



Travis County Commissioners Court Agenda Request

Meeting Date: January 29, 2013

Prepared By/Phone Number: Lori Clyde / 854-4205

Elected/Appointed Official/Dept. Head: Cyd Grimes

Commissioners Court Sponsor: Judge Biscoe

Agenda Language: Approve Modification No. 11 to Contract No. 4400000762 (H.T.E. Contract No. PS090255LC), Labyrinth Solutions, Inc. (LSI), for BEFIT Implementation Services.

Purchasing Recommendation and Comments: Purchasing concurs with department and recommends approval of requested action. This procurement action meets the compliance requirements as outlined by the statutes.

The purpose of this modification is to remove implementation services related to online recruitment, risk management and fiscal year-end production support from the contract while adding a new set of post go-live services where the cost for the added services equal the cost for the removed services. The credit for the removed services at \$296,400 has been mutually agreed to by the vendor Labyrinth Solutions Inc., the Travis County Project Management team, and the Travis County HRMD Director.

As Travis County completed the design/blueprinting phase for SAP Human Resources and Payroll, the two proposed products for online recruitment and risk management presented challenges to meet the needs of the County. These challenges were:

Online Recruiting:

- Less integration than originally anticipated, so minimal benefit with making a change from the County's current online recruitment system, NeoGov , to SAP e-Recruiting.
- High acceptance of NeoGov County-wide with desire to keep in place.
- SAP e-Recruiting functionality lacking compared to NeoGov in many key areas. One example is the ability to take action on and track

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progress on a group of job applicants instead of working with applicants one by one. This is especially important for jobs with numerous applicants. Another example is the ability to vary the application reviewers depending on the job posting.

- Uncertainty about direction of product SAP e-Recruiting after SAP acquisition of the company SuccessFactors in early 2012. SAP put out a press release stating that “Success Factors Recruiting will be the go-forward solution. Talent management components from SAP ERP HCM will be continued with selected innovations for the next decade.” SAP e-Recruiting is part of what is called SAP ERP (Enterprise Resource Planning) HCM (Human Capital Management) talent management components in the SAP statement.

Risk Management:

- The proposed software and accompanying complex technical environment is intended for organizations with a larger volume of claims cases and not a good fit for County’s volume of risk management cases.
- Complex solution to maintain and support.
- Limited information in RFP about risk and claims management and resulting proposal is not a good fit.

The blueprint/design phase was completed for both of these functions but with different results as described below.

The resulting blueprint for online recruiting is of limited value unless Travis County decides at a later date to implement e-Recruiting, which at this time seems unlikely. Until we understand the future of SAP’s online recruiting offerings, our intent is not to implement SAP e-Recruiting but to build an interface between the current NeoGov solution and the SAP HR system with the purpose of sharing information that is common to both systems such as new hire information and open positions.

For risk management, it was recognized very early in the design phase that the proposed software for our claims volume and requirements was a bad fit, so the risk management blueprint is a detailed specification for developing a risk management solution that integrates with the HR information in our new HR system. This blueprint can be implemented using Travis County SAP developers.

The third and last set of services removed from the contract with this modification is fiscal year-end support for Phase 2 (HR and Payroll). The BEFIT team has learned that fiscal year-end in SAP for HR and Payroll does not require any extra or different activities that warrant onsite support from the vendor.

The removal of these three sets of services has the value per a negotiated agreement between LSI and Travis County of \$296,400 but instead of reducing the total value of the contract by \$296,400, the BEFIT project management team believes that it is in the best interest of Travis County to leave the total contract value intact in order to receive extended Phase 2 post go-live support as we transition from project mode to production mode with Travis County taking full ownership of the system and its support. The current contract includes one month (January) of post go-live support by LSI. With this contract modification, Travis County will have both functional and technical support beyond January from LSI. The main reasons for needing this extended support are:

- Need for new computer programming related to maintenance of work schedules. SAP requires correct work schedules, which was not the case on HTE. The work schedules are currently maintained mostly in various excel formats by each department but we need a common process and format.
- Necessary changes related to reports, personnel actions and other HR/Payroll functions will not be recognized by users until after go-live and actual usage requiring computer programming work.
- Vacancies in payroll.
- Aggressive schedule, especially after Phase 1 delay, not allowing for enough Phase 2 knowledge transfer for key technical skills. Hard to fill technical positions only recently filled or still open also adds to the need for extending the LSI time onsite.
- Travis County requested go-live delay from November to February of the vendor invoice management system OpenText resulting in the need to extend support resources for first half of February.
- Extended leave by one of the key team members.

At this time, the BEFIT project management team recommends approval of this modification. This contract modification replaces a set of services valued at \$296,400 with a different set of services at equal value resulting in no change to the project BEFIT implementation services cost. They believe that the change in implementation services represents good value

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to the County considering the limited value, high complexity and low user acceptance of the replaced services along with the County's need for extended post go-live support in order to successfully support the County's new HR and Payroll system.

