

**Lee County Board Of County Commissioners**  
**Agenda Item Summary**

Blue Sheet No. 20031350

**1. REQUESTED MOTION:**

**ACTION REQUESTED:**

- 1) Approve award of a contract to Kronos from State contract SC252-023-00-1 for an automated payroll timekeeping system, training, data collection devices, professional services, travel. Permission is also requested to purchase the annual maintenance for the useful life of this hardware/ software at an annual cost of approximately \$60,000.
- 2) Approve contract change order #6 to Lee County Contract No. 2299 with SchlumbergerSema under CN-02-28, Information Technology & Telecommunications for additional staffing to manage the project in the amount of \$156,000

Kronos initial cost: \$\$488,830 (\$450,185 per quote, \$10,000 travel, \$28,645 hardware)

Schlumberger initial cost - \$156,000 Project Manager – Three years additional administrator cost to be absorbed under the current Schlumberger contract.

Total first year: \$644,830 <sup>CA</sup> 3) Authorize transfer from General Fund Reserves in the amount of \$644,830 to Account #KC5132851500.503460. General Fund to be reimbursed by ITG Reserve funds after carryovers are processed.

**WHY ACTION IS NECESSARY:**

Purchases over \$50,000 must be approved by the Board

**WHAT ACTION ACCOMPLISHES:**

Provides the County with an automated payroll system which will provide efficiencies and culminate in an ROI of 10.2 months

**2. DEPARTMENTAL CATEGORY:**

COMMISSION DISTRICT #

*C6B*

**3. MEETING DATE:**

*11-25-2003*

**4. AGENDA:**

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON
- TIME REQUIRED:

**5. REQUIREMENT/**

- STATUTE
- ORDINANCE
- ADMIN.
- CODE
- OTHER

**6. REQUESTOR OF INFORMATION:**

- A. COMMISSIONER
  - B. DEPARTMENT County Administration
  - C. DIVISION County Manager  
*ITG*
- BY: Jim Desjarlais

**7. BACKGROUND:**

The current method of collecting and reporting employee time to the Clerk of Courts is a manual system and results in many errors and excessive time for both County employees and the Clerk's office. EMS, LeeTran and the Clerk's Office currently use this system and have stated that the Kronos system has saved them a lot of time and effort.

**8. MANAGEMENT RECOMMENDATIONS:**

**9. RECOMMENDED APPROVAL:**

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services				G County Manager
<i>[Signature]</i>	<i>[Signature]</i>	N/A		<i>[Signature]</i>	OA	OM	Risk	GC	<i>[Signature]</i>
					<i>11/13/03</i>	<i>11/13/03</i>	<i>11/13/03</i>	<i>11/15/03</i>	

**10. COMMISSION ACTION:**

- APPROVED
- DENIED
- DEFERRED
- OTHER

Rec. by CoAtty  
 Date: *11/13/03*  
 Time: *3:15 pm*  
 Forwarded To:  
*Co. Hickory*  
*11/13/03*

RECEIVED BY  
 COUNTY ADMIN *[Signature]*  
*11/13/03*  
 COUNTY ADMIN  
 FORWARDED TO:  
*11/13/03*  
*11-8*



# Kronos Automated Payroll System for Lee County

## October 30, 2003

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# REQUEST FOR TRANSFER OF FUNDS

