



COUNTY OF HUMBOLDT

For the meeting of: 10/26/2021

File #: 21-1589

To: Board of Supervisors

From: Human Resources

Agenda Section: Consent

SUBJECT:

Transfer from Contingencies, Supplemental Budget and Final Closeout of the Master Services Agreement with Automatic Data Processing, Inc. (ADP) (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve a Transfer from Contingencies in the amount of \$390,689 and corresponding supplemental budget for Human Resources (Budget Unit 1100 130) for the final closeout payment to ADP (4/5 vote required); and
2. Authorize the Office of County Counsel to prepare a release agreement closing the Master Services Agreement with ADP.

SOURCE OF FUNDING:

General Fund Contingencies

DISCUSSION:

On March 3, 2020, your Board authorized the Human Resources Director to sign an agreement for Time and Attendance and Payroll services with ADP. On Sept. 29, 2020, your Board authorized the Chair to sign the Master Services Agreement (MSA) with ADP, formalizing partnership with the county. As your Board is aware, the implementation schedule and “go-live” date were extended several times in the following months. Also, during this time staff identified significant limitations associated with the ADP platform that had the potential to create considerable risk considering the County’s complex payroll system and needs. As such, On May 25, 2021, your Board authorized the termination of the agreement, more than a year after it began. Due to the extensive engagement period and substantial time invested into the project by ADP, a significant amount of fees accrued under the MSA. Since termination, and in accordance with the staff report presented to your Board on May 25, 2021, staff have been in negotiations with ADP to determine the financial impact to the county and total fees payable to ADP. Staff have arrived at the final total of \$390,689 to close out the MSA. A breakdown of this total may be found in Attachment A, correspondence with counsel for ADP. The action today will transfer sufficient funds from Contingencies (Attachment B) for the

final payment and direct the Office of County Counsel to prepare a release agreement for the project closeout.

FINANCIAL IMPACT:

The total cost for the final closeout of ADP services is \$390,386. Approval of this item will reduce General Fund Contingencies by an equal amount; currently \$1,217,276 remains available in Contingencies. Expenditure appropriates related to the final closeout of ADP services were not included in the fiscal year 2021-22 budget as staff were working to negotiate the final balance and complete the closeout of services.

STRATEGIC FRAMEWORK:

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

OTHER AGENCY INVOLVEMENT:

County Counsel

ALTERNATIVES TO STAFF RECOMMENDATIONS:

There are no alternative recommendations

ATTACHMENTS:

County Counsel letter
Supplemental budget

PREVIOUS ACTION/REFERRAL:

Board Order No.: Meeting of: 3/3/20, 5/25/21
File No.: 20-291, 21-693