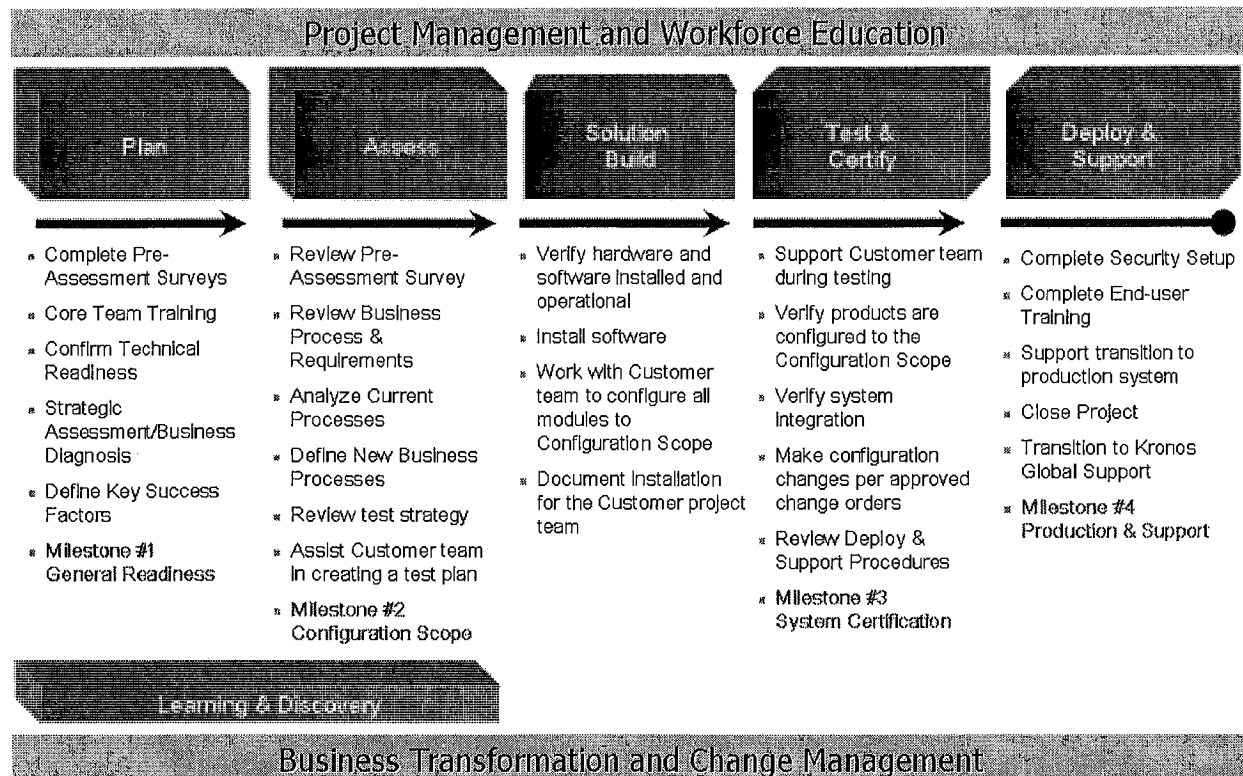
## Professional Services Estimate

Prepared for County of Monterey Natividad  
Medical Center



### 4. Momentum Implementation

Our proven Momentum™ implementation methodology provides a structured and phased approach supported by strong project management and flexible education offerings.



### 5. Roles and Responsibilities

Based on Kronos implementation experience, the following roles are critical for the successful Implementation of the Kronos system in your organization:

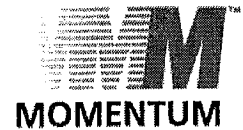
Title	Suggested Qualifications
<b>Project Manager</b>	Experienced Project Manager with successful track record.
<b>Payroll Supervisor</b>	Complete comprehension of your time, attendance, and payroll policies. Strong oral and written skills.
<b>Human Resources Manager</b>	Complete comprehension of your time, attendance, accrual and payroll policies. Strong oral and written skills.
<b>Database Administrator</b>	Experienced with backup and recovery plan creation and implementation of database engine.
<b>Network Administrator</b>	Complete knowledge of the organization's network, future plans, and outstanding issues or problems. Technical knowledge of network connectivity, and strong network troubleshooting skills.
<b>System Administrator</b>	Experienced System Administrator with two years of experience.
<b>Desktop Services Administrator</b>	Knowledgeable Desktop Administrator.
<b>Help Desk</b>	Knowledgeable in Windows and Intel based applications
<b>Web Master</b>	Knowledgeable in Apache, Sun ONE, or Microsoft Internet Information Server.





