

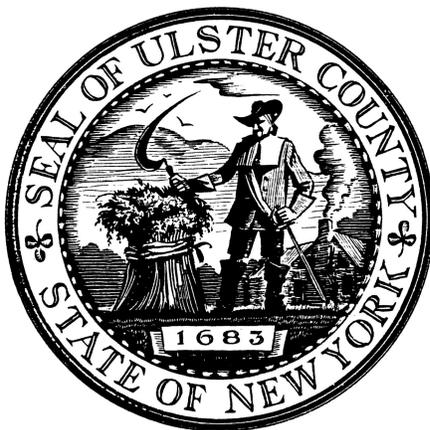
ULSTER COUNTY

TIME AND ATTENDANCE PROJECT REVIEW

**PLANNING
AND
PROCUREMENT**

2011 – 001

Issued: March 7, 2011



Elliott Auerbach – County Comptroller

The mission of the Ulster County Comptroller's Office is to serve as an independent agency of the people and to protect the public by monitoring County government and to assess and report on the degree to which its operation is economical, efficient and its financial condition sound.

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January 2011

Dear County Officials:

A fundamental responsibility of the Office of the Comptroller is to monitor county functions in order to assess the degree to which its operation is economical, efficient and/or effective. In that regard we identify areas where County departments and agencies can improve their operations and services. We seek to present those findings in a manner that will assist County officials in making needed improvements.

Project planning and procurement practices are essential to protecting public resources and reporting on governments' performance. To that end, this report should serve as a catalyst for starting a conversation on improved practices. As such this report, its findings and recommendations, is presented for use as a resource.

This report was conducted pursuant to the County Comptroller's authority as set forth in Article A9-2(A) and A9-2(G) of the Ulster County Administrative Code.

The following is a report on our review of the planning and procurement practices related to the County's Time and Attendance Project. It contains opportunities for improvement and reflection, especially as the County has recently undertaken Business Process Reviews which provide a global look at the use of technology in financial and personnel management.

If I can be of assistance to you, or if you have any questions concerning this report, please feel free to contact me.

Respectfully submitted,

Elliott Auerbach

Elliott Auerbach
Comptroller

Office of the Comptroller, Ulster County

TABLE OF CONTENTS		PAGE
AUTHORITY LETTER		2
EXECUTIVE SUMMARY		4
FINDINGS:		
	Project Planning Criteria	6
	Project Planning Practices	7
	Project Planning Findings	10
	Back-Drop Contract Criteria	11
	BDC Procurement Practice	13
	BDC Procurement Findings	15
	Hardware Purchase/Sole Source Criteria	15
	Hardware/Sole Source Practice	16
	Hardware Purchase/Sole Source Findings	18
	Software Purchase Criteria	18
	Software Purchase Practice	19
	Software Purchase Findings	19
RECOMMENDATIONS:		
	Recommendations	20
APPENDIX A	Project Specifications	21
APPENDIX B	Responses from County Executive	25
APPENDIX C	Comptroller's Comments on the Responses	68

EXECUTIVE SUMMARY

Ulster County (County) is a municipal corporation organized under New York State Municipal Home Rule Law and a locally adopted Charter and Administrative Code (Charter/Code). The Charter/Code provides the form for and structure of County government.

The County is governed by a Legislature and an Executive. The Legislature is comprised of 33 part-time legislators and in 2011 will reduce its size to 23 members. The County Executive is independently elected and is responsible for the proper administration of all County affairs.

The Ulster County Comptroller is an elected office created to provide independent oversight of County finances and functions and has the authority to audit any department, program or function of County government. It is pursuant to that authority that this review is undertaken.

Under the direction of the County Executive and within parameters set forth by the County Legislature and New York State law, County departments fulfill specific purposes while also collaborating on interdepartmental purposes of public service.

The Director of Purchasing is responsible for procuring and authorizing goods and services for County operations in accordance with the requirements for advertising and competitive bidding.

The Director of Information Services is responsible for the processing of information and data within the County and, among other responsibilities, coordinates the organization, maintenance and use of equipment capable of providing information relating to the functions of County government.

Ulster County's 2010 adopted budget contains salaries of \$97,180,676 and employee benefits of \$45,674,223. The County employs 1,854 "benefitted" individuals.

Early in 2009, at the direction of the County Executive an initiative was begun to get a time and attendance function up and running as soon as possible. Broadly stated, a time and attendance function is an automated human resource management process. This Time and Attendance Project (TAP) is the focus of this report, in particular the aspects of the project related to its planning and procurement.

At the time the TAP was initiated it was projected to cost between \$400,000 - \$600,000 inclusive of \$220,000 which was the projected cost for the TAP pilot or Phase One.

Policies and procedures on competitive bidding relative to such transactions are cited in New York State General Municipal Laws and Ulster County policies. One of the goals of competitive bidding is to foster honest competition so that quality commodities and services are obtained at the lowest possible price. Competitive bidding also guards against favoritism, extravagance, and fraud, while allowing interested vendors a fair and equal opportunity to compete.

The objectives of this review were to determine:

- If the Time and Attendance Project was adequately planned to achieve its intended results at a reasonable cost; and
- If the purchase of goods and services were in compliance with applicable laws, policies and procedures.

The scope of this review focuses on planning and procurement for the TAP from January 2009 through March 2010. It does not evaluate the effectiveness of the TAP, use of County personnel resources, or staff concerns or complaints about the implementation of the TAP pilot. On March 10, 2010, we requested from the Department of Information Services (Information Services) copies of all correspondences, e-mails, memos and meeting or file notes related to:

- The origination of the TAP, its purpose, goals and objectives;
- Any parameters for program design; and
- Interactions with the Purchasing Department (Purchasing) regarding bidding requirements, consultant requests for proposals and any other procurement matters.

On March 23, 2010 we received from Information Services extensive documentation as well as an 18-point Ulster County County-wide Time and Attendance Project Summary (see Appendix A). In addition, we reviewed County contracts and requests for proposals, NYS Office of General Services contracts and guidelines, and Ulster County procurement policies. We also interviewed the Director of Information Services, the Director of Purchasing and a Deputy County Executive as part of this review process.

This report makes the following Summary Findings:

#1 Project planning was informal and guided by a continually changing committee. No scope of work or work plan established project parameters. No cost/benefit analysis was documented. Ulster County's Time and Attendance Project was not planned in a cohesive, structured or measurable manner. As a result, competition for the best product, best price and overall value cannot be demonstrated.

#2 Goods and services purchased for the Time and Attendance Project did not conform to applicable laws and established County policies and procedures.

A. Compliance with NYS General Municipal Law competitive bidding requirements, including the terms and conditions of NYS OGS Back Drop Contract provisions, and Ulster County procurement policies and procedures did not occur.

B. Hardware for the Time and Attendance Project, including biometric time clocks, were deemed "sole source," without necessary and appropriate verification and documentation.

C. The purchase of software for the Time and Attendance Project did not comport with competitive bidding requirements, the terms and conditions of NYS OGS Back Drop Contract provisions, and Ulster County procurement policies and procedures.

PROJECT PLANNING

PROJECT PLANNING CRITERIA

New York State law and Ulster County policies govern how the County procures goods and services. Careful project and solicitation planning are integral to procurement. Whether using formal competitive bids, requests for proposals, or written and verbal quotes, a well-planned solicitation effort is necessary and appropriate.

Ulster County's Procurement Manual (8/09) sets forth the County procurement goals by stating "*The goal of Purchasing is to make the purchasing process as competitive and objective as possible, while striving to promote high standards for all business relationships*¹."

The manual further provides in-depth guidance on procurement practices. It identifies as a departmental responsibility that "*expenditures should be planned sufficiently in advance to allow Purchasing to obtain the best price and/or overall service...Care should be taken so that specifications are adequate to allow someone with little or no knowledge of the merchandise to place the order properly*²."

The New York State Office of the Comptroller in its **Local Government Management Guide "Seeking Competition in Procurement"** notes that while purchasing through a State centralized contract is encouraged, it is not required and does not guarantee a lower price and/or suitable quality item. Purchasing from a State bid provides access to the state's buying power and expertise as well as:

- Reduction or elimination of the time required to prepare bid specifications
- Enhancement and simplification of the procurement process, and
- Minimization of the time required to determine "responsibility" of bidder(s).

The State Comptroller also notes that other costs should be investigated before committing to purchasing through a State contract and that allowing sufficient time to plan for major purchases is absolutely essential.

According to the NYS Office of General Services (**OGS**) **Policy and Procedures Manual, Guidelines for Contractors**, September 2008:

*"Any projects or related work initiated under the Back-Drop Contracts must adhere to a method of procurement referred to as the mini-bid process."*³

Defining the Project's Scope of Work

*The Project Description...is the most essential component to ensure the success of a project as it describes the scope of work, responsibilities of all parties involved, and the minimum requirements that will be used in the evaluation of bids received*⁴."

¹ Section I. B. Goals.

² Section I. E. Department's Responsibilities.

³ Page 5, Introduction

⁴ Page 14, Defining the Project's Scope of Work

Effective project planning is a structured process involving individuals who will be affected by or involved with the project. Planning typically includes description and/or quantification of the status quo, identification of goals and objectives, and definition of successful outcomes. The process typically involves key individuals as a core group to provide consistency to the process and to document the results.

Accountability for managing citizen resources increasingly demands the implementation of performance measurement to ensure that programs and services are achieving their intended results.

PLANNING PRACTICES

The TAP files provided to us document the interest of the Office of the County Executive (OCE) to have a time and attendance function in service as soon as possible. The files also document that the County's Department of Information Services was designated to lead the project. Information Services specifically sought direction and clarification from the OCE regarding the expectations for the project. In a February 4, 2009 e-memo to the OCE, Information Services began the project planning process when it asked the following questions:

What are the goals of the projects – accountability, time savings, etc?
What is the scope of the project – which departments, will it be required for all members of the departments?
What are the departments' commitments to the project?
What level of identification is required – biometrics vs. card reader vs. data entry?
What is the timing of the project – do we want to RFP to see if we can get a lower cost solution vs. extending our existing system?

In the files provided to us, no response to these planning questions is documented.

In a February 2009 analysis prepared by the Department of Finance entitled "Department of Public Works Kronos Pre-Contract Data," a cost benefit analysis is discussed. It begins:

"The attached spreadsheet is submitted to provide data for an informed decision on the purchase and installation of an electronic timekeeping system in the Department of Public Works."

The report concludes:

"...once actual prices are attached to the data presented and the related charges for product maintenance, training and installation are provided, a cost benefit analysis can be prepared. At that time, it will be beneficial to review all of the options available and include all of the alternatives to Kronos in this analysis."

No such cost benefit analysis is found in the documentation. Further, in an interview with staff in the Office of the County Executive, we were informed that since a request for proposals was not required "there was no original scope of work" that guided the initiative from the beginning.

Information Services reported that they began their investigation by requesting a proposal from the time and attendance software vendor currently providing service to the County at the Golden Hill Health Care Center - M.M. Hayes/Kronos⁵.

TEXT NOTES

NYS OGS is the New York State Office of General Services which provides procurement services to State agencies and Authorized Users (such as Ulster County).

Kronos, Incorporated (Kronos) is an OGS centralized Contractor selling time and attendance software, hardware and related services

M. M. Hayes Company, Inc. (M.M. Hayes) is an NYS OGS Value-Added Reseller of Kronos, Incorporated

A **centralized contract** is “any contract for the purchase of commodities or services, established or approved by the commissioner of OGS as meeting the State’s requirements.” Agencies and Authorized Users can purchase direct from these vendors and be in compliance.

As part of the project planning in early 2009, Information Services contacted three references for Kronos, asked the same series of questions of each and recorded the responses for file documentation. The individuals interviewed used the KRONOS MUNInformation Services payroll for staffs of 4,000 and 2,000 and 300 and each provided detailed answers and noted issues worthy of consideration for Ulster County in evaluating our potential use of the system.

On 4/13/09, Purchasing confirmed that an RFP was not necessary for the service or equipment for the Kronos Timekeeper project. Later that day, Purchasing validated that consulting and training, as well as software, was included in the State contract language.

M.M. Hayes/Kronos prepared for Information Services pre-contract hardware recommendations designed to meet Ulster County’s needs. Throughout the period 4/3/09 to 10/23/09, M.M. Hayes/Kronos provided a series of estimates for implementing the TAP in specific County departments and county-wide.

In a mid-April 2009 e-correspondence Purchasing notes to Information Services that the M.M. Hayes/Kronos project costs appear to include approximately \$140,000 for application consulting, software configuration and training. Purchasing suggests that since the pricing is extremely costly and includes a significant amount of professional service costs, the County might benefit from reaching out to other vendors through an RFP process

In early June 2009, Information Services suggests to the Office of the County Executive that since the M.M. Hayes/Kronos quote came in so high, it may be useful to get a price from another vendor to see what the difference may be. OCE staff agreed.

⁵ The Kronos/M.M. Hayes contract for time and attendance software, hardware and related services is an OGS contract identified as: contract #PT62619, Group #79525, Award #NEG-19271.

As a result, Information Services explains they sent the same specifications given to M.M. Hayes/Kronos to request proposals from Empire Software Solutions (a Qqest implementer) and Stromberg.

TEXT NOTES
<p>Stromberg, a Paychex Company, provides software, hardware and services for workforce management systems. Stromberg is not an OGS IT contractor.</p> <p>Qqest Software Systems (Qqest) is a time, asset and workforce management systems designer/supplier. Qqest is not an OGS contractor.</p> <p>TimeForce is the time and attendance system developed by Qqest.</p> <p>Empire Software Solutions, LLC (ESS) is a Qqest implementer. ESS is an OGS IT Back-drop Contractor in the consulting category.</p>

The Phase One specifications list the physical locations requiring time clocks, the estimated number of time clocks needed and where in each building the time clocks were to be located. The 3-page document is an inventory of the total number of clocks needed, the number of employees that will use the clocks, and the total number of employees that will review time clock punches. (included in Appendix A).

The specifications seek prices for 989 employees. The following is a summary of the quotes received in response to the specifications provided:

M.M. Hayes/ Kronos	ESS/Qqest	Stromberg
\$259,058	\$151,270	\$150,833.25

We note that there was a single quote from Stromberg, but from both M.M.Hayes/Kronos and ESS/Qqest there were many different quotes in various iterations over many months.

The TAP Project Summary states that because ESS/Qqest’s proposal was significantly lower than the MM Hayes/Kronos proposal, the project team began a thorough investigation of the Qqest system’s ability to meet Ulster County’s needs. The above comparison demonstrates that the Stromberg quote was in actuality the lowest proposal received, yet no further investigation was documented to determine if Stromberg was the lowest responsible vendor.