➤ **Contract Expenditures:** Within the last ____ months \$0.00 has been spent against this contract/requirement.

➤ **Contract Modification Information:**

Modification Amount: No change in Contract cost.

Modification Type: Replacement of services

Modification Period: Beginning January 29, 2013

➤ **Funding Information:**

SAP Shopping Cart #: Not applicable

Funding Account(s):

Comments:

TRAVIS COUNTY
AUDITOR'S OFFICE

NICKI RILEY, CPA
COUNTY AUDITOR



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TO: Cyd Grimes, Purchasing Agent

DATE: January 22, 2013

FROM: Christina Adair, County Auditor's Office

SUBJECT: Approve Modification No. 11 to Contract No. 4400000762 (H.T.E. Contract No. PS090255LC), BEFIT Implementation Services with Labyrinth Solutions, Inc.

Purpose: The purpose of this modification is to remove implementation services related to online recruitment, risk management and fiscal year-end production support from the contract while adding a new set of post go-live services where the cost for the added services equal the cost for the removed services. The credit for the removed services at \$296,400 has been mutually agreed to by the vendor Labyrinth Solutions Inc., the Travis County Project Management team, and the Travis County HRMD Director.

Details: As Travis County completed the design or so called blueprinting phase for SAP (Systems, Applications and Products in Data Processing) Human Resources and Payroll, the two proposed products for online recruitment and risk management presented challenges to meet the needs of the County. These challenges were:

Online Recruiting using proposed product SAP e-Recruiting:

- Less integration than originally anticipated, so minimal benefit with making a change from the County's current online recruitment system, NeoGov, to SAP e-Recruiting.
- High acceptance of NeoGov County-wide with desire to keep in place.
- SAP e-Recruiting functionality lacking compared to NeoGov in many key areas. One example is the ability to take action on and track progress on a group of job applicants instead of working with applicants one by one. This is especially important for jobs with numerous applicants. Another example is the ability to vary the application reviewers depending on the job posting.
- Uncertainty about direction of product SAP e-Recruiting after SAP acquisition of the company SuccessFactors in early 2012. SAP put out a press release stating that "Success Factors Recruiting will be the go-forward solution. Talent management components from SAP ERP HCM will be continued with selected innovations for the next decade." SAP e-Recruiting is part of what is called SAP ERP (Enterprise Resource Planning) HCM (Human Capital Management) talent management components in the SAP statement.

Risk Management using proposed product SAP Claims Management:

- The proposed software and accompanying complex technical environment is intended for organizations with a larger volume of claims cases and not a good fit for County's volume of risk management cases.
- Complex solution to maintain and support.
- Limited information in RFP about risk and claims management and resulting proposal is not a good fit.

The blueprint or design phase was completed for both of these functions but with different results as described below.

The resulting blueprint for online recruiting is of limited value unless Travis County decides at a later date to implement e-Recruiting, which at this time seems unlikely. Until we understand the future of SAP's online recruiting offerings, our intent is not to implement SAP e-Recruiting but to build a connection (interface) between our NeoGov solution and the SAP HR system with the purpose of sharing information that is common to both systems such as new hire information and open positions.

For risk management, on the other hand, it was recognized very early in the design phase that the proposed software for our claims volume and requirements was a bad fit, so the risk management blueprint is a detailed specification for developing a risk management solution that integrates with the HR information in our new HR (Human Resources) system. This blueprint can, therefore, be implemented using our own Travis County SAP developers.

The third and last set of services removed from the contract with this modification is fiscal year-end support for Phase 2 (HR and Payroll). We have learned that fiscal year-end in SAP for HR and Payroll does not require any extra or different activities that warrant onsite support from the vendor LSI.

The removal of these three sets of services has the value per a negotiated agreement between the vendor LSI and Travis County of \$296,400 but instead of reducing the total value of the contract by \$296,400, the BEFIT project management team believes that it is in the best interest of Travis County to leave the total contract value intact in order to receive extended Phase 2 post go-live support as we transition from project mode to production mode with Travis County taking full ownership of the system and its support. The current contract includes one month (January) of post go-live support by LSI. With this contract modification, Travis County will have both functional and technical support beyond January from LSI. The main reasons for needing this extended support are:

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Budgetary and Fiscal Impact: the proposed contract modification replaces a set of services valued at \$296,400 with a different set of services at equal value resulting in no change to the project BEFIT implementation services cost. We believe that the change in implementation services represents good value to the County considering the limited value, high complexity and low user acceptance of the replaced services along with the County's need for extended post go-live support in order to successfully support the County's new HR and Payroll system. We, therefore, support this contract modification.

cc: Nicki Riley, County Auditor
Patti Smith, County Auditor's Office
Barbara Wilson, County Attorney's Office
Diane Poirot, HRMD
John Rabb, HRMD
Leslie Browder, PBO
William Derryberry, PBO
Lori Clyde, Purchasing Office