



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Information Services



Date: April 26, 2013
Board Meeting Date: May 7, 2013
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Payroll Steering¹

Subject: Amendment to the Agreement with Axsium Group

RECOMMENDATION:

Adopt a Resolution authorizing an Amendment to the Agreement with Axsium Group for professional services including system configuration, and training development and delivery, extending the term through August 31, 2013, and increasing the amount by \$247,180 to \$997,340.

BACKGROUND:

The County conducted a Cost Benefits Analysis between January 2011 and June 2011 to determine the savings associated with scheduling staff twenty-four hours a day, seven days a week (24x7) at the San Mateo Medical Center (SMMC) using advanced scheduling tools and time capture devices. Advanced scheduling tools use computer software to create and update employee work schedules and track employee attendance. Time capturing devices are computer tablets that electronically record when an employee starts and ends a work shift. This technology will save the County money because employees will no longer manually enter the hours they work. Automation will reduce the opportunity for human error and ensure that employees are paid for the correct number of hours and at the correct rate. The system also produces various reports to help management monitor and manage staff. The study estimated annual savings to the County of approximately \$2 – 4 million annually based on a total of \$4.5 million of initial investment in the project inclusive of Axsium-related costs. In February 2012, the Board approved the current contract with Axsium Group. Axsium was contracted to select equipment for project implementation including the time capture tablets. Axsium also agreed to implement the 24x7 pay rules. These rules allow the system to automatically enter the number of hours and type of hours (overtime, etc.) worked by an employee into the employee's timesheet. In October 2012, the Board approved an amendment to the contract, increasing the scope of the project to include

¹ The Payroll Steering Committee is chaired by County Controller Bob Adler. Its members include Reyna Farrales (County Manager's Office), Donna Vaillancourt (Human Resources) and Jon Walton (County CIO).

configuration, installation and testing of the time capture devices used to record the start and end times of an employee's shift. This Amendment will further increase the scope of the contract to allow Axsium to train smaller groups of employees at a time. Individualized small group trial and training periods will increase SMMC employees' competence using the technology and will thus reduce user errors. The increased need for training resources led to this amendment and request for an increase in funds.

DISCUSSION:

The project is managed with a focus on fiscal responsibility. The County is only including incremental minimum scope amendments that address confirmed needs. One group of employees at SMMC has already started using the new electronic time capture devices. During the transition and training of this first group, the project team observed that a reduced number of SMMC employees in each training group would aid the effectiveness of the training. It also identified the need for additional customized trainings and staffing to ensure the most thorough user training. Dr. Susan Ehrlich, SMMC CEO, and other SMMC leaders are engaged and supportive of the project. Due to the focus on fiscal responsibility, we anticipate savings in the project budget upon completion of the project.

Axsium Group has agreed to comply 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, minimum insurance requirements, hold harmless clauses, and non-discrimination and equal benefits policies. 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 utilized County-wide. The Health System Division can lead implementation of employee accessibility twenty-four hours a day, seven days a week.

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 is \$4,500,000. The total obligation for this agreement, including this \$247,180 Amendment, is not to exceed \$997,340 with an amended term of February 14, 2012, through August 31, 2013. Funding for this Agreement was included in the FY 2011-12 Adopted Budget and re-appropriated in the revised September budget for FY 2012-13. Savings as a result of the project will be realized beginning in FY 2013-14 when the advanced scheduler system is fully implemented.