In November 2009 Information Services recommended to the Office of the County Executive to *“go with ESS/Qqest,”* even though Information Services admitted that the pricing is estimated. Information Services notes that phase one prices are *“pretty close but entire county prices are rough estimates since we didn’t go to each site and talk with each department to get the number tightened up.”*

On 11/24/09 Ulster County entered into a contract with ESS for \$49,280 for Time/Attendance Phase I Implementation.

Thorough Investigation?

A review of ESS' website identifies the company's background as working with police departments and security firms for time and attendance projects. In July 2008, ESS announced its formation saying:

"The first step in the building of Empire Software Solutions will be to identify the software companies that have the products that ESS can represent to our customers..."

In July 2009, ESS announces it has an agreement to represent TimeForce Software from Qquest Software Systems. While the website provides information on other public safety related clients, no information is presented about working with counties or large municipalities that have diverse users and needs.

We found in the documentation provided to us one notation regarding reference checks performed on ESS/Qquest:

The Qquest clients we talked to were very pleased with the product. Qquest clients said customer support was very good.

Subsequent to our draft report, we received documentation of two reference checks regarding the Qquest products. One reference was a school district with 2,000 employees in Logan, Utah. The second reference was Peoria County, Illinois with 1,000 employees. The reference interviews were conducted in late September 2009 and did not follow same series of questions used for the KRONOS interviews. Based on the documentation provided regarding the reference sources it appears the purpose was more to "be able to smooth out the implementation questions and perhaps feel better about Timeforce as the vendor." The results of the interviews are consistent with the notation above.

PROJECT PLANNING FINDINGS

Information Services was assigned to head this project and sought in clear terms specific direction on the scope and nature of the project. The Office of the County Executive affirms that no project scope had guided the project from the outset.

Documentation in the files includes an unsigned, undated basis for a cost benefit analysis, entitled "Department of Public Works Kronos Pre-Contract Data," which provided valuable guidance for project planning and decision-making. Instead we found a "go" recommendation was issued to pursue the project based on estimated data.

The Purchasing Department had little direct participation in the TAP. However, the Purchasing Department inserted itself into the process and recommended the use of an RFP process due to the TAP being "extremely costly and includes a significant amount of "professional service" costs.

While the price quote obtained from Stromberg was the lowest cost, there is no documentation that Stromberg was given any consideration.

Standard criteria and requirements were not used to obtain price quotes. As a result, equitable comparison of the data could not be made. There were no objective project requirements against which to evaluate other relative values among the alternatives.

The total project cost of the TAP was reported to cost \$400,000 and therefore was subject to competitive bidding requirements.

Ulster County's stated procurement goal of making the purchasing process as competitive and objective as possible, while striving to promote high standards for all business relationships was not achieved.

BACK-DROP CONTRACTS (BDC)

BDC Criteria

TEXT NOTES

NYS OGS: New York State Office of General Services provides customer-focused contracts in accordance with governing laws.

Authorized User: Agencies or other entities, such as counties, authorized by law to participate in NYS OGS contracts.

One of the "service products" offered by the NYS Office of General Services (OGS) is the Back-Drop Contract (BDC). BDCs are different from centralized contracts in that OGS pre-qualifies vendors and it is from this list of OGS pre-qualified vendors that Authorized Users—such as Ulster County—can select vendors using a mini-bid process.

BDCs also establish standard contractual terms and conditions to be included in contracts with approved vendors, set maximum not-to-exceed prices, and satisfy many legal requirements associated with procurements.

Upon qualification and approval as a BDC, a contractor is eligible to bid, under a competitive mini-bid process, for specific projects issued by Authorized Users. In a mini-bid response vendors offer their "best and final" price at or below their BDC maximum rates. OGS expects that Authorized Users do their part to ensure that they are getting the best deal possible.

The mini-bid process requires an Authorized User to develop a project definition (the written description of the scope of work) and provide the project definition to all BDC vendors within appropriate categories. NYS OGS has over 700 Information Technology vendors in all categories on BDC.

Through this process contractors compete against other pre-qualified contractors for individual projects. Best and final pricing is submitted at the mini-bid level. Selection and Project Award are made in accordance with criteria set forth in the Project Definition by the Authorized User

The State of New York, Office of General Services (OGS) Procurement Services Group (PSG), issued RFP's and solicited vendors qualified to provide the following Information Technology Services to the State of New York and its Authorized Users:

- Consulting
- Systems Integration (SI),
- Training services
- On-Going Services, including Maintenance & Support
- Equipment Maintenance

Under the OGS BDC:

(a) Consulting Services: Vendors provide analysis, recommendations, design or programming expertise relating to information technology systems and must include a current knowledge of the technology marketplace, related information technology issues and trends, and may include the ability to:

- a) Analyze existing technological environment, including hardware, software, and live operations and transaction volumes;
- b) Design and develop new systems, add-ons or modifications to existing architectures, including single platform computer systems and distributed systems;
- c) Develop functional and/or design specifications, technical writing and documentation;
- d) Provide operating system and/or applications programming, including recommendations for the acquisition of off-the-shelf products for their integration;
- e) Install, test, audit and fully integrate programming or products in the Issuing Entity's environment.

(b) Whereas "Systems Integration Services" includes all of the responsibilities under Consulting Services in addition to the Vendor assuming principal responsibility and liability for designing, recommending, procuring, and installing and fully integrating systems into live operating environments. The SI Vendor is required to show prior, substantial experience as a Systems Integrator in order to pre-qualify under this RFP, including principal responsibility for project management and acquisition of project materials or components from third party sources.

Duties include but are not limited to the following:

- a) Analyze existing technological environment, including hardware, software, and live operations and transaction volumes;
- b) Design and develop new systems, add-ons or modifications to existing architecture, including single platform computer systems and distributed systems;
- c) Develop functional and/or design specifications, technical writing and documentation;

Office of the Comptroller, Ulster County

- d) Provide operating system and/or applications programming, including recommendations and acquisition of off-the-shelf products or integration of custom programming products;
- e) **Acquire hardware/software products and services utilizing existing state contracts in accordance with the terms of this RFP and resulting Project Definition/Specifications;**
- f) Coordinate and supervise multiple service or product providers;
- g) Install, test, audit and fully integrate a new system within the Issuing Entity's environment; and
- h) Provide cultural transitioning of Issuing Entity's workforce to the new environment, including training of Issuing Entity's employees and other end users at Issuing Entity's site as identified in the Project Definition/Specifications.

BDC PROCUREMENT PRACTICE

TEXT NOTES

Stromberg, a Paychex Company, provides software, hardware and services for workforce management systems. Stromberg is **not** an OGS IT contractor.

Qquest Software Systems (**Qquest**) is a time, asset and workforce management systems designer/supplier. Qquest is **not** an OGS contractor.

TimeForce is the time and attendance system developed by Qquest.

Empire Software Solutions, LLC (**ESS**) is a Qquest implementer. ESS is an OGS IT Back-drop Contractor in the consulting category.

Empire Software Solutions (ESS) is under contract with Ulster County to provide "certain professional services" for the Ulster County Time and Attendance Project. ESS identifies in their Statement of Work/Contract the OGS RFP number and Group number indicating the IT Back Drop Contract (BDC) and incorporates by reference all the terms and conditions of the BDC contract. Ulster County did not use the required BDC mini-bid process.

ESS further included, as an attachment to their Statement of Work/Contract, their OGS award notice which identifies them as an approved OGS Back-drop Contractor under the category "Consulting Services." The notice specifically states they are not included in categories such as "Systems Integrator." Within the Consulting category there are a variety of "Categories of Expertise."⁶

⁶ ESS is qualified by OGS as a Back Drop Contractor under the following, non-platform Categories of Expertise for Consulting Services:

- Business Process Analysis (BPA) and Business Process Re-Engineering (BPR): These services focus on identifying target processes, maximizing efficiencies, managing change and leveraging technology investments to re-engineer the enterprise business functions. These services include a complete rethinking and redesigning of the enterprise from the

Ulster County engaged Empire Software Solutions (ESS) for the Time and Attendance Project (TAP) on 12/01/09. Ulster County's standard form contract was not used and was replaced by a Statement of Work prepared by ESS, dated November 24, 2009. The contract routing sheet identifies ESS as a BDC.

The ESS Statement of Work/Contract with Ulster County states, in part:

1. "These services will be provided under the terms and conditions in NYS OGS Contract Number CMT469A⁷ under the categories of Business Process Analysis (BPA)/Business Process Re-Engineering (BPR) and Workflow Management Services."
2. "Empire will subcontract a major portion of the Services contemplated hereunder to Qquest Software Systems ("Qquest")."
3. "County has or will purchase from Qquest the TimeForce hardware and software listed in Attachment A..."
4. And it cites "RFP #S960275-E.1 (rev. 03/2010) GROUP 73012: Computer **IT Services**" which identifies the State contract terms and conditions that are "incorporated herein by reference and are fully applicable to this Agreement."

Further, the Statement of Work/Contract states: "This is considered Phase I of the planned enterprise wide implementation of Time/Attendance System at the County." In this context it identifies ESS as the Project Manager that will coordinate the tasks to be performed by Qquest, install a fully configured database and provide "go live" support.

ESS as a BDC "Consulting" vendor is pre-qualified to offer "analysis, recommendations, design or programming expertise."

In contrast, NYS OGS differentiates the "Systems Integration (SI)" type of service, under this BDC, from the "Consulting Services" by requiring an SI vendor to "show prior, substantial experience as a Systems Integrator in order to pre-qualify...including principal responsibility for project management and acquisition of project materials from third party sources." SI

business management and decision-making processes, through the supporting IT systems, to the underlying business transformation processes themselves.

- Workflow Management Services (WMS): WMS applies many of the same concepts and benefits of factory automation and industrial engineering to the process of work management in an office environment, such as: elimination of unnecessary tasks, the saving of worker and management time. WMS includes analyzing current workflow processes, planning changes and improvements to these processes, and implementing new, more efficient workflow processes.
- IT (Information Technology) Management & Planning: These services were not identified by ESS in their Statement of Work for Ulster County.

⁷ The OGS contract for BDC is Award RFP #S960275-E.1 (rev. 03/2010) GROUP 73012: Computer IT Services. CMT469A is the OGS Contractor number, not the OGS contract number.

vendors are to provide “turn-key” services and, among a host of other duties, the installation, testing, auditing and fully integrating a new system within the User’s environment.

BACK-DROP CONTRACTS (BDC) FINDINGS

Qqest obtained a public award as a result of their vendor relationship with ESS.

Qqest is **not** a State contract vendor and was not selected through an RFP process.

Empire Software Solutions LLC (ESS) is a NYS OGS Back Drop Contractor.

ESS reports it has an agreement in place with Qqest to represent their TimeForce products to State and Local Governments.⁸

Based on the documentation provided, Ulster County did not develop the required project definition and did not use the mini-bid process required to select a vendor from a State BDC for its TAP. There is no basis upon which to determine or to document that the County got the best deal possible.

Neither ESS nor the County complied with the terms and conditions of the Back-drop Contract.

In the Statement of Work/Contract, the County agreed to purchase the hardware and software for the TAP from Qqest and agreed that Qqest would perform a major portion of the services to be provided by ESS.

ESS is an OGS Consultant vendor and is not prequalified to provide to meet the responsibilities of a Systems Integrator vendor.

HARDWARE PURCHASE/SOLE SOURCE SOLE SOURCE CRITERIA

According to the Procedures Manual, Ulster County Purchasing Department 08/09, Section X, Exceptions to Procurement Laws and Policies:

1. “A good faith” effort shall be made to obtain the required number of proposals or quotations. If the Purchasing Department is unable to obtain the required number of proposals or quotations, the Purchasing Department shall document the attempt made at obtaining the proposals/quotations. In no event shall the inability to obtain the proposals or quotes be a bar to the procurement. A list of 10 exceptions follows and includes: sole source situations.

Ulster County’s prior procedures manual dated 1/07 established clear criteria for use of sole source.

⁸ July 13, 2009, press release, TimeForce to be Offered by Empire Software Solutions.

Sole Source: When there is only one possible source from which to procure goods and/or services, thus indicating there is no possibility of competition, the following will be shown:

- 1. Unique benefits of item needed:*
- 2. No other product/service can compare;*
- 3. Cost is reasonable as compared to product offered:*
- 4. There is no competition available.*

In New York State goods and services may be exempt from competitive bidding under the sole source criteria when there is no possibility of competition. Courts have further reasoned that the exception is applicable in limited circumstances where the municipal entity requires goods or services which uniquely serve the public interest for which there is no substantial equivalent and therefore, is available from only one source See, Baird v. Mayor, 96 N.Y. 567 (1884).

In addition, the NYS State Comptroller has issued numerous opinions regarding the sole source exemption from competitive bidding.

The Comptroller has opined that the mere likelihood that only one firm will bid does not constitute a sole source. See, St. Compt Opn No. 83-124. Further, the municipality is precluded from tailoring bid specifications to one bidder and creating an “artificial” sole source situation. See, St. Compt Opn No. 87-4.

In order to determine whether an item constitutes a sole source, the municipal entity should undertake an analysis which demonstrates (a) the unique benefits of the item as compare to other products available in the marketplace, no other product provides substantially the equivalent or similar benefits; (c) the cost of the benefit is reasonable in comparison to other products on the marketplace; and (d) the municipal entity document that as a matter of fact there is no possibility of competition. See, St. Compt Opn No. 88-35, GML §104-b(2)(a) Or in those instances where the municipal entity owns equipment uniquely suited or compatible with a particular make of equipment, it adopts a standardization resolution for that make of equipment and provided that the equipment is still only available from one source Id.

SOLE SOURCE PRACTICE

The procurement documentation supporting the sole source purchase of TimeForce Time Clocks from Qqest is based on:

1. a November 13, 2009 letter provided by Qqest, at the request of ESS, stating “The only time clocks that are supported with the TimeForce software are those provided by Qqest Software systems,” and
2. an e-mail from Information Services stating that they will require “support” for the product.

The sole source determination was predicated on the following inputs:

On 8/10/09 Information Services asked ESS about their procurement status, ESS replied:

“In terms of the NYS Contract:

- Software would be covered by the SHI [Software House International] NYS Contract*
- Services would be covered by the Empire Software Solutions Contract*
- Time clocks we would need to look at sole source or get three quotes...should not be too hard to do.”*

Then, on 8/12/009, ESS provided additional information:

*“Qq [Qqest] software can be purchased off the SHI NYS/OGS Contract #PT60652
“ESS project management services are on NYS/OGS contract #CMT469A
“Qq [Qqest] Biometric Time clocks are not on the NYS Contract but we will provide them at prices lower than Kronos State Contract price for equivalent equipment.”*

On 11/11/09 Qqest sent a letter to the County to provide documentation for a sole source exemption stating:

“We have developed the TimeForce system to provide a complete and accurate time and attendance solution. This solution consists of hardware (time clocks), software, implementation services and ongoing maintenance and support. The only time clocks that are supported with the TimeForce software are those provided by Qqest Software Systems.”