## Professional Services Estimate

Prepared for County of Monterey Natividad  
Medical Center



County of Monterey Natividad Medical Center understands and agrees that unqualified or unavailable staff will delay the Implementation of the Kronos system and may require County of Monterey Natividad Medical Center to purchase additional Services from Kronos. If any of the above positions are not available in your organization, please contact your Kronos representative or a third-party vendor.

**Time Requirements:** Kronos estimates County of Monterey Natividad Medical Center resources will be required to spend at least two times that of Kronos resources, or a minimum of 1464 hours participating in this project.

### Project Management:

This estimate includes the **Project Management** services option.

**Project Management Services** – The Customer Project Manager will partner with the Kronos Project Manager to align the desired project outcomes, producing key results related to the critical Workforce Management business needs. The Kronos Project Manager acts as the **lead role for the Kronos implementation team and product implementation process. The Customer Project Manager acts as the lead role for all customer implementation team responsibilities.**

The Kronos Project Manager will bring together recommended practices based on the depth of experience with the Kronos solution; blending the implementation and project management processes to provide expert support in the overall project lifecycle. Based on the project scope and desired level of customer responsibility, project management services may include activities associated with:

- Scope Management
- Change Control
- Issue and Risk Management
- Quality Management
- Resource and Schedule Management
- Communications Management
- Financial Management

Our seasoned project managers and consultants guide your team through our efficient and proven process by providing assistance during the following project phases:

### 5.A. Plan

The Kronos Project Manager (KPM) assists the customer to prepare for the implementation, establish project success criteria, and plan the project scope, schedule, and guidelines. Complete Customer readiness for the implementation of all products purchased is the goal of the initial Plan phase of the project. Project management continues for the duration of the project.

#### Kronos Responsibilities

- Complete Implementation Requirements Analysis.
- Prepare Initial Project Documentation and Schedule.
- Conduct Planning Meeting.
- Coordinate and Schedule Kronos Resources.
- Schedule Core Team Education.
- Finalize Project Documentation.
- **Milestone - Customer Readiness.**

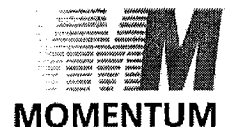
#### Customer Responsibilities

- Complete Implementation Requirements Analysis.
- Prepare Initial Project Documentation and Schedule.
- Participate in Planning Meeting.
- Coordinate and schedule Customer resources.
- Begin surveys prior to formal Assess phase.
- Order/install all computer hardware, operating system software, database software, and non-Kronos provided software and hardware necessary for the operation of Kronos applications.
- Complete Customer project team training & tutorials.
- Complete/return Interface specifications and files.
- Set up dedicated "work room" for implementation team.
- Works with Kronos to finalize project plan.
- Complete the General Readiness Checklist.
- **Customer Readiness Milestone** indicates Customer has completed all readiness items as identified, understands and accepts the project criteria, scope, schedule, and guidelines. The Customer understands and agrees that any Customer project delays, including those affected by unqualified or unavailable staff, will delay the implementation and may



## Professional Services Estimate

Prepared for County of Monterey Natividad  
Medical Center



require the purchase of additional services from Kronos.

- **Sign-off on Customer Readiness Milestone.**

### 5.B. Assess

Kronos assists the Customer to ensure all applicable survey, data, and requirements documents for the product(s) are understood and completed.