**FUND NAME:** General Fund **DATE:** 11/13/03 **BATCH NO.** \_\_\_\_\_

**FISCAL YEAR:** 03-04 **FUND #:** 100 **DOC TYPE:** \_\_\_\_\_ **LEDGER TYPE:** \_\_\_\_\_

**TO:** Information Technology Data Processing  
**(DIVISION NAME)** **(PROGRAM NAME)**

KC5132800100.503460 Data Processing \$644,830

TOTAL TO: \$644,830

**FROM:** Non-Departmental Reserves  
**(DIVISION NAME)** **(PROGRAM NAME)**

GC5890100100.509910 Reserves for Contingency \$644,830

TOTAL FROM: \$644,830

EXPLANATION: Per Bluesheet #20031350

\_\_\_\_\_  
 DIVISION DIRECTOR SIGNATURE DATE

*[Signature]* 11/13/03  
 DEPARTMENT DIRECTOR SIGNATURE DATE

DBS: APPROVAL \_\_\_\_\_ DENIAL \_\_\_\_\_

\_\_\_\_\_  
 OPERATIONS ANALYST SIGNATURE DATE

APPROVAL  DENIAL \_\_\_\_\_

*[Signature]* 11/13/03  
 DBS DIRECTOR SIGNATURE DATE

CO. ADMIN.: APPROVAL \_\_\_\_\_ DENIAL \_\_\_\_\_

\_\_\_\_\_  
 CO. ADMIN. SIGNATURE DATE

BCC APPROVAL DATE \_\_\_\_\_

\_\_\_\_\_  
 BCC CHAIRMAN SIGNATURE

BA NO: \_\_\_\_\_ AUTH CODE: \_\_\_\_\_ TRANS DATE: \_\_\_\_\_

## Executive Summary – Kronos Labor Management Solutions

By implementing an automated time and payroll management solution, the county can reasonably expect a net savings of \$1.3 million dollars over the next three years<sup>1</sup>. In addition to improving efficiencies and driving down costs, employees' morale is expected to improve resulting in a more productive and satisfied workforce; primarily due to automation ensuring the fair and consistent application of pay policies and empowering employees with access to time and leave information.

### History of success within Lee County

- Lee County Public Safety has been utilizing Kronos Timekeeper Central (LAN based product) since 1998 with optimal results. This proved a catalyst as other Departments have proactively expressed a need to deploy an automated solution to manage labor as early as possible.
- Clerk's office is in its final stages of deployment of Kronos Workforce Timekeeper (proposed solution).
- In depth needs analysis and time studies have been conducted within all divisions of the county<sup>2</sup>. DOT, Public Safety, Transit, Parks and Recreation and Facilities have expressed the most urgent interest. All Departments stand to benefit greatly from automating the payroll process.

### Industry expertise and experience with government agencies

- The government sector represents the largest growing segment within Kronos. This is a direct result of this sector's trend toward process improvements that result in gained efficiencies and reduced costs. These trends are consistent nationwide.
- Kronos is an approved vendor on the Florida State Contract
- Kronos has over 425 government customers.
- In Florida alone, Workforce Timekeeper is being utilized by the following counties:

Sarasota County	St. Lucie County
Manatee County	Clay County
Orange County	Hillsborough County
Palm Beach County	City of Miami

- Following is a partial list of government Kronos customers outside of Florida:

City of Cleveland, OH	York County	Cuyahoga County, OH
City of Chicago, IL	Ohio Department of Corrections	New Jersey Department of Corrections
City of McAllen, TX	Transportation Security Administration	Colorado Social Services
City of Culver City, CA	San Diego County	Ohio Social Services
NY Transit Authority	Toronto International Airport	Texas Social Services
NJ Transit Authority	Hartford Authority	Dallas-Fort Worth Airport
NY Housing Authority		Denver International Airport

## Financial stability and future viability of Kronos

- Kronos has 25 years of industry leadership and is universally recognized as the industry leader in labor management solutions. During the last decade, the company has enhanced its competitive position by acquiring and developing related technologies that go beyond core time accounting. Today, Kronos is an international, publicly held company (NASDAQ: KRON) that is profitable, growing and stable. For Fiscal 2002, revenue was \$342 million compared to \$295 million the year before. Kronos employs 2,300 people and operates 61 offices in 6 countries.

## Scalability, functionality and technical architecture

- Workforce Timekeeper is Kronos' Web-based enterprise application designed to maximize workforce productivity while minimizing the impact on IT. This application fits well within Lee County's current IT infrastructure and is consistent with our IT strategy and County goals.
- The application is designed to deliver a user interface equipped to meet an individual user's needs. One distinct advantage of this solution is its ability to take a user's role into consideration and leverage the most appropriate method of gathering the required data. This technology, combined with the scalability and intrinsic architecture of the application, provide a strong foundation for such required flexibility. The system will enable our system administrators, "frontline" managers, employees, and HR and Payroll specialists, to easily access and use the labor management information. With these powerful tools, they will be able to proactively manage and drive down their labor costs, resulting in a more efficient workforce.

<sup>1</sup> See Appendix A – ROI Analysis

<sup>2</sup> Time study results included – See last page

## Lee County BOCC- Survey Results

### *Critical Issues, Concerns, and Goals*

As part of the Labor Management evaluation, Kronos conducted a survey of the departments within the BOCC. Some of the more critical results are recounted below.