On 11/16/09 Purchasing asked Information Services:

“QQ [Qqest] has stated that the only time clocks supported by TimeForce is from Qq [Qqest] systems but they are not available from NYS Contract. According to the State there are comparable clocks on the market but I guess the “support” is the issue? Please provide me with a statement that would verify that Information Services would require this for the purchase of the clocks.”

Information Services responded to Purchasing:

“I received the copy of the letter from QQ [Qqest] that you faxed to me. Information Services would require QQ to support the time clocks that we purchase for the QQ [Qqest] Timeforce time and attendance system.”

The Project Summary provided by Information Services states:

“the time clocks were not on the state contract so they must either be bid or Qqest must be considered a sole source. Upon further investigation it was determined that Qqest would only support their own clocks. Information Services required support for the clocks so Qqest was deemed a sole source for the time clocks.”

HARDWARE PURCHASE/SOLE SOURCE FINDINGS

Ulster County classified the clocks as a sole source item to justify the purchase of the TimeForce clocks.

Hardware for the Time and Attendance Project, including TimeForce Clocks, were purchased without competitive bid as the purchases were deemed “sole source.”

Necessary and appropriate verification and documentation to justify a sole source exemption from procurement does not exist.

There was no project definition/specification wherein unique benefits required of the biometric clocks would evidence that only the TimeForce clocks had the ability to meet Ulster County’s needs and no other product could compare.

Qqest’s TimeForce clocks are not the only biometric clocks available for purchase, nor is Qqest the only developer of time and attendance software systems.

SOFTWARE PURCHASE PURCHASE CRITERIA

Ulster County Purchasing Guidelines, adopted by Legislative Resolution #365 on 12/16/09 in accordance with GML §103, requires that commodities, goods and equipment purchases over \$10,000 must be purchased by sealed, public bid. In the alternative, the purchases can be made from a NYS OGS contract vendor.

Ulster County purchasing guidelines allow software licenses to be negotiated. Negotiation would be necessary when the proprietor of the software grants an end-user permission to use the software in a way that would otherwise be considered a copyright infringement of the software owner’s rights under a copyright law.

In contrast, “shrink-wrap” software is the type purchased off-the-shelf and, as in this case, comes with the license.

TEXT NOTES

Software House International (SHI) has a centralized contract with NYS OGS to sell a wide variety of software products. Contract # PT60652; Group # 79518; Award # 18793

SOFTWARE PURCHASE PRACTICE

The Statement of Work/Contract between ESS and Ulster County states that the County *“has or will purchase from Qqest the Timeforce hardware and software listed in Attachment A of this SOW.”*

The TAP Project Summary provided by Information Services states:

“Information Services received a quote from SHI [Software House International] to purchase the Qqest software. SHI is essentially a clearing house for “shrink-wrap” software. The quote for the software was the same price as the price we were originally quoted from Qqest directly. Information Services decided that it would be in the County’s best interests to purchase all products from the same vendor to avoid any possibility of “finger-pointing” or shifting responsibility in the event of a problem with the software or time clocks. This is acceptable practice according to the following excerpt from the Ulster County Purchasing Guidelines...”

“Certain Professional Services may be negotiated at the discretion of the Director of Purchasing as allowed by NYS Law. Examples are; Therapists, Counselors, Psychiatrists, Doctors, Nurses, Hairdressers, Attorneys, licensing of software systems and maintenance of computers, etc. “

The software to be purchased was identified as “shrink-wrap” and ESS had informed the County that Qqest software could be purchased off the Software House International NYS/OGS Contract PT60652. ESS further stated that Qqest would meet the price of the software offered by the Vendor on state contract.

On 11/9/09 Information Services received a quote from Software House International for the TimeForce software. The quote is for \$28,685 and identifies the NYS OGS contract number.

On 11/9/09 ESS provided a quote of \$28,685 from Qqest for the same TimeForce software.

On 1/8/10 Ulster County paid Qqest for the TimeForce software with Purchase Order #164159. That purchase order included remarks: “Purchasing Through NYS Contract Vendor #PT60652.”

NYS Contract Vendor #PT60652 is Software House International, not Qqest.

SOFTWARE PURCHASE FINDINGS

Ulster County and ESS did not comply with the requirements of the Back Drop Contract or the procurement requirements of State law and County policy when they purchased the TimeForce software from Qqest.

The TimeForce software was available on State contract through SHI – Software House International. SHI quoted a price to Ulster County.

The SHI quote was used by Qqest, a firm not on State contract and not selected through sealed bidding, to match the cost of SHI.

The Statement of Work/Contract between ESS and the County states “County has or will purchase from Qqest the TimeForce hardware and software...”

Purchasing the software under the guideline of negotiating a professional service was not relevant as the purchase of the software was readily known to be a “shrink-wrap” purchase.

RECOMMENDATIONS:

1) Many government-related associations and organizations promote the use of performance measurement to provide accountability to the citizenry and facilitate decision-making regarding resource allocation and service-delivery options. The findings of this report provide examples of how the concept and promise of performance measurement would benefit Ulster County.

We recommend that the County Executive develop guidance and standards for the development and implementation of projects that require substantive investments of County resources. The process for developing performance standards should involve individuals who will be affected by or involved with the project, including citizens who are not employed by the County. Project planning should include, as appropriate, documentation of current conditions and costs, project goals and objectives, measures of successful outcome, and an organized process for implementation.

2) When taking advantage of the opportunities presented in the Back Drop Contract process, Ulster County must ensure compliance with the process requirements to ensure it achieves the purchasing goals of the County. The OGS Procurement Services Group is available to provide feedback and comments on draft specifications; clarifying procurement questions pertaining to back-drop contracts; and providing copies of guidelines and templates.

3) We recommend that the Ulster County Purchasing Department include in their “Supplier Handbook,” in the section entitled Code of Conduct, the expectation that Back-Drop Contractors comply with their obligations under the NYS OGS Procurement Services Group BDC. Further, that the Purchasing Department institute an oversight process to ensure that compliance.

4) We recommend that the Ulster County Legislature restore to the current purchasing manual, the requirements for documenting sole source legitimacy found in the 2007 version of the Ulster County Purchasing Manual.

5) We recommend the Purchasing Director enforce rigorous standards for sole source purchases and ensure the procurement record is properly documented.

6) We recommend the Purchasing Director ensure the guidelines for negotiating professional services is not misapplied by providing a detailed clarification of the guidelines for negotiating a professional service.

APPENDIX A
“PROJECT SPECS”

Physical Location	Floor #	Estimated # of Time Clocks	Ethernet Powered	Electrical Needed	Modem Needed	Location Of Time Clock
County Office Building for B&G	1	1	Yes	No	No	County Office building, First Floor, Parking lot entrance, Main Corridor, back of Vault, after second doorway on the right, when entering the building. To be placed on the right side of the hallway.
Court House for B&G	1	1	Yes	No	No	County Courthouse, Ground Floor, straight thru Magnetom, exit to the left, to be placed on the right side of defibrillator.
Family Court for B&G	1	1	No	Yes	No	Family Court, First Floor, rear entrance, straight thru entrance, in the first area entered, past reception window on the right and past reception doorway on right, to be placed to the right of doorway that leads into the hallway, next to the thermostat.
Hurley Ave - 1st Floor (Admin) for DPW	2	1	Yes	No	No	Highway Admin, Resnick Building, First Floor, rear left entrance, on the right wall, to the left of the wall heater. (electric outlet nearby)
Hurley Ave - Ground Floor (Building and Grounds)	1	0				
Quarry - dispatch for DPW	1	1	No	Yes	Yes	Quarry/dispatch, from Gas Pumps, right entrance, on wall to the right of entrance. (Need to run phone line as well, non-dedicated, will have to switch)
Mech Shop for DPW	1	1	No	Yes	No	Mechanic Shop, through, left most entrance, inside breakroom, right side of doorway, right wall, close to corner.
Development Court for DSS	1	1	Yes	No	No	Development Court, 1st time Clock - Unit "E", enter through exit 4, straight thru, to be placed under wall clock between two doorways (hallway and conference room)
Development Court for DSS	1	1	Yes	No	No	2nd time clock - Unit "B", enter exit 5, enter through magnetom, go right down hallway, at end of hallway take a left, go down hallway 6 doorways, to be placed between doorway 6 & 7 on the left wall.
Development Court for DSS	1	1	Yes	No	No	3rd time clock - Unit "D", enter exit 7, enter through magnetom, to be placed on wall straight ahead, left of reception window and left of column.
Development Court - upstairs for B&G	2	1	No	Yes	No	Unit "D", enter exit 8, go upstairs, at top of stairs, facing the stairs going down, to be placed on the left of stairs.
Flatbush Annex / Maint shop for B&G	1	1	No	Yes	Yes	Flatbush Annex/Maint Shop/BreakRoom, enter thru doorway, to be placed on the same wall as door, on the left side when entering the doorway.

4/21/10 Spec sent to Empire for Phase 1

Records Building for B&G	1	1	No	Yes	No	Records Storage Building, enter main entrance, go through both sets of doors, at the doorway to the left, to be placed to the left of the doorway, (to the right of the table)
Probation Broadway for B&G	1	1	No	Yes	Yes	Probation, enter on side of building next to parking lot shared with RNN, room 108 is on the right, go through the left doorway, to be placed on right wall, to the left of the fire extinguisher, outside and to the right of the room 107 doorway.
Mental Health for B&G	1	1	Yes	No	No	Mental Health, enter main entrance, go straight through, stop at mailboxes on right side of hallway, to be placed on the wall to the right of the mailboxes, not on the wall with the mail boxes, but inside of hallway wall so that the time clock is protected.
UCAT for B&G	1	1	No	Yes	No	UCAT, enter exit B, go past stairs, on right hand side, around the stair wall, to be placed to the left of the Fire Alarm Pull Station.
UCLEC for B&G	1	1	Yes	No	No	UCLEC, to the left of room B1066A, to the left of the buge in the wall, to be placed on the same wall and to the right of the key box.
Trudy Resnick Farber Building Ellenville for B&G	1	1	No	Yes	No	Waiting for a call back and suggestion from Jim McTague
Sojourner Truth Ulster Landing Park for B&G	1	1	No	Yes	Yes	phone line in supervisor office (also phone line garage up top)
New Paltz pool (wireless modem?) for B&G	1	1	No	Yes	Yes	Barn at end of pool, verizon wireless modem (Izzy?)
Boiceville substation for B&G	1	1	No	Yes	Yes	Has phone line and electric
Sundown substation for B&G	1	1	No	Yes	Yes	Has phone line and electric
Bridge Fabrication Shop - W. Hurley for B&G	1	1	No	Yes	Yes	Has phone line and electric
Shawangunk substation for B&G	1	1	No	Yes	Yes	Has phone line and electric
New Paltz substation for B&G	1	1	No	Yes	Yes	Has phone line and electric
Plattekill substation for B&G	1	1	No	Yes	Yes	Has phone line and electric
Quarryville substation for B&G	1	1	No	Yes	Yes	Has phone line and electric
Accord substation for B&G	1	1	No	Yes	Yes	Has phone line and electric
Ulster Heights substation for B&G	1	1	No	Yes	Yes	Has phone line and electric
Infirmiry Location 1	1	1	No	Yes	No	
Infirmiry Location 2	1	1	No	Yes	No	
Infirmiry Location 3	1	1	No	Yes	No	
Totals	31	8	23	14		

TOTALS	B&G	DPW	DSS	Infirmiry
Number of Power Over Ethernet Time Clocks	8	4	1	3
Number Time Clocks that need electric	23	18	2	0
Number of Time Clocks that need Modem	14	13	1	0
Total Number of time Clocks	31	22	3	3
				3 replacements
				3 replacements

DPW employees	172
B & G employees	80
DSS employees	326
Infirmity employees	411
Total Number of Employees	989

DPW employees that review punches	15
B & G employees that review punches	4
DSS employees that review punches	30
Infirmity employees that review punches	6
Total Number of Employees that review punches	55

APPENDIX B

Chronology and Contents

January 4, 2011 draft report sent to County Executive providing an opportunity to review and comment on the findings to ensure the facts on which we relied in preparing the findings are accurate and complete.

January 28, 2011 received response w/o documentation.

January 31, 2011 requested documentation of statements made in January 28, 2011 response.

February 9, 2011 received response from the County Attorney's office.

February 14, 2011 requested documentation of statements made in February 9, 2011 response.

February 23, 2011 received documents relative to the Executive's responses.

* * *

At the request of the Executive's staff all 64 pages of the three responses are included in their entirety with exception of the 23 pages which would have required extensive redacting for publication.

ULSTER COUNTY EXECUTIVE

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1/28/11
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ADELE B. REITER
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MARSHALL BRCKMAN
Deputy County Executive

ROBERT SUDLOW
Deputy County Executive

ARTHUR J. SMITH
Budget Director

January 28, 2011

Elliott Auerbach
Comptroller
Ulster County
244 Fair Street, 5th Floor
Kingston, NY 12401

Dear Comptroller Auerbach,

On behalf of County Executive Hein, I thank you for the opportunity to comment on the draft "Ulster County Time and Attendance Project Review-Planning and Procurement" report prior to its release. The attached pertinent information contains information relevant to your report. Many of the points in this document were discussed in March 2010, at the meeting you requested with the Director of Information Services and me in order to respond to a vendor complaint you received about the selection process. The fact is, ESS/Qquest was chosen in a professional and legal manner. At the time selected, it was the vendor expected to provide the least costly and most efficient option.

To ensure that your review is complete, I hope you will consider the pertinent information attached prior to finalizing and releasing your report. At this time, I reserve comment on the report's recommendations, as the possibility of changes exist. I would appreciate the opportunity to discuss the recommendations this with you at your earliest convenience.

Very truly yours,

Robert Sudlow
Deputy County Executive

Ulster County Website: www.ulstercountyny.gov

Office of the Comptroller, Ulster County

Pertinent information provided for the “Ulster County Time and Attendance Project Review-Planning and Procurement” draft document prepared by the Ulster County Comptroller

- ① Ulster County’s 2010 adopted budget contains salaries of \$97,180,676. The 2010 adopted budget includes 1,854 benefited positions. (7th paragraph on page 4)
- ② The core Time and Attendance Committee members remained throughout the project, with others brought in as needed. The Committee was assembled with two representatives from the County Executive’s Office, two from the Finance Department, one from the Personnel Department and three from Information Services. The only time committee members changed was when a new member filled a departing member’s job title. The committee members included:

Deputy County Executive - Beatrice Havranek, until she was replaced by Robert Sudlow when she became County Attorney and he became Deputy County Executive
Senior Management Analyst - F. Dexter Fawcett
Deputy Commissioner of Finance - Wanda F. Prowisor
Payroll Manager - Gary Schussler
Director of Personnel Department - Brenda Bartholomew
Director of Information Services Department - Sylvia Wohlfahrt
Assistant Director of Application Development - Peter Yaple, until he was replaced by Tom Stanmyer
Systems Analyst - Larry Craig, until he was replaced by Peter Yaple
(1st paragraph on page 6, 5th paragraph on page 7)

- ③ The “Scope of Work,” which has also been referred to as the Work Plan, the Plan Description and the Specifications, was created using an Excel spreadsheet, which was provided to each of the vendors when Ulster County asked them for proposals. The committee put a significant amount of time and thought into preparing this spreadsheet. It included, but was not limited to such objective and standard requirements as: the departments that would pilot the project, the buildings where employees need time clocks, and the number of employees.

