



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Social Services
Department No.: 044
For Agenda Of: 4/9/2019
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Daniel Nielson, Social Services Director
Director(s) (805) 346-7101
Contact Info: Laura Mejia, Administrative Operations Manager
(805) 346-7312

SUBJECT: **First Amendment to the Agreement with eVerge Group, LLC to Implement Human Capital Management System**

County Counsel Concurrence:

As to form: Yes

Auditor-Controller Concurrence:

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to execute the First Amendment to the Agreement with eVerge Group, LLC for the implementation of an Oracle Cloud Services Human Capital Management System in the amount not to exceed \$517,471.94 for the extended period of August 22, 2017 through October 1, 2019; and
- b) Determine that the activity is not a "Project" subject to California Environmental Quality Act (CEQA) review per CEQA Guideline Section 15378(b)(5), since the activity is an organizational or administrative activity of government that will not result in direct or indirect physical changes in the environment.

Summary Text:

This item is on the agenda in order to approve the First Amendment to the Agreement with eVerge Group, LLC (eVerge) for consulting and support services for the configuration, implementation and

training of the Oracle Cloud Services Human Capital Management System (HCM). This First Amendment is to extend the term from August 22, 2017 to October 1, 2019; increase the contract amount from \$423,260.84 to a not exceed amount of \$517,471.94; and to modify the scope of work as identified during the design and configuration stages of the original agreement.

The change in the term, scope and amount is primarily due to 1) major enhancements to the HCM that required redesign and reconfiguration; 2) the level of complexity with the implementation of interfaces between the Department of Social Services' (DSS) HCM and the County ePersonality system; and 3) the level of customizations required to position the DSS with the functionality, improved efficiencies, data and tracking needed.

Background:

DSS is the largest department of the County with staffing of 748.5 Full Time Equivalent's in Fiscal Year (FY) 2018/2019 and a total salary and benefit cost of \$82.4 million. It is critical that DSS has a personnel tracking system to efficiently and effectively track all positions and employees in real time. DSS also is mandated by the California Department of Social Services to track certain data elements such as language and training requirements.

On August 22, 2017, your Board approved the contract between eVerge and the DSS for the implementation of a new HCM. This new HCM will replace the current system which is more than 15 years old, requires an unsupported Microsoft environment and is written in obsolete language. This increases the risk of the inability to upgrade and modify the software.

The HCM will provide the following needed solutions:

1. It will provide all the functionality needed to be able to report positions within the hierarchy of the organization, report on whether positions are funded or unfunded, report on the function of each position, track the home base for each position on a temporary assignment or in training, sync records to salary model, and report on reclassifications, added and deleted positions.
2. It will include all existing and additional fields needed and have the ability to report on this information for state and internal purposes.
3. It will provide electronic routing to different divisions within DSS that are required to take action on a new hire, reassignment, promotion, leave of absence, and separations and will provide a status for each action required. As actions are completed, the status changes and managers can view what is outstanding before the employee arrives in their new assignment. Divisions involved with on-boarding are Human Resources, Fiscal, Information Technologies, and Facilities.
4. It will incorporate all primary Employee Performance Record (EPR) templates and can be electronically routed to employees and supervisors for completion and stored within the HCM. It will also track the status of each EPR as it progresses through the process. This will give managers and supervisors real time information. It will also give statistics on employee ratings. All EPR's can be easily accessed from within the HCM.

5. It will provide a data visualization service that allows DSS to import data from the County’s payroll system to validate accuracy of timesheets.
6. It will allow data imports from the County’s salary model. This will streamline the process in providing tools to monitor labor costs by function.
7. It will provide a data visualization service that allows DSS to import data from any other County or DSS system and create reports to monitor labor resources.

During the implementation of the HCM, Oracle, the provider of the software products, released a new user experience. This new experience redesigned all employee and manager functions to be mobile web responsive. This major redesign resulted in the need to reconfigure and rework the HCM and the business processes. Fortunately, DSS was still in the implementation stage and made the decision that it would be more efficient to implement these new enhancements prior to implementation. This along with DSS’ desire to fully utilize the Employee Self Service and Management Self Service aspects of the HCM created more configurations that anticipated at the beginning of the project. In addition, the interfaces between the new HCM and ePersonality was more complex than anticipated. The decision is not to interface directly with the County system but rather to create a completed input document that could be reviewed and approved by County Central Human Resources (Central HR) to strengthen internal controls in processing personnel changes. While both DSS and the Central HR felt this was the optimal way to proceed, it did create another reason for the delay of the implementation from May 2018 to Spring 2019, with full acceptance of the project in the Summer/Fall of 2019. These delays and additional work resulted in both a better outcome and product.

Performance Measure:

The performance measures are outlined in the eVerge Agreement- Amended Statement of Work with payment based on the deliverables as outlined in the Payment Arrangements of the Exhibit B.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Sources	FY17-18 Cost:	FY18-19 Cost:	FY19-20 Cost:	Total Project Cost
General Fund	\$ 8,534.14	\$ 24,545.90	\$ 2,657.87	\$ 35,737.91
Federal	\$ 70,788.96	\$ 204,193.45	\$ 22,046.48	\$ 297,028.89
State	\$ 44,002.62	\$ 126,998.36	\$ 13,704.16	\$ 184,705.14
Other:				
Total	\$ 123,325.72	\$ 355,737.71	\$ 38,408.51	\$ 517,471.94

Narrative:

The funding for this project is provided through a combination of federal (56.59%), state (40.15%) and General Funds (6.9%). The funding for FY 2018/2019 has been included in the adopted budget and funding for FY 2019/2020 are included in the recommended budget.

Key Contract Risks:

The risk assessment worksheet has been completed. DSS has determined that eVerge is a medium risk vendor.

Even though eVerge is a medium risk vendor, contract risks were included with the execution of the original agreement and still exist.

Section 37 of the eVerge contract contains a limitation of liability provision. This provision caps the amount of damages the County could claim up to the amount of fees paid to eVerge. The limitation of liability provision also limits the County's remedies to direct damages. This limitation, however, does not apply to claims that pertain to eVerge's indemnification obligations; confidentiality obligations; misconduct, fraud or gross negligence; claims covered by insurance; property damage or personal injury; or failure to comply with laws.

Even though Section 37 caps the amount of damage the County could claim against the vendor, DSS along with County Risk, believes these negotiated terms provide for the least exposure to the County given the benefits of moving forward with this contract. Additionally, County Risk is in agreement that these terms are not unusual and are used in all or most of contracts in this industry.

Staffing Impacts:

Legal Positions:
None

FTEs:
None

Special Instructions:

Please scan, email and send one (1) duplicate original Agreement, and a copy of the minute order to:
DSS Contracts Unit
C/O Emma Duncan
2125 S. Centerpointe Parkway, 3rd Floor
Santa Maria, CA 93455
e.duncan@sbcsocialserv.org

Attachments:

Attachment 1 – First Amendment to eVerge for HCM

Authored by:

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Laura Mejia, Administrative Operations Manager