This survey was conducted to:

1. Identify other departments within the County that had an interest in managing labor costs or who may benefit the most from the implementation of our system.
  - **Finding:** In addition to Public Safety, DOT, Transit, and Facilities, we found that Animal Services, Community Services, County Attorney, Human Services, Library, and Parks and Recreation expressed interest and have a real need to improve on the current process. As expected, these are the larger departments with the more complex pay rules. All respondents felt there would be some benefit from automation.
2. To understand the challenges faced by each department today in their effort to collect, analyze, and submit labor data to payroll and to determine how labor costs were currently being managed.
  - **Finding:** Overall findings indicate that the process is completely manual at present. Timecards and timesheets are added manually, either by a supervisor or a clerk. The clerk then reviews, makes corrections, and prepares summary sheets for payroll. These summary sheets are then delivered to payroll, either by hand or via interoffice mail, where they are manually keyed into the payroll system. Because payroll must receive the information in time to do the manual keying, departments have to provide summary sheets prior to pay period end. This results in multiple edits and corrections in the next pay period. This type of process lends itself to human error and is extremely inefficient. There is no efficient, proactive method of managing labor costs from day to day. The control of OT appears to be a concern, but visibility to OT is limited.
3. To understand where we might effect change in order to gain efficiencies and realize a positive return on investment.
  - **Finding:** Elimination of the manual process is the critical area for improvement. This eliminates the human error factor as well as redundancy of effort in the current process. Many employees can then be redeployed to other tasks. Integration to the payroll system will eliminate the need for early submission to payroll as well as manual keying of data. Reporting and workflow alerts within the application will enable proactive labor management by supervisors.
4. To ensure that the Kronos solution was the "right fit".
  - **Finding:** All supervisors and most employees currently have access to a web browser. This ensures that the Web-based application can be fully utilized in the field. There were few concerns expressed in regard to automation. The Kronos solution can meet the needs of each type of employee and help manage the time and activities they are currently tracking manually.

When asked, "What is the most urgent problem you wish to solve?" we received the following responses:

- Five respondents indicated that having to estimate hours for one, or in some cases two days, so that the timesheets could be submitted to payroll was their most urgent issue. Multiple adjustments have to be made in the subsequent pay period and this is a time consuming process.

- Five respondents indicated that both timesavings and improved accuracy were their most critical concerns.
- Other urgent areas mentioned included: automation of manual processes, standardization of processes, elimination of redundancy, need to track to activity/project codes and attendance tracking.

The survey time study results, as well as a Return on Investment analysis are found in Appendix A.

## Appendix A – Kronos ROI Payback Analysis

### Three Year Return on Investment (ROI)

System Costs	Initial Costs	Year 1	Year 2	Year 3
Kronos Software	\$ 294,515			
Kronos Professional Services	\$ 92,350	\$ 8,400	\$ 8,400	\$ 8,400
Kronos Software/Hardware Maintenance		\$ 57,570	\$ 61,748	\$ 63,600
Kronos Training	\$ 63,320			
Data Collection devices for DOT	\$ 28,645			
Kronos administrator (Schlumberger)	\$ 156,000			
Additional Server Purchase	\$ 30,000			
Travel Costs (Kronos)	\$ 10,000			
<b>Total Project Costs</b>	<b>\$ 674,830</b>	<b>\$ 65,970</b>	<b>\$ 70,148</b>	<b>\$ 72,000</b>

System Savings	Basis for ROI (see "Definitions and Assumptions" below)	Year 1	Year 2	Year 3
Human Error Rate (.5% of payroll)	#1	\$ 435,000	\$ 435,000	\$ 435,000
Payroll FTE Reduction (Clerk Data Entry)	#2	\$ 8,840	\$ 8,840	\$ 8,840
Payroll Processing Time (From Surveys)	#3	\$ 205,973	\$ 205,973	\$ 205,973
Labor Reporting (OT reduct.-.2% of payroll)	#4	\$ 174,000	\$ 174,000	\$ 174,000
Payroll Inflation (based on hourly emp.)	#5	\$ 51,415	\$ 51,415	\$ 51,415
<b>Total Savings</b>		<b>\$ 875,228</b>	<b>\$ 875,228</b>	<b>\$ 875,228</b>

currently experiencing 1.07%

See Note B on last page

See Note A on last page

	Initial Costs	Year 1	Year 2	Year 3
<b>3 Year Totals</b>				
<b>Total Yearly Costs</b>	\$ (674,830)	\$ (65,970)	\$ (70,148)	\$ (72,000)
<b>Gross Savings</b>		\$ 875,228	\$ 875,228	\$ 875,228
<b>Net Savings</b>	\$ (674,830)	\$ 809,258	\$ 805,080	\$ 803,228
<b>ROI Payback Period</b>		<b>10.2</b>	<b>months</b>	