Due to the committee’s diligence, the spreadsheet included objective project requirements against which the committee could evaluate the alternatives. As a result, equitable comparison of the data was possible. This document functioned as a scope of work, guided the project from the outset and was revised as needed. (1st paragraph on page 6, 4th paragraph on page 7, 3rd paragraph on page 8, 3rd paragraph on page 10, 1st paragraph on page 12, 5th paragraph on page 12)

- ④ The Time and Attendance Project was initiated by the County Executive after it was made clear during discussions with the committee members that the financial benefits achieved by cost efficiencies, the use of advanced technology and reduction of paperwork would far outweigh the cost of implementing the system. For example, standardization of payroll throughout the County and the ability to produce management reports are incredibly beneficial. In addition, use of this system would increase transparency and accountability of the County’s workforce to the citizens of Ulster County, producing a great benefit for the County.

This system relies on a fingerprint scan, a cost effective and highly accountable technology available to reduce cost in the long term. Currently each department has at least one person

responsible for payroll. The larger departments have more than one person assigned to this task. When the Time and Attendance system is fully operational, it is expected that substantially less staff time will be needed for these functions and therefore less employees with salaries and fringe benefits dedicated to payroll processing. In addition, a long-term strategy considered as a benefit to this system could be the centralization of payroll for the entire County, again creating potentially significant personnel savings.

It should be noted that the Time and Attendance Committee's decision to pilot this project at DSS was strategic. They could have chosen to start with the Personnel Department or another "easy" department. By implementing this at DSS, which because of sheer numbers and complexity has one of the most challenging workforce schedules in the County, they will be able to address most of the County's needs before rolling out the program to the entire county workforce. (1st paragraph on page 6, 2nd paragraph on page 8)

To date, Ulster County has spent approximately \$227,000 purchasing the Time and Attendance System. Only about \$36,400 is attributable to DSS alone. The bulk of the costs incurred to date will benefit the entire workforce. When all departments have been brought online, the cost is expected to be approximately \$355,000 (with reoccurring yearly costs of about \$16,000.)

The expected benefits clearly outweigh these costs. When this system is completely functional, it is expected that considerably less staff time will be needed for payroll functions. Assume that hypothetically, one administrative assistant earns \$50,000 a year and receives approximately \$21,250 in benefits. This hypothetical assistant's gross cost is \$71,250, meaning that the County would spend at least \$71,250 less on payroll expenses each year that just one less person is needed to perform payroll functions. When this number is multiplied, the savings will be impressive.

And while it is impossible to quantify the benefits added by standardization, the availability of employee time reports, enhanced employee accountability and an accurate and transparent payroll, it is clear that over all, the benefits outweigh the costs, making this a more than worthwhile project. (3rd paragraph on page 8)

- (5) Ulster County's Time and Attendance Project was planned in a cohesive, structured and measurable manner. This was done to ensure that at the end of the program, the committee would be able to measure the outcome and determine whether Ulster County achieved the intended results. As mentioned above, the committee put a significant amount of time and thought into preparing the spreadsheet, which was used as a scope of work. Due to this effort, the vendors' proposals were measured each to a consistent guideline. (1st paragraph on page 6, 5th paragraph on page 7) Therefore, while NYS back-drop contracts for less than \$50,000 do not require this process, it is clear that the County pursued due diligence.
- (6) Competition for the best product, best price and overall value was demonstrated. Members of the committee performed a comprehensive evaluation of competing products. The process of procuring the services, software and hardware for this project took place over a period of nearly a year. Committee members interviewed staff at Golden Hill, which uses Kronos, about their experiences with time/attendance products. Although they spent significant time investigating Kronos and interviewing its references, Kronos would not offer anywhere near

the best price. Therefore, because Kronos could not provide the best overall value, the committee broadened its search.

ESS/Qquest offered the lowest price. Staff on this committee continued their thorough investigation by checking references and gathering additional information from those references, as is generally done. They convened conference calls and had email exchanges with staff of Peoria County in Illinois (which has 1,100 employees and 185,000 residents) and the Cache County School District in Utah (which uses MUNIS-the payroll system currently used by Ulster County) in an effort to ensure that Ulster County was purchasing the best product at the best price for this project. (page 11)

At the time the committee began to investigate ESS/Qquest in greater depth, ESS/Qquest was the lowest of the three quotes by a significant amount. (See #8 below.) By the time committee members had finished their thorough investigation of ESS/Qquest, they were confident that the software would meet the County's needs. At this point, it appeared that the cost of the ESS/Qquest product was within a few hundred dollars of the Stromberg product. However, it did not make sense to the committee members to choose Stromberg, which was not on the State bid.

In addition, the buying staff of the Purchasing Department frequently "spot checks" items on the NYS bid and compares them to Ulster County's solicitations, so that the Purchasing Department staff has an excellent idea about which commodities and services Ulster County can get a better price on with our own bidding. According to the Director of Purchasing, Ulster County often bids or issues an RFP for medical supplies, food products and services and paper good items because the County can do better on its own than with the State bid. However, historically, the State bid has offered the best prices on certain software and IT service purchases, as economies of scale are created by most of the municipalities in NYS using those bids. (1st paragraph on page 6, page 11)

Lastly, the draft report states: "In early June 2009, Information Services suggests to the Office of the County Executive that since the M.M. Hayes/Kronos quote came in so high, it may be useful to get a price from another vendor to see what that difference may be. OCE staff agreed. As a result, Information Services explains they sent the same specifications given to M.M. Hayes/Kronos to request proposals from Empire Software Solutions (a Qquest implementer) and Stromberg." This shows that competition for the best product, best price and overall value was demonstrated. (1st paragraph on page 10, 7th paragraph on page 12) This purchasing process was both competitive and objective. (6th paragraph on page 12)

7

Goods and services purchased for the Time and Attendance Project conformed to applicable laws and established County policies and procedures.¹

Consulting Services - The County was not required to use the mini-bid process or an RFP, since it was determined by the committee that the project's needs would be best met by a back-

¹ In the *Policy & Procedures Manual Guidelines for Contractors* document referred to in your draft report, the county is considered to be part of the "Authorized User Population." Pages 9-11 of this report include the methods authorized users can use for procurement, including discretionary purchasing.

drop vendor. (2nd paragraph on page 2, 6th paragraph on page 12, 1st paragraph on page 15) Pursuant to NYS policies and procedures on back-drop contracts, discretionary purchases are acceptable with contracts of less than \$50,000 or contracts of less than \$100,000 with a Small Business Enterprise (SBE). The County acted properly by following the discretionary purchases guidelines because the contract with ESS was for less than \$50,000. Also, ESS is a SBE, so even if the contract had been for a larger sum, the County was still allowed to buy direct from ESS.

While the Director of Purchasing may have suggested at one point that an RFP be used, she was later part of the group that decided collectively that it was in the best interests of the county to utilize an existing agreement through NYS. (5th paragraph on page 9) The Purchasing Department would have facilitated an evaluation committee if an RFP had been necessary. (1st paragraph on page 6, 4th paragraph on page 7)

Software - Also as allowed by NYS and under County policies and procedures, Ulster County used prices found on the State bid to best negotiate for the software needed for this project. Once the committee was confident the Qqest software marketed as "TimeForce" could fulfill the County's requirements, they researched it and found that the product was available under a NYS Procurement contract with Software House International (now known as SHI International). While the County could have purchased this product under the NYS contract in order to obtain the beneficial pricing, Qqest agreed to provide the product directly to the County at the same low price. Therefore, Ulster County was able to purchase the best product at the best price, and neither NYS law nor County policies were compromised. "NYS or less" is common with municipalities. (6th paragraph on page 12)

Hardware - Information Services required time clocks that would be supported by the software supplier. It was critical that in the event of a functional problem, the County did not find itself in the middle of a dispute between the hardware and software vendors. Qqest advised the County that they would only provide support for their own time clocks. As a result, the purchase met criteria of the sole source exception to competitive bidding (i.e., uniquely serving the public interest and with no substantial equivalent). Time clocks purchased from any other manufacturer would not be supported by Qqest and would put the County at risk of unnecessary delays, and would leave open the possibility of problems that were difficult and/or expensive to resolve.

Also please note, the initial hardware purchase amounted to \$8,950 and was below the \$10,000 threshold that would have triggered NYS's competitive bidding requirement.

For the Time and Attendance Project, the software and hardware were obtained with a Purchase Order, not under a contract. Furthermore, a Request for Proposal was not used in this project. While the contract with ESS does include a statement pertaining to the purchase of the hardware and software from Qqest, the contract was superfluous to the purchase. (Last paragraph on page 5, 4th paragraph on page 21) In addition, while the 1/8/10 Purchase Order did include the statement, "Purchasing Through NYS Contract Vendor # PT60652," it more

accurately should have read, "Purchasing At Price Equivalent Of NYS Contract Vendor # PT60652" because Qquest sold the products directly to Ulster County at the price equivalent of SHI. As stated above, "NYS or less" is common with municipalities. (paragraph 4 on page 22)

- During the course of the committee's planning meetings, answers to all of the questions posed in Information Services' February 4, 2009 e-memo were answered verbally. In fact, the answers to those questions were incorporated into the scope of work spreadsheet provided to the vendors. (1st paragraph on page 8) In addition, it should be noted that the committee had numerous meetings and members spoke to each other frequently about this project.

8

- The initial quotes received from the three vendors were:

9

M.M. Hayes/Knonos - \$259,058
ESS/Qquest - \$99, 920 (not \$151,270 in chart on page 10)
Stromberg - \$150,833.25

Therefore, ESS/Qquest had the lowest bid, not Stromberg. In addition, Stromberg was not on the State bid, so choosing a company with a proposal that was approximately \$50,000 more than the lowest proposal, would have also added months to the process. (4th and 5th paragraphs on page 10, 4th paragraph on page 12)

- ESS and the County complied with the terms and conditions of the back-drop contract because ESS only provided the services it was authorized by NYS to perform. ESS subcontracted out to Qquest, the software manufacturer, all services that it was not authorized to perform.² (Page 17)

10

Correspondence/comptroller time and attendance 1 28 11

² Please see the *Policy & Procedures Manual Guidelines for Contractors*, page 17. As the County's contract with ESS did not prohibit sub-contractors, "...a Contractor can supplement its staff with sub-contractors when bidding on projects."

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February 9, 2011

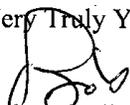
Dear Comptroller ^{Ellic}Auerbach:

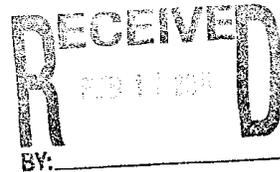
We are in receipt of your response to the draft of "Ulster County Time and Attendance Project Reviews – Planning and Procurement" provided by the County Executive's Office.

Attached please find a letter from the County Attorney, which will address many of the issues you raised. In order to further clarify the exact documentation that you require, I believe it is in everyone's best interest to set up a meeting next week to discuss each point included in the Executive's response to your office.

Our key contributors for the proposed meeting will be Sylvia Wolfahrt, Robin Peruso, Suzi Plonski, Dexter Fawcett, Suzanne, Holt and myself.

Very Truly Yours,


Robert Sudlow
Deputy County Executive



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Office of the Comptroller, Ulster County

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MEMORANDUM

TO: Hon. Michael P. Hein
Ulster County Executive

FROM: Susan K. Plonski, Esq. 
Assistant County Attorney/Contract Manager

DATE: February 10, 2011

RE: Opinion – Procurement of pilot time and attendance hardware,
software and implementation.

You have asked for a review and opinion regarding adherence to New York State law and County procurement policies as related to the process of procuring time and attendance software, hardware and implementation for a pilot time and attendance project.

ISSUE

With reference to procurement of the time and attendance software, hardware, and implementation, did the County follow applicable New York State law and/or its own procurement policies and procedures?

PRELIMINARY INFORMATION

The Ulster County Comptroller has undertaken a review to determine (1) “[i]f the [County’s] Time and Attendance Project was adequately planned to achieve its intended results at a reasonable cost, and (2) if the purchase of goods and services were [sic] in compliance with applicable laws, policies and procedures.” A copy of the review, dated January 4, 2011, is attached.

The following summarizes the findings resulting from the Comptroller's "Time and Attendance Project Review" (hereinafter, the "Review"):

"#1 Project planning was informal and guided by a continually changing committee. No scope of work or work plan established project parameters. No cost/benefit analysis was documented. Ulster County's Time and Attendance Project was not planned in a cohesive, structured or measurable manner. As a result, competition for the best product, best price and overall value cannot be demonstrated.

#2 Goods and services purchased for the Time and Attendance Project did not conform to applicable laws and established County policies and procedures:

- A. Compliance with NYS General Municipal Law competitive bidding requirements, including the terms and conditions of NYS OGS Back Drop Contract provisions, and Ulster County procurement policies and procedures did not occur.
- B. Hardware for the Time and Attendance Project, including biometric time clocks, were deemed "sole source" without necessary and appropriate verification and documentation.
- C. The purchase of software for the Time and Attendance Project did not comport with competitive bidding requirements, the terms and conditions of NYS OGS Back Drop Contract provisions, and Ulster County procurement policies and procedures."

The Comptroller's Review document goes on for approximately twenty pages, to explain how he arrived at the above findings, and concludes with a list of recommendations for the County Executive. The scope of the review is limited to planning and procurement. In describing the methodology used, the Comptroller references a review of "County contracts" (only one contract is associated with this project), "requests for proposals" (none were required or let for this project), OGS contracts and guidelines (some applicable to the County, some not), Ulster County procurement policies, and interviews with three individuals from selected County offices (although many more individuals and departments were key to the planning and selection process).

LEGAL ANALYSIS

A

Project Planning

With respect to planning related to this Project, the Comptroller claims that the planning was "informal and guided by a continually changing committee."

The core group with key responsibility for planning in this instance included representatives from the County Executive's Office, and the Departments of Finance, Personnel, Social Services, Golden Hill Health Care Center, Public Works, and Information Services. There was only one change to this core group during the process,

which occurred when Information Services' Larry Craig was reassigned, and Tom Stanmyer took his place. All necessary information was shared between these two individuals and Larry remained available for any questions or concerns that may have arose. Such a minor change in committee members is not fatal to a planning effort. Government employees come and go, move up, and retire. Such change is unavoidable, and our government is well equipped to manage it, as was done in this case.

