

963



**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

**FROM:** Department of Mental Health

**SUBMITTAL DATE:**

**SUBJECT:** Ratify the Agreement with Kronos, Inc. for FY 08/09

**RECOMMENDED MOTION:** Move that the Board of Supervisors:

1. Authorize the County Purchasing Agent, on behalf of the County of Riverside Department of Mental Health (DOMH), to sign the service, product and maintenance agreement for a total amount of \$32,553 with Kronos, Inc. for FY 08/09 ;
2. Authorize the County Purchasing Agent to amend Agreement with Kronos up to \$100,000; and
3. Authorize the County Purchasing Agent, on behalf of the County of Riverside DOMH, to annually renew this Agreement as a sole source procurement, through June 30, 2013.

**BACKGROUND:** In January of 1995, the Department purchased, installed, and implemented the current Kronos Time and Attendance System. The contract was awarded through a competitive bid process (RFP) to the lowest responsible and responsive bidder, Kronos, Inc. On February 5, 2008, Agenda Item 3.28, the Board of Supervisors authorized the County Purchasing Agent, on behalf of the County of Riverside, to enter into a Second Amendment to the Agreement with Kronos Inc., for 200 additional user software licenses, in the amount of \$19,320.  
(continued on page 2)

JW:DF

*[Signature]*  
 Jerry Wengerd, Director  
 Department of Mental Health

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 32,553	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2008/09

<b>SOURCE OF FUNDS: 100% State</b>	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE

**County Executive Office Signature** BY: *Michael R. Shetler*  
 Michael R. Shetler

FORM APPROVED COUNTY COUNSEL  
 BY: NEAL R. KIPNIS DATE: 7/13/09  
 Departmental Concurrence  
 Purchasing: *[Signature]*  
 Mark Soller, Assistant Director

Consent     Policy  
 Consent     Policy

Dept Recomm.:  
 Per Exec. Ofc.:

Prev. Agn. Ref.: 3.28 of 2/5/08, 3.7 of 3/28/08, 3.17 of 5/17/08, 3.35 of 3/16/99

District: All    Agenda Number:

3.46

**SUBJECT:** Ratify the Agreement with Kronos Inc. for FY 08/09

**BACKGROUND:** (cont'd)

Under the previous Kronos agreement, the DOMH Health is allotted 1,200 user software licenses. The DOMH now seeks the Board of Supervisors' approval for the Agreement to renew and maintain current Kronos licenses with the option to purchase new or additional licenses as the DOMH experiences growth.

The Agreement for FY 08/09 with Kronos Inc. makes provisions for the DOMH to purchase products (licenses, upgrades, etc.); to obtain additional services as needed for the Fair Labor Standard Act (FLSA) employee time transition and maintenance of any current or future licenses under this Agreement.

**PERIOD OF PERFORMANCE:**

This Agreement shall commence on July 1, 2008 through June 30, 2009 with the option to renew annually through June 30, 2013 upon the availability of federal, state or county funds.

**FINANCIAL IMPACT:**

The FY 08/09 Agreement is for \$32,553 which includes \$29,353 for license renewals and \$3,200 for FLSA time restructure. There are sufficient funds in the Department's budget for FY 08/09 to provide for this purchase.

**PRICE REASONABLENESS:**

Pricing for the user software licenses and the FLSA time restructure has been deemed to be fair and reasonable when compared with other service providers that provide similar services. However, similar services by other providers are not exactly compatible to the Kronos time keeping system designated for use through the RFP process for the DOMH.

Date: July 7, 2008  
From: Deneen Flemming Department/Agency: Mental Health  
To: Board of Supervisors  
Via: Purchasing Agent  
Subject: Sole Source Procurement; Request for **Proprietary Services with Kronos Inc.**

The below information is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

Supply/Service being requested: **Software licenses, products, services, maintenance FLSA consultation.**

Supplier being requested: **Kronos Inc.**

Alternative suppliers that can or might be able to provide supply/service: **There are no other compatible suppliers for additional user software licenses, maintenance and consultation services. The reason for the sole source procurement is that the user software licenses are proprietary to Kronos Inc. and the required software consultation is sole source procurement.**

Extent of market search conducted: **Kronos Inc. provides exclusive software licenses, maintenance and consultation and services that cannot be substituted with other software or services due to compatibility of current software.**

Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide: **No other authorized sources are known. The software known as Kronos is proprietary to Kronos, Inc. and was obtained through the RFP process in 1995 for the DOMH's use in time keeping.**

Reasons why my department requires these unique features and what benefit will accrue to the county: **The provisions of the Fair Labor Standard Act (FLSA) requires employee time transition and maintenance and the Department of Mental Health (DOMH) must have the ability to maintain current licenses and obtain new licenses as the DOMH experience growth.**

Price Reasonableness: **Pricing of the Kronos consultation services have been deemed to be fair and reasonable based on the proprietary service of Kronos Inc. A government discount of up to 20% is given for the purchase of products and maintenance but not for consultation services.**

Does moving forward on this product or service further obligate the county to future similar contractual arrangements? **No.**

*for* *David J. Kelley*  
Department Head Signature

7-8-08  
Date

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

*Mark [Signature]*  
Purchasing Agent

7-8-08  
Date