



## Legislation Text

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**File #:** 18-1541, **Version:** 1

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Chief Administrative Office and Human Resources Department recommending the Board:

- 1) Approve and authorize the Chief Administrative Officer to sign the attached Actuarial Services and Technology Licensing Agreement with GovInvest Inc., in the total amount of \$109,250, for a term effective upon execution and extending for five years, with annual fees of \$19,750 and a one-time implementation fee of \$10,500 to be paid up-front in order to take advantage of a price reduction;
- 2) Approve and authorize the Chief Administrative Officer to sign the attached Labor Costing Technology Licensing Agreement with AdastraGov Inc., in the total amount of \$91,250, for a term effective upon execution and extending for five years, with annual fees of \$15,750 and a one-time implementation fee of \$12,500 to be paid up-front in order to take advantage of a price reduction; and
- 3) Approve and authorize the Chair to sign a budget transfer increasing Software Licenses appropriations in the Human Resources Department by \$200,500 in order to cover the cost of the up-front payment, and decreasing the Appropriation for Contingency by \$200,500 to balance, and directing that the Appropriation for Contingency be restored with final amendment changes based on year-end fund balance available. (Est. Time: 15 Min.)

**FUNDING:** General Fund, with partial cost recovery in future years through the A-87 Cost Plan.

### **DISCUSSION / BACKGROUND**

The Chief Administrative Office and Human Resources Department have evaluated two products currently available through GovInvest and AdastraGov (two separately organized companies under the same leadership), both of which offer the ability for staff to conduct detailed financial impact analyses and modeling of various scenarios. During the consideration of this item, representatives from GovInvest/AdastraGov will provide a brief overview of each product and outline the functionality of the two systems.

These are financial analysis tools that relate to employee benefits and labor negotiations. The availability of these advanced technology tools will allow staff to conduct detailed cost analysis and future projection analyses in-house and when needed. Without these tools, this type of analysis would be either contracted-out, conducted by hand using basic spreadsheets (demanding more staff time yet yielding less detailed results), or would not be performed at all.

Both Departments recommend that the County enter into the recommended five-year license agreements for these products, allowing staff to provide additional cost and future years' impact information to the Board and public regarding impacts of CalPERS retirement plan changes, and providing additional tools for analysis of proposals through the labor negotiation processes.

### **ALTERNATIVES**

The Board may opt to approve only one of the two agreements, or neither of the two agreements. The Board may also opt to make annual fee payments on an annual basis, rather than as single up-front payments, in which case staff will work with the vendor to revise the license agreements to reflect annual payments. There will be an increase in total cost should payments be made on an annual basis.

## **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

County Counsel

## **CAO RECOMMENDATION**

It is recommended that the Board approve this item.

## **FINANCIAL IMPACT**

The total five-year cost for the Actuarial Services and Technology service is \$109,250 (annual fees of \$19,750 and a one-time implementation fee of \$10,500 to be paid up-front in order to take advantage of a price reduction).

The total five-year cost for the Labor Costing Technology service is \$91,250 (annual fees of \$15,750 and a one-time implementation fee of \$12,500 to be paid up-front in order to take advantage of a price reduction).

Without the discount for the up-front payment, the annual fees for each product will be:

Actuarial Services and Technology Annual Licensing Fee: \$22,250 (annual increase of \$2,500 - - or \$12,500 over five years).

Labor Costing Technology Annual Licensing Fee: \$21,500 (annual increase of \$5,750 - - or \$28,750 over five years).

Because these are financial analysis tools that relate to employee benefits and labor negotiations, it is recommended that the cost be added to the Human Resources Department budget. The total financial impact in FY 2018-19 will be \$200,500, and an appropriation increase of \$200,500 is needed in order to make the up-front payment. However, only each annual payment will be expensed as an actual cost in each of the five years. Future years' budgets will reflect the annual cost. Additionally, a portion of this cost will be recouped in future years from State and Federal funding sources through the A-87 Cost Plan. An amendment to restore the Appropriation for Contingency by \$200,500 will be presented for approval in November along with other amendments to the FY 2018-19 Budget.

## **CLERK OF THE BOARD FOLLOW UP ACTIONS**

None.

## **STRATEGIC PLAN COMPONENT**

Good Governance

## **CONTACT**

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