## ***ROI Definitions and Assumptions***

### **Explanation of Costs Targeted for Reduction (Benefits)**

#### **PAYROLL ERROR RATE SAVINGS**

The human error rate for timecard calculation and adjustment ranges between 1%-8% of total payroll, as determined by the APA and independent studies of Kronos customers. In order to provide highly conservative figures in our ROI analysis, we are assuming an error rate of .5% of total payments. The current rate, per the survey, is at 1.07%.

#### **FTE SAVINGS**

Organizations typically redeploy some members of their payroll staff shortly after implementing Kronos, as data entry tasks are no longer required. This is often regarded as indirect savings, however we view it as direct savings because corporations can avoid hiring new employees, and instead redeploys existing employees. In our study the FTE savings occur within the Payroll Department (Clerk's Office). Based on two independent studies, typical FTE reductions ranged from 5%-25% of payroll staff, to 1 FTE for every 4000 employees (in Lee County's instance, 1/2 an FTE). We are defaulting to Brenda Davis's estimate of 1/2 day saving per pay period for each of her 5 clerks. We feel this is an extremely conservative estimate, as data entry will essentially be eliminated.

#### **PAYROLL PROCESSING TIME**

With this metric, we take into account the time spent in each department gathering time sheets, adding timesheets, summarizing the results for payroll, and delivering the summaries to payroll. Using survey responses from 21 departments, we were able to derive the average time spent by payroll clerks and supervisors in performing the tasks outlined above. Our ROI shows the savings that result from the elimination of this non-productive work.

#### **LABOR REPORTING**

Two independent studies of Kronos customers indicate that the reduction of unauthorized overtime can result in tremendous cost savings. Study results showed that by giving Supervisors and Managers the proper tools, they were able to make proactive decisions that reduced the amount of OT worked by their employees. The clients in these studies showed savings as high as 5%, and an average of .75% of total payroll dollars. For the purposes of this ROI, we are using a conservative .2% savings factor for overtime reduction. OT dollars within the county are budgeted at 6.8% of gross hourly payroll, so we feel this reduction is a reasonable expectation.

#### **PAYROLL INFLATION**

According to studies by the Robert Half Agency and the APA, payroll inflation (also known as Employee Time Theft) exceeds 10 minutes per day per employee. This occurs when employees arrive early, leave late, take long lunches, etc. With a manual system, it is difficult to restrict when an employee punches in/out. In many cases, an employee is able to collect overtime as a result of these "stolen" minutes. In our study, we show the result of recouping only 5 minutes per day, per hourly employee and reflect this as an indirect benefit.

## **Additional areas for cost reduction**

There are other areas where costs will be reduced. In the interest of a conservative estimate, these were not included, but will very likely provide a return. These additional costs include:

### **IMPROVED LEAVE TRACKING**

Our surveys indicated that many departments are challenged in tracking leave. Our system will improve this process from both accuracy and an efficiency standpoint.

### **IMPROVED SCHEDULING**

Scheduling is extremely time consuming for several departments. The Kronos scheduling functionality will reduce many manual aspects of the current process.

### **IMPROVED PRODUCTIVITY**

Time spent by employees completing manual time sheets is time lost. This will be automated for both hourly and exempt employees.

### **IMPROVED EFFICIENCIES**

Elimination of time spent on adjustments resulting from estimation of hours before pay period ends. Our surveys indicated that 1% of the time submitted include errors due to the time estimation. The process of researching and correcting these errors is eliminated.

### **IMPROVED COMPLIANCE**

Improved compliance with FLSA and Union agreements will be ensured and automated.

### **SAVINGS**

Supply savings in the area of paper, time cards, fax charges, and interoffice mail expense.