The Comptroller states that "no project scope guided the project from the outset."

This statement is simply untrue. The scope of the project initially included consideration of a County-wide time and attendance program. In order to make the best use of available County resources, it was determined that a pilot program was in the County's best interest. Between February and August of 2009 the committee met repeatedly with representatives from MM Hayes ("Hayes") in relation to the project in an effort to first, determine whether the KRONOS software, marketed by Hayes and in use at Golden Hill Health Care Center, would serve the County's needs and later, in repeated efforts to negotiate pricing that would work with the County's resources. The KRONOS software demonstration did not meet County expectations and in addition, Hayes was either unwilling or unable to arrive at pricing acceptable to the County. As a result, in August 2009, the core committee met with Mike McGuire of Empire Software Solutions (ESS). ESS represented Qqest/Timeforce software, a time and attendance product in competition with KRONOS. ESS completed the same detailed scope of work questionnaire that Hayes had completed earlier, and provided a lower price. The ESS/Qqest demonstration was impressive and the committee determined Qqest to be the best product at the best price. The project could move forward without delay as ESS could provide services under an OGS Back-Drop Contract, and Qqest software was available under NYS OGS Procurement Services Group contract PT60652.

In this same time frame, the County obtained yet another price from a vendor named "Stromberg." The Stromberg pricing was higher than that provided by ESS and in addition, Stromberg was not available under any State contract. For these reasons, Stromberg was given no further consideration.

All three vendors were provided with the same framework for the project in the form of a spreadsheet detailing the number of employees, building locations and number of time clocks required. Price comparisons along with product demonstrations, references from other users, and substantial interaction with the vendors provided the County with the information it needed to obtain the best product at the best price.

B

Back-Drop Contracts

The Comptroller references the September 2008 version of New York State's OGS "Policy and Procedures Manual, Guidelines for Contractors" and states that "projects or related work initiated under the Back Drop Contracts must adhere to a method of procurement referred to as the mini-bid process." This quoted language appears in the

“Introduction” section of the document, which is directed at the “Contractor.” The Contractor is the entity contracting with NYS to provide the services. The County is not a “Contractor,” but rather, an “Authorized User,” an entity authorized to procure IT services using the Back Drop Contracts (BDC).¹ Relying on this manual, which again is directed at Contractors, the Comptroller states that the mini-bid process is mandatory and that Authorized Users are required to “provide the project definition to all BDC vendors within appropriate categories.” This information, too, is incorrect.

There are four options available for Authorized Users to purchase under BDCs. The “mini-bid” is only one such option. According to OGS, while New York State Agencies are required to use the mini-bid process, “Local Government and Other Authorized Users . . . may initiate the mini-bid process at any time, **should they choose to use it.**”² The County did not use, nor was the County required to use the mini-bid process.

Importantly, another option available to Authorized Users is the “Discretionary Purchases” option. Under this option, if the purchase is for less than \$50,000 (the County’s ultimate purchase from Empire Software Solutions (ESS) was \$49,280), the Authorized User is required only to solicit one bid and in fact, if the chosen Contractor is a Small Business Enterprise (SBE), an Authorized User can purchase directly from that Contractor for purchases up to \$100,000. ESS qualifies as a SBE. The County was in full compliance with the OGS BDC process in relation to its contract with ESS, as it made this agreement pursuant to the “Discretionary Purchases” option available to it under this BDC.³

The Comptroller also appears concerned that ESS did not comply with the terms of its contract with New York State. ESS is authorized, under the State contract, to provide consulting services specifically as they are identified in ESS’ contract with the County. Although ultimately responsible for the remaining services required by the contract, ESS subcontracted those services to the manufacturer of the software. Contractors that participate in OGS BDCs are not prohibited from supplementing their staff with sub-contractors when they bid on projects.⁴ ESS complied with the terms of its contract with New York State.

C

Software Purchase

Once the committee was confident that the Qquest software marketed as “TimeForce” could fulfill the County’s requirements, it was decided that this was the product the County would use for its pilot time and attendance project. The product was available under a NYS Procurement contract (this is NOT a BDC and the guidelines for BDCs are not applicable) with Software House International (now known as SHI International).

¹ Policy & Procedures Manual – Guidelines for Contractors, Rev. September 2008, *Authorized User Population*, pg. 8.

² New York State Office of General Services – Procurement Services Group, “Mini-Bid Guidelines for Procurement of IT Services: For Agencies and Other Authorized Users of New York State Contracts,” Revised 08/2008, *Local Government and Other Authorized Users*, pg. 5 (emphasis added).

³ Policy & Procedures Manual, *supra*, pgs. 9-10.

⁴ Policy & Procedures Manual, *supra*, pg. 17.

The purpose of NYS Procurement type contracts is to “provide authorized users a contractual vehicle to quickly and easily obtain needed software from major software distributors.”⁵ The distributors are held to certain terms, conditions and pricing parameters. While the County could have purchased this product under the NYS contract in order to obtain the beneficial pricing, Qquest agreed to provide the product directly to the County at the same low price. The software purchase totaled \$20,250. Software licensing is a negotiated item pursuant to the County’s procurement guidelines. Neither State law nor County policies were compromised.

D

Hardware Purchase

Because the total amount of this initial hardware purchase (\$8,950) did not exceed the then \$10,000 threshold⁶ that may have triggered mandatory competitive bidding, there was no need to provide a reason why this hardware purchase was not subject to sealed competitive bidding under NYS law.

Notwithstanding the foregoing and with respect to the County’s procurement requirements, it was originally planned to obtain quotes for the required time clocks. Qquest, however, advised the County that it would not provide support for other than its own hardware products (see attached letter from vendor to Director of Purchasing). Information Services determined that Qquest’s support for the units was critical, as the County did not want to be in a situation where the hardware and software vendors were placing responsibility on each other for some functional failure. By having Qquest supply both the software and the hardware, there would be no question as to who would be responsible to resolve any operational shortcomings. Based upon this information provided by Information Services, the Director of Purchasing, the County official with ultimate discretion in relation to this purchase, agreed that it was in the County’s best interest to obtain the hardware from Qquest. No State law or County policy was compromised.

E

CONCLUSION

The County’s Purchasing Department routinely “spot checks” NYS contracts pricing for goods and services and compares them to the County’s own solicitations. The Director and her staff have an excellent idea of which commodities and services are better priced using the County’s own bidding process. Such items as medical supplies, food products and services, and paper goods are usually bid using the County process. Certain software and IT services are more competitively priced on the OGS contracts and most municipalities in New York use these agreements to procure both IT services and the relevant software and hardware, if any.

⁵ How NYS Contracts for Software; NYS Office of General Services – Procurement Services Group, Updated August, 2010, avail. at www.ogs.state.ny.us/purchase/biddocument/SoftwarePlan.pdf

⁶ This threshold was increased to \$20,000 effective June 22, 2010 through June 30, 2013 pursuant to NYS General Municipal Law, Section 103.

The County's Procurement Manual (page 14) states that "an RFP is to be used as a procurement vehicle when the end-user does not have a pre-defined product specification or service requirement, but rather a set of outcomes or deliverables needed to meet the project objective(s)." The Information Services Department indeed had the specifics regarding this project, including the number of buildings, number of time clocks, number of employees, and the various personnel schedules and payroll needs. The committee made the decision to utilize a vendor pre-qualified by and through New York State. There was no need or requirement for a Request for Proposal and the associated evaluation of submitted proposals. The County already knew its procurement needs; the Committee conducted the necessary review and price comparison of two vendors already under State contract, and made what it and the Director of Purchasing determined to be a choice that was in the best interest of the County.

The process of procuring the services, software and hardware for the pilot time and attendance project took place over a period of nearly a year and each decision was painstakingly analyzed and reviewed by a committee made up of those with the knowledge of what data was required (Finance, Payroll, Personnel), what functional components would be necessary (Public Works, Social Services, Golden Hill Health Care Center), and what technical attributes would work with the County's existing technology (Information Services). Although provided with pricing from three vendors, two of which had been vetted by the State, the County's goal of expediting the commencement of the project and doing so at the best price resulted in elimination of the third vendor. Working with either of the two remaining vendors would facilitate the contracting and purchasing processes due to their existing relationships with the State of New York. Based on extensive questioning, exhaustive meetings, product demonstrations, comparison and negotiation of prices (based on quotes for identical services and products, Hayes was approximately \$100,000 more than ESS), and discretionary determinations allowed to our Purchasing Department, the pilot project was undertaken with the successful consultant (ESS) and the most effective and reasonably priced software and hardware (Qquest/TimeForce).

The contract with ESS was processed in the usual manner and was approved, as indicated on the routing slip, on all levels, including the Ulster County Comptroller's office. There was no violation of NYS law, no disregard of the County's procurement policies or procedures, and no failure to secure the best products and services at the best price or to protect the taxpayers of Ulster County. Thus, with reference to procurement of the time and attendance software, hardware, and implementation, the County did follow applicable New York State law and/or its own procurement policies and procedures.

cc: Beatrice Havranek, County Attorney
Robert Sudlow, Deputy County Executive

2010 1:25PM

No. 4255 P. 2



November 11, 2009

Ms. Robin Peruso
Ulster County
310 Flatbush Avenue
Kingston, NY 12401

RECEIVED
NOV 13 2009
U.C. PURCHASING

Dear Ms. Peruso,

Qquest Software Systems is a world leader in time, asset, and workforce management systems. We have developed the TimeForce system to provide a complete and accurate time and attendance solution. This solution consists of hardware (time clocks), software, implementation services and ongoing maintenance and support.

The only time clocks that are supported with the TimeForce software are those provided by Qquest Software Systems. Please let me know if you have any questions and thank you for considering Qquest Software Systems for your organizational needs.

Sincerely,

A handwritten signature in black ink that reads 'Richard J. Metcalf'.

Richard Metcalf
Director of Operations
Strategic Alliance Division
Qquest Software Systems
T: 800-733-8839
F: 801-281-9545
rmetcalf@qquest.com

9350 South 150 East, Suite 300 • Sandy, UT 84070 • www.qquesttime.com
1.800.733.8839 • Local 1.801.262.1611 • Fax 1.801.281.9545

Office of the Comptroller, Ulster County

APPENDIX B – continued

Documents received February 23, 2011

Salaries & Benefited Positions

BUDGETED POSITIONS

<u>Year</u>	<u>Full-Time Positions</u>	<u>PT Benefited Positions</u>	<u>Total Benefited Positions</u>	<u>Change</u>
2011	1,679	106	1,785	(69)
2010**	1,751	103	1,854	(86)
2009	1,830	110	1,940	(7)
2008	1,846	101	1,947	-

NOTES:

** 2010 Budget Included 8 Full-Time Positions that were eliminated prior to 7/1/2010, these positions are included in the full-time position numbers above.

- Since 2008, 162 benefitted positions have been removed from the Ulster County budget. This represents an 8.3% reduction in the County workforce.

SOURCE:

- Based on Department of Finance analysis of Adopted Personnel Listing

MAAD591

ULSTER COUNTY
Multiple Account Budget Maintenance

2/16/11
16:36:45

Budget year : 2010
Budget level code . . . : 2600 2010 Adopted Budget (Copy)
Budgeted revenue amount : .00 ** Press F20 to **
Budgeted expense amount : 97180676.00 ** Recalculate Totals **

Position to

Account	Amount (No Decimals)
AAAA-1010-1001-411-1005-192	343500
AAAA-1010-1001-411-1711-192	4223
AAAA-1010-1001-411-1807-192	336598
AAAA-1040-1006-411-1005-192	
AAAA-1040-1006-411-1711-192	
AAAA-1040-1006-411-1715-192	
AAAA-1040-1006-411-1716-192	
AAAA-1040-1006-411-1717-192	28841
AAAA-1040-1006-411-1807-192	
AAAA-1040-1007-411-1005-192	

More...

F3=Exit F6=Non multiple F8=Print F9=Justification F10=Next F11=Additional
F12=Cancel F13=Alternate view F15=Select view F17=Subset F20=Totals

AA0591

ULSTER COUNTY

2/16/11
16:37:11

Multiple Account Budget Maintenance

Budget year : 2010
 Budget level code . . . : 2600 2010 Adopted Budget (Copy)
 Budgeted revenue amount : .00 ** Press F20 to **
 Budgeted expense amount : 97180676.00 ** Recalculate Totals **

Position to

Amount (No Decimals)

Account
 SSSS-1710-1332-411-1716-192
 SSSS-1710-1332-411-1807-192
 SSSS-1710-1332-411-1901-192

 13222

F3=Exit F6=Non multiple F8=Print F9=Justification F10=Next F11=Additional Bottom
 F12=Cancel F13=Alternate view F15=Select view F17=Subset F20=Totals

The attached meeting notice contains the core team (Bob Sudlow is not included as Bea Havranek had the job) and Larry Craig was representing IS along with Sylvia.

