



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: October 1, 2019
Placement: Administrative
Estimated Time:
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: Second Amendment to the Agreement with eVerge Group, LLC to Implement Human Capital Management System

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to execute the Second Amendment to the Agreement with eVerge Group, LLC for the implementation of an Oracle Cloud Services Human Capital Management System for the extended period through February 29, 2020; 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 Second 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 Second Amendment is to extend the term to February 29, 2020.

Background:

The Department of Social Services (DSS) is the largest department of the County with staffing of 748.5 Full Time Equivalent's in Fiscal Year 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 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 (ESS) and Management Self Service (MSS) aspects of the HCM created more configurations than anticipated at the beginning of the project. The new user experience is now in place and DSS has gone live with ESS and MSS functionality.

The interfaces between the new HCM System and ePersonality was more complex than anticipated and has taken longer to complete than projected. These interfaces are dependent on more than one vendor. While development of the files between the systems has progressed, testing of these files has not resulted in the on-going results DSS expected. Additionally, the transferring of these files automatically has not been developed or implemented. DSS is extending the length of this contract, with no additional funds, in order to ensure these interfaces are completed. These delays and additional work will result in both a better outcome and product.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>FY17-18 Cost:</u>	<u>FY18-19 Cost:</u>	<u>FY19-20 Cost:</u>	<u>Total Project Cost</u>

Narrative:

There are no fiscal impacts as a result of this Amendment.

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:
0

FTEs:
0

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 Tricia Beebe, Contracts Coordinator

2125 S. Centerpointe Parkway, 3rd Floor

Santa Maria, CA 93455

t.beebe@sbcsocialserv.org

Attachments:

1. Attachment 1 – Second Amendment – eVerge – HCM

Authored by:

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Tricia Beebe, Contracts Coordinator