#### Kronos Responsibilities

- Provide technology requirements to Customer, if applicable, and determine how the product(s) should be installed.
- Review product(s) functionality with Customer.
- Engage Customer in discussion regarding standard reports.
- Assist the Customer to complete all applicable survey, data, and requirements documents for the product(s). These documents become the basis of the Configuration Scope.
- Complete the Collaborative Solutions Workshop (CSW), if applicable.
- Assist Customer to create a test plan.
- Provide customer with revised estimate, if applicable.
- **Milestone - Configuration Scope.**

#### Customer Responsibilities

- Ensure technology environment meets Kronos specifications.
- Dedicate or make available on an as-needed basis, appropriate resources during the preparation of all applicable survey, data, and requirements documents for the product(s).
- If applicable, provide any hardware required besides what is purchased from Kronos and arrange for installation.
- Attend the Collaborative Solutions Workshop, if applicable.
- Create/implement a System Backup procedure.
- Define any custom reporting requirements.
- Create a test plan.
- Review and approve Configuration Scope documents.
- **The Configuration Scope Milestone** indicates customer understands and has completed all documents required for configuration of the product(s).
- **Sign-off on Configuration Scope Milestone.**

### 5.C. Solution Build, Workforce Timekeeper

Kronos builds the solution according to the Configuration Scope.

#### Kronos Responsibilities

- Install and Configure Workforce Timekeeper, and up to 15 Work Rules/Pay Rules, according to the Configuration Scope.
- Import Preparation.
- Clock Setup (if purchased).
- Backup.
- Perform Unit Testing.
- Configure Person Import interface to include the appropriate Workforce Timekeeper person-related data. Person Import interface configuration is exclusive of Accrual Balance and Labor Level Entry import.
- At the time of installation of Workforce Timekeeper, Kronos will install any one of the delivered default themes, or a customer-modified theme. If theme changes are needed after the original install, additional hours will be required.

#### Customer Responsibilities

- Provide access and security to the applicable network and servers.
- Dedicate or make available on an as-needed basis, appropriate resources during the Solution Build and Unit Testing.
- Dedicate or make available on an as-needed basis, appropriate IT resources to participate in Clock Setup and System Backup.
- Provide appropriate Customer and Third Party software vendor resources and system access during the configuration of the Person Import interface.
- If County of Monterey Natividad Medical Center will be creating their own theme, then County of Monterey Natividad Medical Center must provide the Kronos implementation team with all the necessary files to deploy the theme during installation of Workforce Timekeeper.

### 5.D. Solution Build, Workforce Employee

Kronos builds the solution according to the Configuration Scope.

#### Kronos Responsibilities

- Install the Workforce Employee Licenses.
- Verify that the new licenses will show on the Web Server.
- Configure Workforce Employee according to the

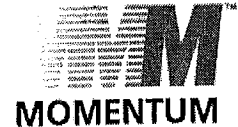
#### Customer Responsibilities

- Dedicate or make available on an as-needed basis, appropriate resources during the Solution Build and Unit Testing.
- Provide appropriate access to the web server and configuration



## Professional Services Estimate

Prepared for County of Monterey Natividad  
Medical Center



Configuration Scope.

machines.

### 5.E. Solution Build, Workforce Scheduler with Organizational Maps

Kronos builds the solution according to the Configuration Scope.

#### Kronos Responsibilities

- Install the Workforce Scheduler and Organizational Maps software.
- Configure Workforce Scheduler with Organizational Maps, and associated interfaces (if purchased) according to the Configuration Scope for up to four pilot groups.
- Configure Person Import interface to include the appropriate Workforce Scheduler and Organizational Map person-related data.

#### Customer Responsibilities

- Dedicate or make available on an as-needed basis, appropriate resources during the Solution Build.
- Complete configuration tasks for Workforce Scheduler module as identified by the KPM.
- Provide appropriate Customer and Third Party software vendor resources and system access during the configuration of the Person Import interface.

#### Self Scheduling

- Configure Self Scheduling components of Workforce Scheduler for up to four pilot groups. This includes deployment of a single variation of the five Process Manager templates that support Self Scheduling including: Time Off Request, Cancel Time Off Request, Request Open Shift, Request to Cover Shift and Shift Swap.

#### Self Scheduling

- Dedicate or make available on an as-needed basis, appropriate resources during the Solution Build.

### 5.F. Solution Build, Workforce Connect Interfaces

Kronos builds the solution according to the Configuration Scope.

#### Kronos Responsibilities

- Install and configure the Workforce Connect interfaces.

#### Customer Responsibilities

- Provide appropriate Customer and Third Party software vendor resources and system access during installation, if needed.