Calendar Entry
Meeting

Notify me

Subject	Time and Attendance
When	<p>Starts Tue 02/10/2009 10:00 AM</p> <p>Ends Tue 02/10/2009 11:30 AM 1 hr 30 mins</p>
Invitees	<p>Required (to) Beatrice Havranek/County Attorney/Ulster County@Ulster County, Brenda Bartholomew/County Administrator/Ulster County@Ulster County, Burton GulnickJr/Finance/Ulster County@Ulster County, Gary Schussler/Finance/Ulster County@Ulster County, James Farina/Personnel Department/Ulster County@Ulster County, Paul Hewitt/Finance/Ulster County@Ulster County, Peter Yaple/Information Services/Ulster County@Ulster County, Sheree Cross/Golden Hill Health Care Center/Ulster County@Ulster County, Sylvia Wohlfahrt/Information Services/Ulster County@Ulster County, Wanda F Prowisor/Finance/Ulster County@Ulster County</p> <p>Optional (cc) Diane Camper/County Administrator/Ulster County@Ulster County</p>

Subject Walk

Physical Location	Floor #	Estimated # of Time Clocks	Ethernet Powered	Electrical Needed	Modern Needed	Location Of Time Clock
County Office Building for B&G	1	1	Yes	No	No	County Office building, First Floor, Parking lot entrance, Main Corridor, back of Vault, after second doorway on the right, when entering the building. To be placed on the right side of the hallway.
Court House for B&G	1	1	Yes	No	No	County Courthouse, Ground Floor, straight thru Magnetom, exit to the left, to be placed on the right side of defibrillator.
Family Court for B&G	1	1	No	Yes	No	Family Court, First Floor, rear entrance, straight thru entrance, in the first area entered, past reception window on the right and past reception doorway on right, to be placed to the right of doorway that leads into the hallway, next to the thermostat.
Hurley Ave - 1st Floor (Admin) for DPW	2	1	Yes	No	No	Highway Admin, Resnick Building, First Floor, rear left entrance, on the right wall, to the left of the wall heater. (electric outlet nearby)
Hurley Ave - Ground Floor (Building and Grounds)	1	0				
Quarry - dispatch for DPW	1	1	No	Yes	Yes	Quarry/dispatch, from Gas Pumps, right entrance, on wall to the right of entrance. (Need to run phone line as well, non-dedicated, will have to switch)
Mech Shop for DPW	1	1	No	Yes	No	Mechanic Shop, through, left most entrance, inside breakroom, right side of doorway, right wall, close to corner.
Development Court for DSS	1	1	Yes	No	No	Development Court, 1st time Clock - Unit "E", enter through exit 4, straight thru, to be placed under wall clock between two doorways (hallway and conference room)
Development Court for DSS	1	1	Yes	No	No	2nd time clock - Unit "B", enter exit 5, enter through magnetom, go right down hallway, at end of hallway take a left, go down hallway 6 doorways, to be placed between doorway 6 & 7 on the left wall.
Development Court for DSS	1	1	Yes	No	No	3rd time clock - Unit "D", enter exit 7, enter through reception window and left of column.
Development Court - upstairs for B&G	2	1	No	Yes	No	Unit "D", enter exit 8, go upstairs, at top of stairs, facing the stairs going down, to be placed on the left of stairs.
Flatbush Annex / Maint shop for B&G	1	1	No	Yes	Yes	Flatbush Annex/Maint Shop/BreakRoom, enter thru doorway, to be placed on the same wall as door, on the left side when entering the doorway.
Records Building for B&G	1	1	No	Yes	No	Records Storage Building, enter main entrance, go through both sets of doors, at the doorway to the left, to be placed to the left of the doorway. (to the right of the table)

Probation Broadway for B&G	1	1	No	Yes	Yes	Probation, enter on side of building next to parking lot shared with RNN, room 108 is on the right, go through the left doorway, to be placed on right wall, to the left of the fire extinguisher, outside and to the right of the room 107 doorway.
Mental Health for B&G	1	1	Yes	No	No	Mental Health, enter main entrance, go straight through, stop at mailboxes on right side of hallway, to be placed on the wall to the right of the mailboxes, not on the wall with the mail boxes, but inside of hallway wall so that the time clock is protected.
UCAT for B&G	1	1	No	Yes	No	UCAT, enter exit B, go past stairs, on right hand side, around the stair wall, to be placed to the left of the Fire Alarm Pull Station.
UCLEC for B&G	1	1	Yes	No	No	UCLEC, to the left of room B1066A, to the left of the bulge in the wall, to be placed on the same wall and to the right of the key box.
Trudy Resnick Farber Building Ellenville for B&G	1	1	No	Yes	No	Waiting for a call back and suggestion from Jim McTague
Sojourner Truth Ulster Landing Park for B&G	1	1	No	Yes	Yes	phone line in supervisor office (also phone line garage up top)
New Palitz pool (wireless modem?) for B&G	1	1	No	Yes	Yes	Barn at end of pool, verizon wireless modem. (lzy?)
Bolceville substitution for B&G	1	1	No	Yes	Yes	Has phone line and electric
Sundown substitution for B&G	1	1	No	Yes	Yes	Has phone line and electric
Bridge Fabrication Shop - W. Hurley for B&G	1	1	No	Yes	Yes	Has phone line and electric
Shawangunk substitution for B&G	1	1	No	Yes	Yes	Has phone line and electric
New Palitz substitution for B&G	1	1	No	Yes	Yes	Has phone line and electric
Plattekill substitution for B&G	1	1	No	Yes	Yes	Has phone line and electric
Quarryville substitution for B&G	1	1	No	Yes	Yes	Has phone line and electric
Accord substitution for B&G	1	1	No	Yes	Yes	Has phone line and electric
Ulster Heights substitution for B&G	1	1	No	Yes	Yes	Has phone line and electric
Infirmiry Location 1	1	1	No	Yes	No	
Infirmiry Location 2	1	1	No	Yes	No	
Infirmiry Location 3	1	1	No	Yes	No	
Totals	31	31	8	23	14	

Number of Power Over Ethernet Time Clocks	8	TOTALS	B&G	DPW	DSS	Infirmiry
Number of Time Clocks that need electric	23		4	1	3	
Number of Time Clocks that need Modem	14		18	2	0	3 replacements
Total Number of time Clocks	31		13	1	0	
			22	3	3	3 replacements

DPW employees	1772
B & G employees	80
DSS employees	326

Infirmity employees	411
Total Number of Employees	989
DPW employees that review punches	15
B & G employees that review punches	4
DSS employees that review punches	30
Infirmity employees that review punches	6
Total Number of Employees that review punches	55



[redacted]g/Information
Services/Ulster County
01/20/2011 02:27 PM

To [redacted]/County Executive/Ulster County@Ulster
County
cc [redacted]/Information Services/Ulster County@Ulster
County
bcc
Subject Fw: document for quote

Hi [redacted]

The following is the 'first phase' information sent to Mike McGuire / Qquest on 06/02/2009 @ 02:51 PM.

The same information was given to Ty Hall / Stromberg by phone on 6/3/2009 in the afternoon.
Ty responded with the his proposal on the same day with the email dated 06/03/2009 @ 03:12 PM.



timeclock spreadsheet.xls

[redacted]
Systems Analyst
Ulster County Information Services
Phone: (845) [redacted]
Fax: (845) 339-1498
Email: [redacted]@co.ulster.ny.us

[redacted]
Systems Analyst
Ulster County Information Services
Phone: (845) [redacted]
Fax: (845) 339-1498
Email: [redacted]@co.ulster.ny.us

----- Forwarded by Lawrence Craig/Information Services/Ulster County on 01/20/2011 02:08 PM -----



[redacted]g/Information
Services/Ulster County
01/20/2011 01:46 PM

To [redacted]@Ulster County@Ulster
County
cc [redacted] Executive/Ulster County@Ulster
County
Subject Fw: document for quote

[redacted], Please send the requested document to Dexter asap.

[redacted]
Ulster County Information Services
25 S Manor Avenue
Kingston, NY 12401
(845) [redacted]
[redacted]@co.ulster.ny.us

----- Forwarded by [redacted] Information Services/Ulster County on 01/20/2011 01:47 PM -----



Cost Analysis of Time and Attendance Project

Number of employees in this phase

	326	663	1161	Costs for Items that will be Shared by the Entire County
Costs Attributed to Pilot Dept Only				
Costs Attributed to Phase 1 Depts Only				
Costs Attributed to Phase 2 Depts Only				

Application Software

software for 1st 500 employees
 software for remaining employees
 Add'l admin users
 Payroll Export
 Import Utility

7,500	5,000	0	0	295
0	7,500	18,750	0	395
0	250	375	0	
0	0	0	0	
0	0	0	0	

Clocks

5 in pilot, 27 for phase 1, 28 for phase 2
 (\$1790 each)

8,950	48,330	50,120		
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Services

Application Implementation-\$20/user
 4 days of training for pilot and phase 1,
 8 days for phase 2
 project mgmt
 software modifications

6,520	13,260	23,220		
6,000	6,000	12,000		
5,000	5,000	2,000		15,000

System Infrastructure

Servers and operating system software

2,418	7,981	21,284		81,523
-------	-------	--------	--	--------

Total Non-recurring Costs for Project Phase

36,388	93,321	127,749		97,213
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Total Non-recurring Costs for Entire Project

354,671

Total amount already purchased

226,922

Annual Recurring Costs

Extended Service Agreement for Qgest hardware 295 for 1st, 395 for 2nd, 95 for all other
 Extended Service Agreement for Qgest software

775	2,565	2,660		
1,467	5,175	3,033		

Date this report so far

	Annual Maintenance for system infrastructure				
Total Recurring Costs for Project Phase		2,242	7,740	5,693	500
Total Recurring Costs for Entire Project					16,175



Cc: [REDACTED]

Hello Bob,

My recommendation on the time and attendances is as follows.

We go with Qqest.

- 1) The start up price difference between Kronos and Qqest is quite a bit. (Difference \$71,267.00 Phase 1, \$153,012.00 Entire County)
- 2) Yearly maintenance is allot lower for Qqest. (Difference \$20,808.00 Phase 1, \$37,295.00 Entire County)
- 3) Qqest Time Clocks are allot cheaper and we could use more if needed. (Qqest all - \$1290.00, Kronos - \$4,495.00 - \$4,795.00)
- 4) Qqest is giving us a menu driven system with reporting, Scheduling and user rules.
- 5) The Qqest clients we talked to where very pleased with the product.
- 6) Qqest Clients said Customer support very good.

I would recommend that we do a proof of concept with DSS to make sure all is working well before doing the highway, Building and Grounds and lastly the Infirmary.

Pricing is as follows and are estimates. Phase one prices should be pretty close but entire county prices are rough estimates since we didn't go to each site and talk with each department to get the number tightened up. ([REDACTED] thanks for putting this spread sheet together.)

FAX COVER SHEET



ULSTER COUNTY PURCHASING DEPARTMENT

Robin L. Peruso, CPPB, Director of Purchasing
 310 Flatbush Avenue
 Kingston, NY 12401-2742
 Phone: 845-340-3400
FAX: 845-340-3434

TO: Suzanne Holt	FROM: Robin Peruso
COMPANY: Executive's	DATE: 2-18-11
PHONE#: FAX#:	OFFICE LOCATION 310 FLATBUSH AVE., KINGSTON, NY
	PHONE #:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Urgent Reply ASAP	Please Comment	Please Review	For your Information

Total pages, including cover: 1

COMMENTS RE:

Suzanne: Please find copies of purchase orders where items were purchased through NYS contract where the buyer has confirmed the pricing and initialed also. We spot check occasionally for comparable prices via telephone calls to other counties and our Purchasing organizations. This information is not kept as it is not required to be. We do, however know through using OGS contracts and our experience, which commodities the State has better pricing on. The spot check is to simply verify that. Also, technology contracts pricing change daily through OGS – it is not reasonable or productive to keep these prices on file for this reason.

Robin.

**COUNTY OF ULSTER
PURCHASE ORDER FORM**



PURCHASE ORDER NO 174736

PO DATE: 02/16/11
REQ NO: 186749

**BILL TO: COUNTY OF ULSTER
ULSTER CO. INFO. SERVICES
(845) 334-5300
25 SO. MANOR AVENUE
KINGSTON, NY 12401-3627**

**SHIP TO: COUNTY OF ULSTER
ULSTER CO. INFO SERVICES
(845) 334-5300
25 SO MANOR AVE
KINGSTON, NY 12401-3627**

GOVERNMENT INC
[REDACTED]

BUYER: RFRA
VENDOR NO. [REDACTED]
PROJECT NO.
CONTRACT / BID / QUOTE NO.
WORK ORDER NO.

DELIVERY DATE: 02/24/11

ACCOUNT NO. AAAA168012914114009401

Line No.	Quantity	UOM	Commodity Code	Item Description	Unit Price	Ext. Price
1	2.00	EA	205 073 HP LJ P4015TN NETWORK/ 3RD TRAY	CDWG # 1436070, MFR # HPCBS10A-ABBA, NYS CONTRACT PT58424, QUOTE # WMS1877. nys price verified. RJF	1344.0000	2688.00
2	2.00	EA	205 073 HP LJ P4015N NETWORK ONLY	CDWG # 1436067, MFR # HPCBS09A-ABBA, NYS CONTRACT PT58424, QUOTE # WMS1822 CDWG V# 701327 CDWG PRICING PROVIDED BY JESSE GOLDMAN, QUOTE: WMS1877, WMS1822 PLEASE FAX PURCHASE ORDER TO JESSE GOLDMAN AT**** 203-899-4920	762.0000	1524.00
					SUB-TOTAL	4212.00
						4212.00

COPY

Vendor, Please Sign and Mail To: "Bill To" Dept. w/invoice.

CLAIMANT'S CERTIFICATION

I certify that the above account in the amount of \$_____ is true and correct; that the items, services and disbursements charged were actually delivered or rendered to or for Ulster County on the dates stated; that no part has been paid or satisfied; that taxes from which the county is exempt are not included; and that the amount claimed is actually due.

Date Signature Title

Robin L. Peruso, CPPB, U.C. Director of Purchasing
Ulster County Purchasing Department

BILLING INSTRUCTIONS:

- 1) Fill out Claimant's Cert. / and attach to Original Invoice.
- 2) Sign and Mail Original Invoice To: "BILL TO" address above.
- 3) PO Number must appear on all packages, invoices, etc.

For invoice questions contact phone numbers above.
Web: www.co.ulster.ny.us/purchasing

Office of the Comptroller, Ulster County

COUNTY OF ULSTER PURCHASE ORDER FORM



PURCHASE ORDER NO 174709

PO DATE: 02/15/11

REQ NO: 186740

BILL TO: COUNTY OF ULSTER
ULSTER CO. INFO. SERVICES
(845) 334-5300
25 SO. MANOR AVENUE
KINGSTON, NY 12401-3627

SHIP TO: COUNTY OF ULSTER
ULSTER CO. INFO SERVICES
(845) 334-5300
25 SO MANOR AVE
KINGSTON, NY 12401-3627



BUYER: JW ER
VENDOR NO. [REDACTED]
PROJECT NO.
CONTRACT / BID / QUOTE NO.
WORK ORDER NO.

DELIVERY DATE: 02/20/11

ACCOUNT NO. AAAA401022094412161220

Line No.	Quantity	UOM	Commodity Code	Item Description	Unit Price	Ext. Price
1	2.00	EA	205 083	OFFICE PRO PLUS 2010 32-BIT/64-BIT ENGLISH VOLUME LICENSE DELL SOFTWARE PN# 2571019 MFG PN# 79P-03586, QUOTE # ERG10121408-R04 NYS CONTRACT# PT65196 GROUP 76000 (NYS VENDOR AND PRICE CONFIRMED-JWW)	318.1200	636.24
2	1.00	EA	205 083	OFFICE PRO PLUS 2010 DVD MEDIA ONLY QUOTE # ERG10121408-R04; P/N # 2571812 S/N # 79P-03324 MICROSOFT QUOTE FROM DELL SOFTWARE V# 8154 PLEASE FAX PURCHASE ORDER TO ERIC GREEN AT 866-610-5636,	20.4000	20.40
SUB-TOTAL						656.64
						656.64

COPY

Vendor, Please Sign and Mail To: "Bill To" Dept. w/invoice.

CLAIMANT'S CERTIFICATION

I certify that the above account in the amount of \$ _____ is true and correct; that the items, services and disbursements charged were actually delivered or rendered to or for Ulster County on the dates stated; that no part has been paid or satisfied; that taxes from which the county is exempt are not included; and that the amount claimed is actually due.

Robin L. Peruso, CPPB, U.C. Director of Purchasing
Ulster County Purchasing Department

Date Signature Title

BILLING INSTRUCTIONS:

- 1) Fill out Claimant's Cert. / and attach to Original Invoice.
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- 3) PO Number must appear on all packages, invoices, etc.