## **Additional information used to complete ROI**

Lee County Annual Payroll	\$87,000,000
Overtime Budget	6.8%

**Survey Results – Time Spent Per Pay Period**

Department	Employees	Hourly	Exempt	Supervisors	% checks incorrect	Hours spent per pay period					
						Adding Timesheets-Clerk	Preparing payroll summary- Clerk	Adding Timesheets-Supervisor	Preparing payroll summary-Supervisor	Delivery time	Faxing
Human Services	42	15	27	8	11.90%			0.5	1	0.5	
Transit	166	150	16	7	3.00%	1.5	8	0.75		1	
Solid Waste	33	24	9	5		0.33	0.33			0.25	
Public Resources	18	10	8	2		0.33	0.33	0.08		0.08	
Community Development	204	149	55	1	1.47%	3.5	1.5			0.25	
Animal Services	37	31	6	4		4	1	5	0.5	1.5	
Purchasing	12	1	11	1			0.25			0.25	
Library	291	220	71	35	2.70%		6	0.5			1.8
Fleet Management	27	21	6	3		0.083	0.25	0.167	0.25	0.5	
County Attorney	32	12	20	1		0.5	0.5	1	1	0.08	
Economic Development	13	4	9	1		0.083	0.5				
Internal Services- Fiscal	12	9	3	3		1		1			
Facilities Management- PW Admin	86	72	14	11		1	6	1.4	0.6		
DOT Operations	161	140	21	11	1.50%	30	8	8	1	1.5	
DOT Traffic	78	60	18	12		3	2		2	0.5	
DOT Tolls	130	122	8	16		5	15	2.5	5		
DOT Admin											
Parks and Recreation	564	485	79	35		8	11	0.5	0.5	0.33	
Facilities Management- MARS	42	36	6	5	2.00%	1	1.5	0.17	0.5		
Visitor and Convention Bureau	22	8	14	4		0.33	0.17			0.25	
Public Works Admin.	34	13	21	4		0.5	1			0.33	
<b>Averaged results</b>	<b>2004</b>	<b>1582</b>	<b>422</b>	<b>169</b>	<b>22.57%</b>	<b>60.156</b>	<b>63.33</b>	<b>21.567</b>	<b>12.35</b>	<b>7.32</b>	
					<b>1.07%</b>	<b>2.86</b>	<b>3.02</b>	<b>1.03</b>	<b>0.59</b>	<b>0.35</b>	

**Time eliminated: goes to reduction of Payroll Processing Time benefit**

Adding and Summarizing- payroll clerk	5.88 hours per pay period per payroll clerk x 21 clerks x 26 pay periods x \$17 avg. pay rate =	\$54,578.00	<b>Note A</b>
Adding and Summarizing- supervisor	1.62 hours per pay period per supervisor x 169 supervisors x 26 pay periods x \$21 avg. pay rate =	\$149,484.00	<b>Note A</b>
Delivery of Summary to payroll department	21 minutes per department per pay period x 21 departments x 26 pay periods x \$10 avg. pay rate =	\$1,911.00	<b>Note A</b>
<b>Time eliminated: goes to reduction of FTE benefit</b>			
Clerk of Courts- Payroll data entry	Currently- 5 clerks spend 24 hours each keying and balancing time sheets. A conservative savings of 4 hours per clerk: 4 hours per pay period x 5 clerks x 26 pay periods x \$17 avg. pay rate =	\$8,840.00	<b>Note B</b>