### 5.G. Test & Certify

Kronos supports Customer project team testing to the Configuration Scope, resolves all critical open issues, and plans deployment

#### Kronos Responsibilities

- Support Customer testing.
- Verify product(s) is configured as per the Configuration Scope.
- Verify communication and integration capability of product(s).
- Provide Payroll parallel support through two (2) payroll parallels. The Kronos Consultant will assist the customer on-site during the first parallel test. The second parallel will be conducted remotely.
- At the conclusion of the second parallel test, train Customer to run additional parallel tests independent of Kronos (3rd/4th parallel, as required). Parallel support beyond the second parallel test is considered a change in scope.
- Make configuration changes as requested.
- Verify configuration changes.
- Review of Go-Live Procedures.
- **Milestone - System Certification.**
- Assist Customer in modifying the Work and Absence Calendar. This single Calendar will be configured to call attention to specific Customer-specified Pay Codes and

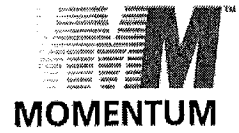
#### Customer Responsibilities

- Dedicate or make available on an as-needed basis, appropriate resources to test the product(s), ensuring representatives from all affected user communities participate in the test.
- Coordinate testing with other vendors, if applicable.
- Document any request for changes.
- Test any changes requested.
- **System Certification Milestone** indicates the Kronos product(s) has been installed and configured in compliance with the Configuration Scope documents.
- **Sign-off on System Certification Milestone.**
- Examine the Calendar and identify items to be called out.



## Professional Services Estimate

Prepared for County of Monterey Natividad  
Medical Center



Exceptions.

### 5.H. Deploy & Support

Kronos helps the customer transition from a project oriented, pre-production environment to a successful and live production operation supported by Kronos Global Support.

#### Kronos Responsibilities

- Kronos personnel are available via telephone or onsite for switch to production system (if applicable) and Go-Live.
- Make any necessary configuration changes per approved change order(s).
- Verify configuration changes.
- **Milestone - Production & Support.**

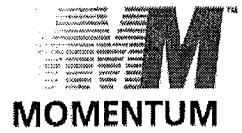
#### Customer Responsibilities

- Dedicate or make available on an as-needed basis, appropriate resources to be responsible for switch to production system (if applicable) and Go-Live.
- Review data for accuracy, if applicable.
- **The Production & Support Milestone** indicates the Kronos product(s) included in a project phase has been successfully moved into a production environment and is working according to the Configuration Scope. The implementation project for the applicable product(s) is considered complete and the customer has been transitioned to Kronos Global Support.
- **Sign-off on Production & Support Milestone.**



## **Professional Services Estimate**

**Prepared for County of Monterey Natividad  
Medical Center**



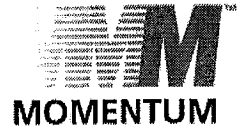
### **6. Engagement Guidelines**

For information related to Kronos' Engagement Guidelines, please point your browser to:  
<http://www.kronos.com/Support/ProfessionalServicesEngagementPolicies.htm>

For information related to Kronos' Support Policies, please point your browser to:  
<http://www.kronos.com/Support/SupportServicesPolicies.htm>



**Professional Services Estimate**  
Prepared for County of Monterey Natividad  
Medical Center



7. Approvals

SUBMITTED AND APPROVED BY KRONOS PRACTICE MANAGER

By: *Lily Kuyuk* Date: 1/24/08

By signing below and by signing the Sales Agreement and Software License, Customer agrees to purchase the Services described above.

