



# County of Monterey

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

## Board Report

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**File #:** A 14-010, **Version:** 1

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Approve and direct the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 5 to the Agreement (A-11065/MYA 348) with Kronos Incorporated for Software, Support and Professional Services at NMC, adding \$241,499.60 for a revised total Agreement amount not to exceed \$2,456,363.74 in the aggregate. (REVISED REPORT SUBMITTED VIA SUPPLEMENTAL)

### **RECOMMENDATION:**

It is recommended the Board of Supervisors approve and direct the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 5 to the Agreement (A-11065/MYA 348) with Kronos Incorporated for Software, Support and Professional Services at NMC, adding \$241,499.60 for a revised total Agreement amount not to exceed \$2,456,363.74 in the aggregate.

### **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.

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.

On August 27, 2013 NMC requested approval of Renewal and Amendment No. 4 to the agreement adding the following services;

- Annual Software Maintenance, License Renewals
- Additional Software Licenses
- Kronos Cloud Services Database Management
- Existing Software Upgrade; Workforce v6.2 to Workforce v6.3
- Implementation of Workforce Analytics Solution (CORE) v6.3
- Workforce Analytics for Healthcare Productivity
- 5 Kronos InTouch Electronic Time Clocks including Tax and Maintenance Services

The Renewal and Amendment No. 4 added \$584,126.24 for a revised total Agreement amount not to exceed \$2,214,864.14.

At this time NMC recommends approval of Amendment No. 5 to the agreement to make ongoing modifications to the following applications: 1) Advanced Scheduler, 2) Timekeeping, 3) Human Resources, 4) Absence Manager, and 5) Leave of Absence.

Amendment No. 5 adds \$241,499.60 for a revised total Agreement amount not to exceed \$2,456,363.74 in the aggregate.

Services have not been provided since the approval of Renewal and Amendment No.4. Services included under Renewal and Amendment No. 4 will begin after several changes are made to the Timekeeping and Human Resources applications.

Approval of Amendment No. 5, and implementation of Renewal and Amendment No. 4, will allow NMC to utilize additional features of the system assisting with monitoring of productive and non-productive time to ensure organizational efficiencies. In addition, Amendment No. 5 will provide department managers with real time information about their departments. This will allow managers to make real time staffing decisions, as well as upgrade the system to assist with monitoring for the Affordable Care Act.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this Amendment No. 5 as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment No. 5 as to fiscal provisions. The Amendment No. 5 has also been reviewed and approved by Natividad Medical Center’s Board of Trustees. Due to late submission of this Board Report, the CAO Budget and Analysis Division did not have adequate time to fully confirm what was presented in the Report.

**FINANCING:**

The cost for this Amendment No. 5 is \$241,499.60 and is included in the Fiscal Year 2013/2014 Adopted Budget. NMC’s FY2013-2014 appropriation obligations exceeded its budget for the period July 2013 through

December 2013 (six months). NMC has received additional Disproportionate Share funding from the State and is forecasted to be back on budget.

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. 5, Originals Agreement, Amendments 1, 2, 3 and 4, Spend Sheet

Attachments on file with the Clerk to the Boards Office