



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: A 14-164, **Version:** 1

Approve and authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 6 to the Agreement (A-11065/MYA348) with Kronos Incorporated for Software, Support and Professional Services at NMC, extending the Agreement from November 20, 2007 through June 30, 2015, for a total Agreement amount not to exceed \$2,456,363.74; no increase from the previously approved amount.

RECOMMENDATION:

It is recommended the Board of Supervisors approve and direct the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 6 to the Agreement (A-11065/MYA348) with Kronos Incorporated for Software, Support and Professional Services at NMC, extending the Agreement from November 20, 2007 through June 30, 2015, for a total Agreement amount not to exceed \$2,456,363.74; no increase from the previously approved amount.

SUMMARY/DISCUSSION:

The Board of Supervisors approved the NMC purchase of the Kronos Time & Attendance, Scheduler and Workforce Analytics (“Application”) on November 9, 2007 with an original agreement amount of \$558,930. This original Agreement was a result of the Request for Information (RFI) #10010. The Agreement included payment for initial Software Licensing and Support Services and Equipment. NMC purchased this Application to appropriately schedule staff, to capture and allocate all productive and non-productive time worked, and to provide managers with the tools necessary to assist them in meeting the hospital adopted productivity standards.

On June 8, 2010, NMC requested and obtained approval from the Board of Supervisors for Amendment No. 1 to the Agreement, adding \$56,880 for additional licenses and services, providing application oversight including but not limited to regular maintenance, license uploads, fix-it patches as well as software upgrades. At the time this amendment was approved NMC did not have the expertise in-house to provide such services. This Amendment No. 1 also increased the “not to exceed” amount of the Agreement to \$2,420,380 to allow for the additional costs of Hardware purchased from the vendor. However, the board report was unclear as to the increased “not to exceed” amount and only identified the additional \$56,880 of Software services.

On February 15, 2011, NMC requested and obtained approval from the Board of Supervisors for Amendment No. 2 to the Agreement, adding \$58,410 to purchase the Absenteeism & Leave Management Module of the Kronos Application. This addition provides NMC management with additional resources to track each employee’s “leave time”. Monitoring of these types of away times assists NMC in meeting the hospital’s adopted productivity standards. The Amendment No. 2 increased the “not to exceed” amount of the Agreement to \$2,478,790.

On March 27, 2012, NMC requested and obtained approval from the Board of Supervisors for Amendment No. 3 to the Agreement adding additional services and functionality to assist in monitoring productivity of hospital staff and to provide funds for annual maintenance costs associated with the Application. This Amendment No. 3

also reduced the total “not to exceed” amount to \$1,630,737.90 making the correction to the amount for hardware established in Amendment No.1.

Amendment No. 4 added \$584,126.24 for a revised total Agreement amount not to exceed \$2,214,864.14. Amendment No. 4 added Kronos Cloud Services Database Management, Workforce Analytics for Healthcare Productivity, and Kronos InTouch Electronic Time Clocks.

Amendment No. 5 added \$241,499.60 for a revised total Agreement amount not to exceed \$2,456,363.74 in the aggregate. Amendment No. 5 to the agreement made ongoing modifications to the following applications: 1) Advanced Scheduler, 2) Timekeeping, 3) Human Resources, 4) Absence Manager, and 5) Leave of Absence. This amendment allowed NMC to utilize additional features of the system assisting with monitoring of productive and non-productive time to ensure organizational efficiencies.

NMC has completed implementation of Kronos Timekeeper, Absence Manager, Basic Scheduler and Human Resources and is currently utilizing the Kronos system to calculate hours worked, overtime, shift differential, determine “unscheduled shifts”, track call-offs, manage schedules, track absences and tardiness along with tracking employee health data, and other HR information. Amendment No. 6 will extend the length of the agreement without adding any dollars. NMC will bring forth another amendment when additional funds are needed.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment No. 6 as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment No. 6 as to fiscal provisions. The CAO-Budget and Analysis Division has advised to inform the BOS the spending authority (appropriations) associated with NMC’s FY 2014 Adopted Budget has been exceeded and approval and authorization for modification of NMC’s appropriation budget should be presented to the BOS. . Since NMC is an Enterprise Fund, this does not prevent continued expenditures and is not a legal requirement, but it is considered good public policy, transparency and fiscal management. The Amendment has also been reviewed and approved by Natividad Medical Center’s Finance Committee 5.22.14 and Board of Trustees 6.6.14.

FINANCING:

There is no cost for this Amendment No. 6; As a result of Amendment No. 5 the Board of Supervisors approved a \$241,499.60 increase for Fiscal Year 2013-2014 in the maximum liability for the Agreement (for a total Agreement amount not to exceed \$2,456,363.74 in the aggregate). \$304,205.80 is included in the Fiscal Year 2014/2015 Recommended Budget. NMC is confirming its appropriations position and if its spending authority has been exceeded will return to the Board. There is no impact to the General Fund.

Prepared by: Janine Bouyea, HR Administrator, 783-2701

Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Amendment No. 6, Originals Agreement, Amendment Nos. 1, 2, 3 and 5, Renewal and Amendment No. 4, Spend Sheet

Attachments on file with the Clerk to the Boards Office