



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Information Services



Date: September 20, 2012

Board Meeting Date: October 23, 2012

Special Notice / Hearing: None

Vote Required: Majority

To: Honorable Board of Supervisors

From: Payroll Steering Committee**

Subject: Amendment to the agreement with Axsium Group

RECOMMENDATION:

Adopt a Resolution authorizing an amendment to the agreement with Axsium Group for professional services, increasing the amount by \$300,000 to \$750,160.

BACKGROUND:

In Fiscal Year (FY) 2008-09, the County implemented an Automated Time Keeping System (ATKS) sourced from Infor, Inc. ATKS was considered to be the first step towards achieving cost savings through improved time capture and processing. In January 2011, the County conducted a Cost Benefits Analysis (CBA) to gauge the savings associated with providing staff with 24x7 timekeeping and advanced scheduling tools. The CBA was completed in June 2011 and estimated annual savings of approximately \$2-4 million with initial investment of \$4.5 million for advanced scheduling tools and the associated infrastructure at San Mateo Medical Center (SMMC). The Information Services Department issued RFP#1802 for assistance to implement 24x7 timekeeping capabilities for SMMC and associated support to implement associated infrastructure. Your Board approved the current contract with Axsium Group to assist with the selection of the required infrastructure as well as implementation of 24x7 automated pay-rules.

DISCUSSION:

The project for the selection of time capture devices and implementation of automated pay-rules is making progress. As a part of the project, many project meetings were conducted to review the pay-rules and determine required business process changes. During these meetings the project team initially designed business processes to implement preventive controls. To this end, the team originally considered creating numerous online forms that employees would need to fill out and that supervisors or managers would need to approve. For example, such forms would have been required

to make any correction or change to the time/hours automatically entered into employee's timesheet based on badge swipes.

The Payroll Steering Committee ultimately decided that requiring the use of these online forms would have significantly increased the workload of employees, managers and payroll coordinators. As such, we redesigned the business processes for detective controls via use of new online reports, and by relying on employees and managers to accurately report their time and review it, respectively. During these meetings it also became apparent that achieving ongoing savings is largely dependent upon the implementation of Phase II – the implementation of a scheduling system for SMMC along with corresponding interfaces to ATKs. This amendment will authorize the vendor, Axsium Group, to work with County staff to implement the interfaces and complete the redesign of business processes and reports. This amendment also includes \$36,960 for subcontracted services to be performed by EmployTouch, the vendor of the tablet devices that employees will use to capture badge swipes and add/enter additional information into timesheets.

The Contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits. County Counsel has reviewed and approved the resolution and amendment as to form.

Approval of this amendment contributes to the 2025 Shared Vision of a Collaborative Community by establishing time capture and scheduling capabilities that can be extended for use by all County departments starting with the 24 hours a day, 7 days a week Health System Divisions.

** Payroll Steering is chaired by County Controller Bob Adler and includes Reyna Farrales (County Manager's Office/ISD), and Donna Vaillancourt (Human Resources).

PERFORMANCE MEASURE(S):

Measure	FY 2011-12 Actual	FY 2013-14 Projected
SMMC overtime, premium- pay and contract costs	\$7.25 million	\$5.5 million

FISCAL IMPACT:

The total budget for this one-time project to implement 24x7 timekeeping and advanced scheduling tools is \$4,500,000. The total obligation for this agreement with Axsium Group, including this \$300,000 amendment, is not to exceed \$750,160 with a term of February 14, 2012, through June 30, 2013. This amendment will be funded within the total budget amount of \$4,500,000. Funding for this agreement was included in the FY 2011-12 Adopted Budget and re-appropriated in the FY 2012-13 budget. Savings will be realized beginning in FY 2013-14 when the advanced scheduler system is implemented.