Very truly yours,

Kronos Incorporated

ACCEPTED AND AGREED

County of Monterey Natividad Medical Center

By: *[Signature]* Date: 1/29/07  
Title: *MMC CEO*

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# CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)  
10/01/2010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Aon Risk Services Northeast, Inc. Boston MA Office One Federal Street Boston MA 02110 USA	<b>CONTACT NAME:</b>	
	<b>PHONE (A/C. No. Ext):</b> (866) 283-7122	<b>FAX (A/C. No.):</b> (847) 953-5390
<b>INSURED</b> Kronos Incorporated 297 Billerica Road Chelmsford MA 01824 USA	<b>E-MAIL ADDRESS:</b>	
	<b>PRODUCER CUSTOMER ID #:</b> 570000029970	
	<b>INSURER(S) AFFORDING COVERAGE</b>	
	<b>NAIC #</b>	
	<b>INSURER A:</b> Travelers Property Cas Co of America	25674
	<b>INSURER B:</b> The Travelers Indemnity Co.	25658
	<b>INSURER C:</b> Hartford Ins Co of the Midwest	37478
	<b>INSURER D:</b> Continental Casualty Company	20443
	<b>INSURER E:</b> Aspen Insurance UK Ltd.	0712FI
	<b>INSURER F:</b>	

**COVERAGES****CERTIFICATE NUMBER:** 570040338877**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY			6300299P992 Package	10/01/2010	10/01/2011	EACH OCCURRENCE	\$1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY		DAMAGE TO RENTED PREMISES (Ea occurrence)				\$1,000,000	
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		MED EXP (Any one person)				\$10,000	
			PERSONAL & ADV INJURY				\$1,000,000	
			GENERAL AGGREGATE				\$2,000,000	
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG	\$2,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC							
B	AUTOMOBILE LIABILITY			BA 0292P235	10/01/2010	10/01/2011	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
	<input checked="" type="checkbox"/> ANY AUTO		BODILY INJURY (Per person)					
	<input checked="" type="checkbox"/> ALL OWNED AUTOS		BODILY INJURY (Per accident)					
	<input type="checkbox"/> SCHEDULED AUTOS		PROPERTY DAMAGE (Per accident)					
	<input checked="" type="checkbox"/> HIRED AUTOS							
<input checked="" type="checkbox"/> NON OWNED AUTOS								
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE		TE06904078 Umbrella	10/01/2010	10/01/2011	EACH OCCURRENCE	\$5,000,000
	<input type="checkbox"/> DEDUCTIBLE		AGGREGATE				\$5,000,000	
	<input type="checkbox"/> RETENTION							
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			08WBRI0577 Workers Compensation	10/01/2010	10/01/2011	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER	
	ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	N/A				E.L. EACH ACCIDENT	\$500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE-EA EMPLOYEE	\$500,000
							E.L. DISEASE-POLICY LIMIT	\$500,000
D	E&O-MPL-Primary			425219489 E&O Primary SIR applies per policy terms & conditions	10/01/2010	10/01/2011	Professional Liabil	\$10,000,000
			Deductible				\$250,000	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

County of Monterey, its officers, employees, agents are named as Additional Insuredas required by written contract, but only for covered loss that results from Kronos' Products or work performed under contract, this insurance is primary and non-contributory over any existing insurance and limited to liability arising out of the operations of the named insured and

**CERTIFICATE HOLDER****CANCELLATION**

County of Monterey Attn: Sid Cato 168 West Allsai Street 3rd Floor Salinas CA 93901 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE  <i>Aon Risk Services Northeast Inc</i>

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Holder Identifier :

Certificate No : 570040338877

**Attachment to ACORD Certificate for** Kronos Incorporated

The terms, conditions and provisions noted below are hereby attached to the captioned certificate as additional description of the coverage afforded by the insurer(s). This attachment does not contain all terms, conditions, coverages or exclusions contained in the policy.

**INSURED**

Kronos Incorporated  
297 Billerica Road  
Chelmsford MA 01824 USA

INSURER
INSURER
INSURER
INSURER
INSURER

## ADDITIONAL POLICIES

If a policy below does not include limit information, refer to the corresponding policy on the ACORD certificate form for policy limits.

[illegible]





AGENCY CUSTOMER ID: 570000029970

LOC #:

**ADDITIONAL REMARKS SCHEDULE**

Page 1 of 1

AGENCY Aon Risk Services Northeast, Inc.		NAMED INSURED Kronos Incorporated
POLICY NUMBER See Certificate Number: 570040338877		
CARRIER See Certificate Number: 570040338877	NAIC CODE	EFFECTIVE DATE:

**ADDITIONAL REMARKS****THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,****FORM NUMBER:** ACORD 25 **FORM TITLE:** Certificate of Liability Insurance

Additional Description of Operations / Locations / Vehicles:

where required by written contract.