Quote For:  
Lee County- Centralized Model

4-Nov-03



**WORKFORCE TIMEKEEPER SOLUTION**

*2400 Database pricing*

Quantity	Item Description	Price	Extension	Annual Maintenance
<b>SOFTWARE</b>				
1	Workforce Central V4, 2400ee	\$ 87,480.00	\$ 87,480.00	\$ 17,100.00
1	Managers up to: 350	\$ 102,060.00	\$ 102,060.00	\$ 19,950.00
1	Workforce Employee V4, 2400	\$ 61,236.00	\$ 61,236.00	\$ 11,970.00
1	Workforce Record Manager V4, 2400ee	\$ 8,748.00	\$ 8,748.00	\$ 1,710.00
<b>INTEGRATION</b>				
1	Kronos Connect Primary Link to payroll	\$ 13,997.00	\$ 13,997.00	\$ 2,736.00
1	Kronos Connect Link backfeed payroll	\$ 6,998.00	\$ 6,998.00	\$ 1,368.00
1	Kronos Connect Link- Accruals	\$ 6,998.00	\$ 6,998.00	\$ 1,368.00
1	Kronos Connect Link additional	\$ 6,998.00	\$ 6,998.00	\$ 1,368.00
<b>TRAINING*</b>				
1	Workforce Timekeeper Training Package	\$ 63,320.00	\$ 63,320.00	\$ -
8	Workforce Pre-Implementation Workshop	\$ -	\$ -	\$ -
8	Workforce Timekeeper Daily Ops	\$ -	\$ -	\$ -
8	Workforce Timekeeper Pay Period Ops	\$ -	\$ -	\$ -
8	Workforce Timekeeper Scheduling	\$ -	\$ -	\$ -
8	Workforce Timekeeper Administration	\$ -	\$ -	\$ -
2	Workforce Timekeeper Database Overview	\$ -	\$ -	\$ -
2	Workforce Timekeeper Basic Configuration (4	\$ -	\$ -	\$ -
2	Workforce Timekeeper Advanced Config	\$ -	\$ -	\$ -
2	DCM Config and Support	\$ -	\$ -	\$ -
2	Workforce Timekeeper Record Manager Ops	\$ -	\$ -	\$ -
1	Workforce Employee Tutorial CD	\$ -	\$ -	\$ -
1	Department Manager Tutorial CD	\$ -	\$ -	\$ -
6	KVC Sessions	\$ -	\$ -	\$ -
<b>IMPLEMENTATION*</b>				
442	Professional Services Hours	\$ 175.00	\$ 77,350.00	\$ -
60	Technical Service Hours	\$ 250.00	\$ 15,000.00	\$ -
<b>GRAND TOTAL:</b>			\$ 450,185.00	\$ 57,570.00

KRONOS INCORPORATED

\* For implementation and training detail, please reference the Professional Service Work Order.

**NOTES ON THE PROPOSAL**

1. This proposal is budgetary only. It may be subject to change upon further discovery or addition of ancillary modules. It does not include shipping, cable installation, hardware, or travel expenses.
2. Customer pricing based on Florida State Contract # 252-023-00-1.
3. Software maintenance is the Kronos Silver Plan, and is covered in the Solution Overview Document.
4. This database requires the purchase of a server or servers. Kronos will provide specs after survey. All minimum requirements must be met in order for product to perform to specifications.
5. Lee County may incur travel expenses for training.

**Prepared By:**

**Tammy Ferguson-Parker**



November 4, 2003

Jim Desjarlais  
IT Manager, County Administration  
Lee County  
P.O. Box 398  
Fort Myers, FL 33902

Dear Jim,

In response to our recent meeting, SchlumbergerSema is pleased to submit this proposal for Project Management of the upcoming Kronos project implementation. This proposal is based on the understanding that the Lee County Board of County Commissioners must first approve the Kronos implementation project.

**Scope**

As part of this engagement SchlumbergerSema will act as the single point of contact for the Kronos project and will manage and coordinate the activities of the current ITG team, the Kronos project team and the Lee County department contacts to ensure a successful implementation. In managing the project it is understood that Lee County expects SchlumbergerSema to:

1. Hold project kickoff meeting
2. Manager overall project plan
3. Provide regular and timely status updates
4. Act as liaison between Lee County departments and Kronos project team when needed
5. Provide communication / escalation channels for free flow of information to project team and management
6. Hold project closeout meeting

**Professional Fees and Administration**

Professional fees for delivery of these services to Lee County for the Kronos implementation project will be priced based on a commitment by Lee County to engage SchlumbergerSema professional staff for 12 months, at a monthly rate of US \$13,000. The 12 months of professional staff utilization will be accommodated beginning January 1, 2004 and ending not later than December 31, 2004. Invoicing and payments will be performed as set forth in the Master Service Agreement between SchlumbergerSema and Lee County.

If you have any questions or need additional information, please feel free to contact me at (239) 822-0025. I appreciate the opportunity to provide you with this proposal, and am looking forward to working with you and supporting your business needs.

