



# COUNTY OF HUMBOLDT

For the meeting of: 5/25/2021

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File #: 21-693

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**To:** Board of Supervisors

**From:** Human Resources

**Agenda Section:** Departmental

**SUBJECT:**

Termination of Master Services Agreement (MSA) with Automatic Data Processing, Inc. (ADP)

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Direct and authorize the Human Resources Director, in consultation with and cooperation of County Counsel, to terminate the Master Services Agreement with ADP.

**SOURCE OF FUNDING:**

General fund

**DISCUSSION:**

On March 3, 2020, your Board authorized the Human Resources Director to negotiate terms and sign an agreement for Time and Attendance and Payroll services with ADP, pending Board approval of any negotiated agreement. On Sept. 29, 2020, your Board authorized the Chair to sign the Master Services Agreement (MSA) with ADP, formalizing partnership with the county.

Since March 2020, project teams on both sides have worked diligently and tirelessly to implement this important initiative. Staff have worked to analyze our current organizational processes and map them to the county's future state, populate the system with accurate and complete county data, ensure compliance with the county's many labor agreements, develop business processes to provide the framework for future state operations, and prepare the county for transition to ADP. Throughout the county's implementation effort, staff have encountered several system capability-related challenges that have required creative solutions. The project team has worked in good faith with ADP to implement recommended workarounds to these challenges, however staff have determined that the proposed workarounds, in aggregate, contribute to process inefficiencies, creating a point of concern for project staff.

A system-wide initiative of this magnitude is complex with analyses and discoveries occurring in perpetuity. As the project neared its target go live date of July 1, 2021 the project teams remained focused on system testing and ensuring a smooth transition to ADP. Through this process the project

team has identified significant limitations associated with the ADP platform that have the potential to create considerable risk for the county. These limitations are functionally related to position control, multiple pay assignments, mandated equal opportunity reporting, and the ADP system's inability to handle the county's five-digit decimal point salary configuration. These shortcomings have profound implications for agency operations and create financial risk.

The recommendation to terminate the MSA is not a reflection of relationship challenges with ADP and solely reflects staff concerns that the ADP platform is not the best solution to meet the needs of the county's complex system. With the support of the ADP Executive Sponsorship Committee, staff respectfully request your Board terminate the MSA with ADP. Once authorization has been provided to the Director of Human Resources, staff will formally request the MSA be terminated and any fees payable can be determined.

It should be noted that staff have been working to determine alternative solutions to organizational challenges outside of ADP. Collaborative efforts to identify opportunities to streamline the county's current systems and create process improvements have begun in earnest and staff will continue to work toward developing solutions that are widely supported and meet the needs of the agency.

FINANCIAL IMPACT:

As the county has not yet gone live on the ADP platform, there are no subscription fees due to ADP; however, due to the length of the engagement and significant time invested by ADP in this project, MSA language provides for some implementation fees recovered by ADP. Discussions with ADP are continuing, and staff will return to your Board with an update regarding fees due once they have been established.

STRATEGIC FRAMEWORK:

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

OTHER AGENCY INVOLVEMENT:

All departmental agencies

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board may choose not to provide this direction to the Director of Human Resources but doing so is not recommended due to the limitations of the ADP platform relative to the needs of the county.

ATTACHMENTS:

ADP Master Services Agreement  
Amendment to Master Services Agreement

PREVIOUS ACTION/REFERRAL:

Board Order No.: [Click or tap here to enter text.](#)  
Meeting of: March 3, 2020  
File No.: 20-291