For invoice questions contact phone numbers above.

Web: www.co.ulster.ny.us/purchasing

Office of the Comptroller, Ulster County

**COUNTY OF ULSTER
PURCHASE ORDER FORM**



PURCHASE ORDER NO 174605

PO DATE: 02/10/11
REQ NO: 186409

BILL TO: COUNTY OF ULSTER
ULSTER CO. INFO. SERVICES
(845) 334-5300
25 SO. MANOR AVENUE
KINGSTON, NY 12401-3627

* CONTINUED *

SHIP TO: COUNTY OF ULSTER
ULSTER CO. INFO SERVICES
(845) 334-5300
25 SO MANOR AVE
KINGSTON, NY 12401-3627



BUYER: JWER
VENDOR NO. [REDACTED]
PROJECT NO.
CONTRACT / BID / QUOTE NO.
WORK ORDER NO.

DELIVERY DATE: 02/10/11

ACCOUNT NO. AAAA116510314112161220

Line No.	Quantity	UOM	Commodity Code	Item Description	Unit Price	Ext. Price
1	1.00	EA	205 024	LENOVO THINKPAD T510 I5-520M 320GB 4GB W7P CDWG PN# 2026676 MFG PN# LVP-43147QU NYS CONTRACT# PT61887 GROUP# 75344	1301.0700	1301.07
2	1.00	EA	205 024	LVO THINKPAD 90W AC ADAPTER CDWG PN# 857475 MFG PN# LVO-40Y7659 NYS CONTRACT# PT61887 GROUP# 75344	47.9900	47.99
3	1.00	EA	205 024	LVO TP PORT REPLICATOR SERIES 3 CDWG PN# 1798066 MFG PN# LVO-433610W NYS CONTRACT# PT61887 GROUP# 75344	143.9900	143.99
4	1.00	EA	205 024	3 YEAR EXTENDED WARRANTY 9X5NBD CDWG PN# 1696307 MFG PN# LVS-45K6021 NYS CONTRACT# PT61887, GROUP# 75344	79.2000	79.20
5	1.00	EA	205 024	LVO 9-CELL LI-ION BATTERY F/TP CDWG PN# 1927546 MFG PN# LVO-51J0500 NYS NYS CONTRACT 75350-22104 PT65246 (NYS VENDOR AND PRICES CONFIRMED-JWW) CDWG PRICES QUOTED BY JESSE GOLDMAN, CDWG 2/8/11 866-776-7410	103.9900	103.99

**Vendor, Please Sign and Mail To: "Bill To" Dept. w/invoice.
CLAIMANT'S CERTIFICATION**

I certify that the above account in the amount of \$ _____ is true and correct; that the items, services and disbursements charged were actually delivered or rendered to or for Ulster County on the dates stated; that no part has been paid or satisfied; that taxes from which the county is exempt are not included; and that the amount claimed is actually due.

Date Signature Title

Robin L. Peruso, CPPB, U.C. Director of Purchasing
Ulster County Purchasing Department

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For invoice questions contact phone numbers above.
Web: www.co.ulster.ny.us/purchasing

Office of the Comptroller, Ulster County



Information Services/Ulster County
04/13/2009 05:30 PM

To Information Services/Ulster County@Ulster County
cc Information Services/County Executive/Ulster County@Ulster County, Information Services/County Executive/Ulster County@Ulster County
bcc
Subject Re: Fw: Breakdown of proposals

Below is [redacted]'s quote for the three areas. [redacted] has checked the numbers and they are consistent across all proposals in case we want to change some numbers.

Thank [redacted] for breaking it down.

Looks like [redacted] made some errors but we will figure it out at the meeting.

Thank You.

Information Services/Ulster County
Ulster County Information Services
845-334-
@co.ulster.ny.us

Information Services/Ulster County



Information Services/Ulster County
04/13/2009 03:35 PM

To Information Services/Ulster County@Ulster County
cc
Subject Fw: Breakdown of proposals

I reviewed the proposals from [redacted]

The following shows that [redacted] is giving us a standard amount per user/item, so if we add or subtract items we should be able to estimate our own cost.

Column 2 is the Ulster estimated numbers, column 3 is the [redacted] estimated numbers. Columns 4-7 are the per each dollar amounts for each proposal.

One correction will need to be made on [redacted]'s Highway proposal.... The Highway proposal has 13 for the [redacted] 4500 Bar Code Terminals and 13 for the [redacted] 4500 Finger Scan Verification Option in the Initial Cost section. He then has 10 for the [redacted] 4500 Bar Code Terminals and 10 for the [redacted] 4500 Finger Scan Verification option in the Maintenance section. The overall dollar

amount is correct if you use the 13 and the per each listed in the table below. (The total dollar amount for the 13 * \$190.00 4500 Bar Code Terminals is \$2,470 = 13 * \$190.00)

	Ulster	MMHayes	County - each	DSS - each	B&G - each	High
Initial Cost						
Kronos Workforce Timekeeper	2,121	2,150	\$54.00	\$54.00	\$54.00	
Kronos Workforce Accruals	2,121	2,150	\$21.00	\$21.00	\$21.00	
Bi Directional Interface to Payroll	2,121	2,150	\$15.00	\$15.00	\$15.00	
Kronos Workforce Managers	244	150	\$420.00	\$420.00	\$420.00	
Kronos Workforce Employee (for employees that would log in via PC and not Time Clock)	298	300	\$36.75			
Kronos 4500 Bar Code Terminals	62	62	\$3,295.00	\$3,295.00	\$3,295.00	\$3
Kronos 4500 Finger Scan Verification Option	62	62	\$1,200.00	\$1,200.00	\$1,200.00	\$1
Maintenance						
Kronos Workforce Timekeeper	2,121	2,150	\$10.80	\$10.80	\$10.80	
Kronos Workforce Accruals	2,121	2,150	\$4.20	\$4.20	\$4.20	
Bi Directional Interface to Payroll	2,121	2,150	\$3.00	\$3.00	\$3.00	
Kronos Workforce Managers	244	150	\$84.00	\$84.00	\$84.00	
Kronos Workforce Employee (for employees that would log in via PC and not Time Clock)	298	300	\$7.35			
Kronos 4500 Bar Code Terminals	62	62	\$190.00	\$190.00	\$190.00	
Kronos 4500 Finger Scan Verification Option	62	62	\$96.00	\$96.00	\$96.00	

Ulster County Information Services
 Phone: (845) 339-1498
 Fax: (845) 339-1498
 Email: info@ulster.ny.us
 ----- Forwarded by Ulster County Information Services/Ulster County on 04/13/2009 03:05 PM -----



04/13/2009 02:08 PM

To: [redacted]@co.ulster.ny.us; [redacted]@co.ulster.ny.us;
 [redacted]@co.ulster.ny.us; [redacted]@co.ulster.ny.us
 cc
 Subject: Breakdown of proposals

Attached are the three proposals for the different departments you wanted broken out. At your convenience I would be happy to go over these with you.

Thanks,

[redacted signature]

Phone: [REDACTED]

Fax: [REDACTED]

Email: [REDACTED]

Please visit our website at [http://www.\[REDACTED\]](http://www.[REDACTED])



Ulster County Social Services 4.13.09.doc



Ulster County Building Grounds 4.13.09.doc



Ulster County Highway 4.13.09.doc



M.M. Hayes Company, Inc.
 16 The Sage Estate
 Albany, New York 12204
 Phone 518-459-5545
 Fax 518-459-5593

April 13, 2009

Mr. Lawrence E. Craig, Jr.
 Systems Analyst
 Ulster County Information Services
 Department of Highway
 25 South Manor Drive
 Kingston, NY 12401

Kronos Timekeeper

1	Kronos Workforce Timekeeper – 200 employees		10,800.00
1	Kronos Workforce Accruals – 200 employees		4,200.00
1	Bi Directional Interface to Payroll – 200 employees		3,000.00
1	Kronos Workforce Managers – 15 managers		6,300.00
13	Kronos 4500 Bar Code Terminals	3,295.00	42,835.00
13	Kronos 4500 Finger Scan Verification Option	1,200.00	15,600.00
1	Professional Services–Application Consulting Estimate Only		6,750.00
1	Professional Services–Software Configuration Estimate Only		5,250.00
1	Professional Services–Training Estimate Only		1,500.00
			<u>96,235.00</u>
	Less Discount per NYS Contract #PT62619 for Software and Hardware		-18,570.00
	Less Discount per NYS Contract #PT62619 for Professional Services		-900.00
	Less Buyback of Hardware and Software for Ulster County Infirmary		<u>-6,250.00</u>
			\$70,515.00

Annual Maintenance

1	Kronos Workforce Timekeeper – 200 employees		2,160.00
1	Kronos Workforce Accruals – 200 employees		840.00
1	Bi Directional Interface to Payroll – 200 employees		600.00
1	Kronos Workforce Managers – 15 managers		1,260.00
13	Kronos 4500 Bar Code Terminals		2,470.00
13	Kronos 4500 Finger Scan Verification Option		1,248.00
			<u>8,578.00</u>
	Less Discount per NYS Contract #PT62619		<u>-2,287.00</u>
			\$6,291.00

Terms: Net 30 Days Software and Hardware
 Professional Services Billed Monthly As Delivered
 Annual Maintenance Due One Year from Placement of Order
 FOB: Shipping Point
 Delivery: ARO

 John C. Hayes



M.M. Hayes Company, Inc.
 16 The Sage Estate
 Albany, New York 12204
 Phone 518-459-5545
 Fax 518-459-5593

April 13, 2009

Mr. Lawrence E. Craig, Jr.
 Systems Analyst
 Ulster County Information Services
 Department of Building Grounds
 25 South Manor Drive
 Kingston, NY 12401

Kronos Timekeeper

1	Kronos Workforce Timekeeper – 150 employees		8,100.00
1	Kronos Workforce Accruals – 150 employees		3,150.00
1	Bi Directional Interface to Payroll – 150 employees		2,250.00
1	Kronos Workforce Managers – 5 managers		2,100.00
13	Kronos 4500 Bar Code Terminals	3,295.00	42,835.00
13	Kronos 4500 Finger Scan Verification Option	1,200.00	15,600.00
1	Professional Services–Application Consulting Estimate Only		4,725.00
1	Professional Services–Software Configuration Estimate Only		3,675.00
1	Professional Services–Training Estimate Only		1,050.00
			<u>83,485.00</u>
	Less Discount per NYS Contract #PT62619 for Software and Hardware		-16,570.00
	Less Discount per NYS Contract #PT62619 for Professional Services		-625.00
	Less Buyback of Hardware and Software for Ulster County Infirmary		<u>-4,375.00</u>
			\$61,915.00

Annual Maintenance

1	Kronos Workforce Timekeeper – 150 employees		1,620.00
1	Kronos Workforce Accruals – 150 employees		630.00
1	Bi Directional Interface to Payroll – 150 employees		450.00
1	Kronos Workforce Managers – 5 managers		420.00
10	Kronos 4500 Bar Code Terminals		2,470.00
10	Kronos 4500 Finger Scan Verification Option		1,248.00
			<u>6,838.00</u>
	Less Discount per NYS Contract #PT62619		<u>-1,171.00</u>
			\$5,667.00

Terms: Net 30 Days Software and Hardware
 Professional Services Billed Monthly As Delivered
 Annual Maintenance Due One Year from Placement of Order
 FOB: Shipping Point
 Delivery: ARO

 John C. Hayes



M.M. Hayes Company, Inc.
 16 The Sage Estate
 Albany, New York 12204
 Phone 518-459-5545
 Fax 518-459-5593

April 13, 2009

Mr. Lawrence E. Craig, Jr.
 Systems Analyst
 Ulster County Information Services
 Department of Social Services
 25 South Manor Drive
 Kingston, NY 12401

Kronos Timekeeper

1	Kronos Workforce Timekeeper – 350 employees		18,900.00
1	Kronos Workforce Accruals – 350 employees		7,350.00
1	Bi Directional Interface to Payroll – 350 employees		5,250.00
1	Kronos Workforce Managers – 75 managers		31,500.00
10	Kronos 4500 Bar Code Terminals	3,295.00	32,950.00
10	Kronos 4500 Finger Scan Verification Option	1,200.00	12,000.00
1	Professional Services–Application Consulting Estimate Only		10,800.00
1	Professional Services–Software Configuration Estimate Only		8,400.00
1	Professional Services–Training Estimate Only		2,400.00
			<u>129,550.00</u>
	Less Discount per NYS Contract #PT62619 for Software and Hardware		-24,350.00
	Less Discount per NYS Contract #PT62619 for Professional Services		-1,450.00
	Less Buyback of Hardware and Software for Ulster County Infirmary		<u>-12,500.00</u>
			<u>\$91,250.00</u>

Annual Maintenance

1	Kronos Workforce Timekeeper – 350 employees		3,780.00
1	Kronos Workforce Accruals – 350 employees		1,470.00
1	Bi Directional Interface to Payroll – 350 employees		1,050.00
1	Kronos Workforce Managers – 75 managers		6,300.00
10	Kronos 4500 Bar Code Terminals		19,000.00
10	Kronos 4500 Finger Scan Verification Option		960.00
			<u>32,560.00</u>
	Less Discount per NYS Contract #PT62619		<u>-8,684.00</u>
			<u>\$23,876.00</u>

Terms: Net 30 Days Software and Hardware
 Professional Services Billed Monthly As Delivered
 Annual Maintenance Due One Year from Placement of Order
 FOB: Shipping Point
 Delivery: ARO

 John C. Hayes



June 5, 2009

Ms. Sylvia Wohlfahrt
 Ulster County
 25 South Manor Avenue
 Kingston, NY 12401

Dear Ms. Wohlfahrt,

Based upon our discussion and the spreadsheet provided regarding Ulster County's requirements for the first phase of the Time and Attendance project, we offer the following preliminary cost estimates as follows:

Item	Description	Price
1	The Timeforce Time and Attendance Hardware and Software Solution from Qquest - (31) Velocity 800 Biometric Systems - TimeForce Software For 989 Employees - Payroll Export - Implementation Support - One Year Extended Warranty (Per Attached Qquest Quote)	\$89,920.00
2	Empire Software Solutions Project Management per Statement of Work	\$10,000.00
PROJECT TOTAL		\$99,920.00

The above is subject to change based upon further discussion of Ulster County's requirements. Please let me know if you would like to move ahead with this project. Thanks for your interest.

Sincerely,

Michael J. McGuire
 VP of Business Development

92 Marshall Road-Ravena, NY 12143
 (518) 756-7042/mmcguire@empiresoftware.com

Office of the Comptroller, Ulster County

Phase 1 quote from Stromberg?