Sincerely,

Clint Dean  
Program Director

APPENDIX C  
FORM – CHANGE ORDER DOCUMENT  
CHANGE ORDER AUTHORIZATION

Change Order No.: 6

(A Change Order Authorization Requires Approval by the Department Director for Expenditures Under \$25,000 or Approval by the County Manager for Expenditures Between \$25,000 and \$50,000 or Approval by the Board of County Commissioners for Expenditures over \$50,000)

CONTRACT NAME: IT & TELLECOMMUNICATION OUTSOURCING SERVICES

FOR PROJECT \_\_\_\_\_ PROVIDER: SchlumbergerSema

SOLICIT NO.: CN-02-28 CONTRACT NO.: 2299 ACCOUNT NO. \_\_\_\_\_

REQUESTED BY: Jim Desjarlais, County Administration DATE OF REQUEST: November 4, 2003

Upon the completion and execution of this Change Order Authorization by both parties the Service Provider is authorized to and shall proceed with the following:

SERVICE AGREEMENT 1	MASTER SERVICES AGREEMENT	DATED: <u>N/A</u>
SERVICE AGREEMENT 2	ACCOUNT MANAGEMENT	DATED: <u>N/A</u>
SERVICE AGREEMENT 3	BUSINESS MANAGEMENT SUPPORT	DATED: <u>November 4, 2003</u>
SERVICE AGREEMENT 4	TRANSITION/MIGRATION	DATED: <u>N/A</u>
SERVICE AGREEMENT 5	DATA CENTER	DATED: <u>N/A</u>
SERVICE AGREEMENT 6	HELP DESK	DATED: <u>N/A</u>
SERVICE AGREEMENT 7	DATABASE SUPPORT/MANAGEMENT	DATED: <u>N/A</u>
SERVICE AGREEMENT 8	DISASTER RECOVERY	DATED: <u>N/A</u>
SERVICE AGREEMENT 9	APPLICATION DEVELOPMENT	DATED: <u>N/A</u>
SERVICE AGREEMENT 10	NETWORK MANAGEMENT	DATED: <u>N/A</u>
SERVICE AGREEMENT 11	TELECOM – VOICE	DATED: <u>N/A</u>
SERVICE AGREEMENT 12	TELECOMMUNICATIONS – DATA	DATED: <u>N/A</u>
SERVICE AGREEMENT 13	TRAINING	DATED: <u>N/A</u>
SERVICE AGREEMENT 14	CONSULTING SERVICES/USER	DATED: <u>N/A</u>
SERVICE AGREEMENT 15	PERSONAL COMPUTER	DATED: <u>N/A</u>
	APPLICATION MAINTENANCE	DATED: <u>N/A</u>

It is understood and agreed that the acceptance of this modification by the SERVICE PROVIDER constitutes an accord and satisfaction.

RECOMMENDED: \_\_\_\_\_ ACCEPTED \_\_\_\_\_ COUNTY APPROVAL: \_\_\_\_\_  
 By: James Desjarlais 11/12/03 By: [Signature] By: \_\_\_\_\_  
 IT Manager Date Service Provider Department Director (Under \$25,000)

By: \_\_\_\_\_ Date Accepted: 11/12/03 Date Approved: \_\_\_\_\_  
 Department Director Date

By: [Signature] 11/13/03 By: \_\_\_\_\_  
 Contracts Manager Date County Manager  
 (Between \$25,000 and \$50,000)

\*County Attorney's Office \_\_\_\_\_ Date Approved: \_\_\_\_\_  
 Date Chairman  
 Board of County Commissioners  
 (Over \$50,000)  
 Date Approved: \_\_\_\_\_

\* County Attorney approval needed for over Board level expenditures only

SERVICE ENHANCEMENT  
SUPPLEMENTAL/CHANGE ORDER SERVICES

NAME OF USER DEPARTMENT: County Administration

DATE OF REQUEST: November 4, 2003

CHANGE TO:  MASTER AGREEMENT  
 SERVICE AGREEMENT NO. 2

All terms defined in the agreement shall have the same meaning ascribed to them therein when used in this Service Enhancement. The County hereby requests that SchlumbergerSema perform the Supplement/Change Order Services described below. The parties acknowledge that any Supplemental/Change Order Services to be performed pursuant to this Service Enhancement shall be performed under the terms and conditions of the Agreement. In addition, unless otherwise set forth below, any payments to be made by County to SchlumbergerSema under this Service Enhancement shall be made pursuant to the terms and conditions of the Agreement. The amounts to be paid by County to SchlumbergerSema under this Service Enhancement shall be in addition to any other amounts which County is obligated to pay to SchlumbergerSema under the Agreement.

Description of Supplemental/Change Order: See attached Proposal

Projected Start Date for Services: January 1, 2004

Projected End Date for Services: December 31, 2004

Total amount to be paid: \$156,000