



COUNTY OF HUMBOLDT

For the meeting of: 3/3/2020

File #: 20-291

To: Board of Supervisors

From: Human Resources

Agenda Section: Consent

SUBJECT:

Outsourcing Payroll services to ADP®

RECOMMENDATION(S):

That the Board of Supervisors:

1. Cancel the Request for Proposal (RFP) for Time and Attendance/Payroll Services issued on February 25, 2020;
2. Grant an exemption from the requirement for a Request for Proposal set forth in section 5.3 of the County Purchasing Policy;
3. Authorize the Director of Human Resources to negotiate the terms of an agreement for Time and Attendance/Payroll services with ADP®; and
4. Authorize the Director of Human Resources to sign a Letter of Engagement with ADP® pending the Board's approval of a negotiated agreement.

SOURCE OF FUNDING:

Various funds

DISCUSSION:

On February 25th, your Board approved a Request for Proposal for Time and Attendance/Payroll Services that was designed to secure feedback from county stakeholders. Since this time, it has become apparent that conditions warrant an immediate transition from in-house payroll to third-party payroll services. Under these circumstances, we are now concerned that the RFP process will unnecessarily delay the implementation of these urgent payroll process improvements.

The decision to move forward with ADP® was made after a thorough examination of payroll software and service providers whose methodology included discovery calls, virtual meetings, and on-site demonstrations. The evaluation team was comprised of key stakeholders from critical county departments. Factors considered during evaluation included: experience with public-sector organizations, ability to service a 2300 employee organization, company reputation, experience providing payroll services, amount of disruption associated with implementation, implementation timeframe, and change management resources provided. At the conclusion of this process, the majority

concluded ADP® was the best choice because of the following:

- Extensive history providing payroll services
- Quick implementation time
- Change management resources and support
- Ability to begin work quickly
- Scope of services that can be provided
- Impact to our organization

ADP® provides a comprehensive service that can address all the county's payroll needs. In addition, ADP® can immediately begin the process of transitioning the county to their product and they have dedicated staff for training and transition support purposes. While there are other products and vendors who offer outstanding products, the county is in immediate need of a solution that can be implemented with relatively little disruption to county processes; ADP® can deliver such a product. For this reason, we ask your Board to cancel the RFP and grant an exemption to the Purchasing Policy that will allow us to quickly secure time and attendance/payroll services from ADP®.

FINANCIAL IMPACT:

ADP previously estimated an annual cost of \$359,752 with one-time implantation costs of \$146,065. It is not anticipated for these costs to increase significantly. The use of ADP will result in cost savings due to increased efficiency in our processes. These charges will be distributed to departments based on the number of full-time equivalent employees.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by fostering transparent, accessible, welcoming and user friendly services and investing in county employees.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion.

ATTACHMENTS:

N/A

PREVIOUS ACTION/REFERRAL:

Meeting of: February 25, 2020