Description	Qty	Total
Software:		
Stromberg Enterprise Suite - 1000 Employees	1	\$51,700.00
-eSupervisor	1	Included
-eTime Entry Suite	1	Included
-eKiosk	1	Included
-Payroll Interface - H T E	1	Included
-Employee Benefit Tracking - Import Only	1	Included
Software Discount		-\$7,755.00
Software Total		\$43,945.00
Hardware:		
Timeclock, Modem, Barcode	14	\$28,210.00
Timeclock, Ethernet, Barcode	23	\$38,525.00
Power Over Ethernet Board (Cyber)	8	\$3,000.00
Hardware Discount		-\$6,973.50
Hardware Total		\$62,761.50
Services		
Implementation Services		\$30,000.00
Project Management		Included
Total Implementation		\$30,000.00
Annual Maintenance		
Annual Maintenance SW - 1 Year		\$10,340.00
Annual Maintenance HW - Bronze - 1 Year		\$3,786.75
Total Annual Maintenance		\$14,126.75
Delivery		TBD
Grand Total		\$150,833.25

ULSTER COUNTY ATTORNEY

BEATRICE HAVRANEK
County Attorney
845-340-3685

KRISTIN A. GUMAER
Assistant County Attorney
845-334-5402

SUSAN K. PLONSKI
Assistant County Attorney/
Contract Manager
845-340-3441

244 Fair Street, PO Box 1800
Kingston, New York 12402
845-340-3685 • Fax: 845-340-3691
MICHAEL P. HEIN
County Executive



Service by facsimile or e-mail not accepted

CLINTON G. JOHNSON
First Assistant County Attorney
845-340-3685

ROBERT J. FISHER
Assistant County Attorney
845-340-3685

ROLAND A. BLOOMER
Assistant County Attorney/
Assistant Contract Manager
845-331-2447

MEMORANDUM

TO: Hon. Michael P. Hein
Ulster County Executive

FROM: Susan K. Plonski, Esq. 
Assistant County Attorney/Contract Manager

DATE: February 10, 2011

RE: Opinion – Procurement of pilot time and attendance hardware,
software and implementation.

You have asked for a review and opinion regarding adherence to New York State law and County procurement policies as related to the process of procuring time and attendance software, hardware and implementation for a pilot time and attendance project.

ISSUE

With reference to procurement of the time and attendance software, hardware, and implementation, did the County follow applicable New York State law and/or its own procurement policies and procedures?

PRELIMINARY INFORMATION

The Ulster County Comptroller has undertaken a review to determine (1) "[i]f the [County's] Time and Attendance Project was adequately planned to achieve its intended results at a reasonable cost, and (2) if the purchase of goods and services were [sic] in compliance with applicable laws, policies and procedures." A copy of the review, dated January 4, 2011, is attached.

FAQ's

FROM AUTHORIZED USERS

An authorized user has opted to solicit bids from the back-drop contractors. Do all the hundreds of Contractors receive the solicitation?

Who receives the bid opportunity depends on two factors:

1. Type of Services requested - Choices are any of the following:
 - Consulting
 - Systems Integration
 - Live Training
 - Computer Based or Video Based or Web Based or Interactive Web Based Training
 - On-Going Services, Maintenance & Support
2. Categories of Expertise
 - There are 32 possible categories individually or in combination depending on the focus of the procurement
3. If procurement is anticipated to cost MORE than \$100,000,
 - Solicit bids from ALL eligible contractors within Services and Category/ies of Expertise targeted in project specifications
4. If procurement is anticipated to cost LESS than \$100,000,
 - Solicit bids from EITHER:
 - A MINIMUM of any 3 firms within Services and Category/ies of Expertise targeted in project specifications
 - OR**
 - DIRECTLY from any firm within Services and Category/ies of Expertise targeted in project specifications that is designated as a SBE, WBE or MBE on the web site

Where do I start if I am in need of IT Services?

In order to determine which of the four (4) procurement options is the "best fit", ask yourself these preliminary questions:

1. It this an IT related service? If YES, continue; If NO, these contracts are not appropriate for your needs. See next question.
2. Is the scope of services for: Consulting, Systems Integration, IT Training or On-Going Services, Webcasting, Maintenance & Support? If YES, continue; If NO, these contracts are not appropriate for your needs. See next question.
3. What is the anticipated project cost? If less than \$50,000, continue; otherwise, see next question.
 - If less than \$50,000, any responsible and responsive Contractor may provide the services without a competitive bid
 - If between \$50,000-\$100,000, a minimum of three (3) Contractors must be solicited **OR** the procurement can be offered without competition to any Contractor certified as a NYS small business enterprise (SBE), a NYS certified minority or women owned business enterprise (MBE or WBE) without a competitive bid (also known as Discretionary Purchase).
 - If more than \$100,000, the procurement may fall under any one (1) of the following procurement types:
 - Mini-Bid
 - Fast Track
 - Multiple Award Standby Agreement (MASA) – **EFFECTIVE 9/29/06, this Procurement Option is not available to STATE AGENCIES.**
4. State agencies that anticipate the procurements for services to cost more than \$100,000, must receive prior approval from the NYS Chief Information Officer/Office for Technology (CIO/OFT) by completing and submitting to CIO/OFT the Plan to Procure (PTP) Form (link on the IT Services main page)- State agency requirement only. State Agencies should consult OFT's PTP Guidelines:
<http://www.cio.ny.gov/Policy/ITP.htm>
5. OSC PRE-audit required if procurement is greater than \$15,000.

Purchasing



Information Services/Ulster County
11/06/2009 01:14 PM

To Robin Peruso/Purchasing/Ulster County@Ulster County
cc [redacted]/Information Services/Ulster County@Ulster County, [redacted]/Personnel Department/Ulster County@Ulster County, [redacted]/Buildings and
bcc
Subject Re: Fw: QQuest Time and Attendance System Implementation

Robin,

Here is the information from the vendor about being on state contracts. Renee looked at this and was only looking into the time clocks for bidding.

- Qquest software can be purchased off the SHI NYS/OGS Contract # PT60652 - Prices are NOT listed on the website but can be quoted upon request
- Empire Software Solutions PM Services are on NYS/OGS Contract # CMT469A
- Qquest Biometric Timeclocks are not on the NYS Contract but we will provide them at a price lower than the Kronos State Contract price for equivalent equipment.

This vendor was less expensive then Kronos by quite a bit.

Thank You.

[redacted]
Ulster County Information Services
845-334- [redacted]
[redacted]@co.ulster.ny.us

Robin Peruso/Purchasing/Ulster County

APPENDIX C

COMPTROLLER'S COMMENTS ON RESPONSES

January 28, 2011 Response

#1 The report has been amended to include the numbers provided by the Executive which are based on "Department of Finance analysis of Adopted Personnel Listing".

#2 During our review a Deputy County Executive informed us in an interview and, later after further inquiry reported, "there was no original scope" and "no formal meeting notes". He further asked a member of his staff to provide information on committee members and minutes and in a May 6, 2010 email described the committee as "very fluid since an RFP was not required from either of the two situations we found ourselves in".

On **2/23/11** we were provided a copy of a calendar entry listing the individuals named in this response as invited to a meeting. This was presented as documentation of the committee. When questioned if there was any further documentation such as additional meeting notices, minutes, etc. we were informed there was not.

#3 Standard criteria and requirements for equitable comparison of price quotes would necessarily require detail on the functions to be included or excluded from the time and attendance system sought by the County. For example, acceptable rates of either false rejection or false acceptance of a biometric system; data storage and access terms and conditions; nature of support services; proprietary versus off-the-shelf software; or unique benefits of time clocks and related hardware.

On **2/23/11** we were provided another copy of the "specs" and have included them as Appendix A.

#4 A cost benefit analysis for evaluating costs, options and alternatives as part of the project planning has not been documented.

On 2/23/11 we were provided an undated "Cost Analysis of Time and Attendance Project" which we were informed was prepared in December 2010. This analysis summarizes costs of the project in progress.

#5 No documentation to support this statement has been provided.

#6 On **2/23/11** we were provided documentation of phone interviews regarding the Qquest TimeForce product. The report has been updated to include this information.

On **2/23/11** we were provided a memo dated 2/18/11 intended to provide an example of how the Purchasing Department "spot checks" for comparable prices.

#7 **Consulting Services** - At the time the project was announced (March 23, 2010) it was said to cost "about \$400,000" and be completed by the end of the year. Ulster County's Procurement Manual states:

No purchase shall be divided for the purpose of bringing the value of the order down to avoid using more stringent purchasing methods or restrictions, or to avoid statutory competitive bidding requirements.

Software - Ulster County's policy does not address "OGS or less". The following criteria for use of this exception is found in NYS Procurement Guidelines and no documentation of compliance is filed.

OGS or Less

In addition, pursuant to State Finance Law § 163(3)(a)(v), OGS centralized commodities contracts that contain a clause known as "OGS or Less" may allow an agency to obtain needed commodities from a non-contract vendor in order to take advantage of non-contract savings that may develop in the marketplace. "OGS or Less" purchases may not be made if the commodities are available from:

- *Legally established preferred sources in the form, function and utility required;*
- *State contracts based on filed requirements (e.g., fuel, oil, etc.); or*
- *Agency-specific contracts.*

After determining that the needed commodity cannot be obtained from these sources, the agency must determine, and document in the procurement record, that the purchase price, including delivery, warranty and other relevant terms, offered by the non-contract vendor is more economically beneficial than what is offered on OGS centralized contract(s) for a commodity substantially similar in function, form and utility. Agencies must not solicit multiple offers from the same vendor and must not create a bidding war.

State contractors must be allowed a minimum of two business days to match the lower non-contract price. If the state contractor provides written confirmation that it will match the lower price, the agency proceeds with the purchase in accordance with agency purchasing procedures. If the state contractor is unable or unwilling to match the lower price, the agency must document this in the procurement record, and in lieu of purchasing the commodity from the OGS centralized contractor at the OGS centralized contract price, may procure through either a discretionary or competitive procurement, as applicable.

Hardware – The file evidence supporting compliance with sole source purchases does not meet the criteria to justify the purchase.

#8 No documentation, such as agendas or minutes, is provided to support this statement. The document referred to as the "scope of work spreadsheet" (see Appendix A) does not incorporate the answers to the project planning questions posed page 8 by IS.

#9 No documentation is provided to support this statement. On **2/13/11** we were provided a price quote from Empire Software Solutions dated June 5, 2009 for \$99,920. This quote differs from the one found in the Project Summary prepared by Information Services (IS). It is not found anywhere in the substantive documentation provided by IS. It does not include the "Attached Qquest Quote" and it is inconsistent with the range of other quotes provided by this company as found in the documentation. As such we have not amended the report to include this quote.

#10 The quotation used from page 17 of the NY SOGS Policy and Procedures Manual Guidelines for Contractors is incomplete. It reads: *If a PD (project definition) or RTS (Request for Training Services) does not prohibit sub-contractors, a Contractor can supplement its staff with sub-contractors when bidding the projects. No Project Definition was issued for this project. The Project Definition is essential to all aspects of the Mini-Bid Contract and lack of a PD raises a host of concerns in addition to use of a “sub-contractor.”*

February 10, 2011 Response

On 2/23/11 in reference to this response a copy of an 11/06/09 memo is provided which is previously referenced in our report and a page from Office of General Services Frequently Asked Questions (FAQ's) which is discussed in paragraph B below.

A. Project Planning It is inadequate to claim the “statement is simply untrue” without providing documentation to prove it so. See #3 above

B. Back-Drop Contracts See #7 above. The quotation used from page 5 of the New York State Office of General Services, Mini-Bid Guidelines for Procurement of IT Services, is incomplete and the partial quote, out of context, can be misleading. The full text from which the quote was taken reads (emphasis highlights partial quote):

***Local government and other authorized users** of the OGS back-drop contracts are not subject to the same approval processes as New York State agencies. They are subject to standard contract approval processes found in general New York State statutes and/or local charters. Generally, local government and other authorized users of the OGS back-drop contracts:*

- *Must adhere to the guidelines and procedures wherever possible.*
- ***May initiate the mini-bid process at any time, should they choose to use it.***
- *May award the project upon selection of the contractor and in accordance with statutes and/or local charters.*

Note: Where repeated infractions are discovered, NYS OSC has the option to limit or remove the ability for non-State agencies & other authorized users from purchasing from these contracts.

The Introduction of the above noted guidelines reads:

The Office of General Services (OGS) developed the back-drop contracts and the processes that are available when using these contracts to simplify the procurement of IT Services. Through the back-drop contracts, OGS pre-qualifies vendors on a continuous recruitment basis...To purchase the services of these contractors, an authorized user of New York State contracts will use the “mini-bid” process or any of the other methods of procurement available to them (e.g. Discretionary Purchases, Fast Track procurements)...Since there are no exceptions to the Terms and Conditions and all contracts are uniform as such, the OGS back-drop contracts for IT Services are available in their entirety on the OGS Web Site under Contract Terms and Conditions:

Office of the Comptroller, Ulster County

The statement “The County did not use...the mini-bid process” is incorrect and conflicts with the documentation provided by IS, the County Executive, and in the contract/scope of work. It is accurate that “...nor was the County required to use the mini-bid process” however, as cited on page three of the Guidelines reference: *New York State agencies and Local government and other authorized users may choose to use the back-drop contracts or their own formal RFP procurement process to acquire needed IT Services.*

See #10 above.

C. Software Purchase See #7 above. Indeed, the County may negotiate software licenses when applicable. As described on page 21 of the report, a negotiation would be necessary when the proprietor of the software grants an end-user permission to use the software in a way that would otherwise be considered a copyright infringement of the software owner’s rights under a copyright law. The software purchased was “shrink-wrap” software purchased off-the-shelf with a license for use.

D. Hardware Purchase See #8, #9 and #10 above. The Executives Response states: *Notwithstanding the foregoing and with respect to the County’s procurement requirements, it was originally planned to obtain quotes for the required time clocks. Qquest, however, advised the County that it would not provide support for other than its own hardware products (see attached letter from vendor to Director of Purchasing).*

No documentation has been provided to evidence there was only one possible source from which to procure time and attendance biometric system goods and services. No documentation supports there is no possibility of competition or that the hardware purchased uniquely serves the public interest for which there is no substantial equivalent and therefore, is available from only one source. The logic of the response is a non-sequitur.

E. Conclusion No documentation was provided to support these statements.

On 2/23/11 examples of “spot-checking” were provided. See page XX in this appendix.

Regarding the County Attorney’s statement “The contract with ESS was processed in the usual manner and was approved ... on all levels, including the Ulster County Comptroller’s office.” This statement contradicts a September 22, 2010 opinion of the County Attorney’s office that:

Your signature on the routing slip is intended only to confirm that the appropriation number is correct and that the line is adequately funded. Whether you believe the contract complies with the Procurement process has no bearing on contract routing or your signature on the routing paperwork.

Comptroller’s Final Comment:

The fundamental facts and findings remain unchanged as a result of the multiple submissions found in Appendix B.

Office of the Comptroller, Ulster County

