



Legislation Details (With Text)

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On agenda: 6/29/2020 **Final action:** 7/2/2020

Title: To authorize the City Auditor to modify contracts with Ceridian HCM Dayforce, Navigator, SaaSME, and/or enter into such additional contracts with consultants or vendors as may be necessary, for a project extension of an additional quarter due to delays in project and changes in training plans related to the COVID 19 public health emergency; to waive the competitive bidding provisions of City Code; to provide funding for extension and expansion of the Scope of Work for the implementation of Dayforce Payroll and Personnel system; ; to amend the 2019 Capital Improvement Budget; to authorize the City Auditor to appropriate and transfer funds from the Special Income Tax Fund to the Auditor G.O. Bond Fund; to authorize the expenditure of up to \$468,500.00 from the Auditor G.O. Bond Fund; and to declare an emergency (\$468,500.00).

Sponsors:

Indexes:

Code sections:

Attachments: 1. 1454-2020 Ord Dayforce Extension.pdf, 2. Waiver Form 1454-2020.pdf

Date	Ver.	Action By	Action	Result
7/2/2020	1	CITY CLERK	Attest	
7/1/2020	1	MAYOR	Signed	
6/29/2020	1	COUNCIL PRESIDENT	Signed	
6/29/2020	1	Columbus City Council	Approved	Pass

BACKGROUND:

Ordinance NO. 0848-2019 authorized the City Auditor to enter into contract with Ceridian HCM, Inc., Navigator Management Partners LLC, and other contractors for the implementation of the Dayforce system to modernize the City's Payroll and Personnel. This ordinance NO. 1454-2020 authorizes expenditures of \$468,500.00 for unbudgeted and unforeseen expenses related to the modification and extension of contracts with Ceridian HCM, Inc, Navigator Management Partners, and SaasME Consulting Services for the implementation and support of Dayforce payroll and personnel system due delays and scope of work changes caused by the COVID 19 public health emergency.

At the time the contract was awarded, the City and Ceridian expected approximately an 11-month period for implementation with another month of post go live support. The project plan was based upon a sequence of events occurring within a specific time table, with each task having a specific duration and being completed within the time frames necessary to move forward successfully to the next step in the path. There was not a significant portion of surplus time built into the schedule in order to meet a deadline of end of second quarter of 2020. It is a recommended best practice to go live at the end of a quarter or end of a fiscal period when dealing with payroll and benefits administration systems due to tax and regulatory reporting requirements. Additionally, the original project plan called for a Train the Trainer approach where a core group of City employees would receive training from Ceridian and then would train other employees through traditional methods of in-person meetings, computer based training in classrooms, and some customized eLearning in the Dayforce My Path online help and training guides.

The City was in the process of implementing Dayforce when the Mayor declared a State of Emergency for the City of Columbus and the Governor issued the Ohio Stay at Home order in response to the COVID-19 public health emergency. The project was in the critical stage of user acceptance testing where City users confirm the configuration and

functionality of the system as being fit for the purpose intended. This is a labor-intensive process where users execute City specific bargaining unit or business process scenarios to confirm the calculations and application functions as expected.

As a result of the Declaration of State of Emergency and the Stay at Home Order, City resources critical to the Dayforce implementation became less available as the majority of project resources were essential employees focused on COVID response efforts in maintaining operations for health, safety and welfare during the crisis. During this time-period, the City also transitioned over several weeks to working remotely and adjustments became necessary in the timelines for completion of testing tasks and reporting any issues. Thus, resource availability for continuing work on the Dayforce implementation dropped significantly and disrupted the project plan timeline. Significant progress was made throughout this interval, but the progress was not within the timeframes in the original project plan as the City took reasonable precautions during the pandemic. Ceridian and the other consultants were able to transition to remote work and it is not in the best interest of the City to change contractors with insight into the product configuration for City use without further adding costly delay to the project.

In response to the unforeseen delays caused by COVID 19 and to improve the delivery of training to incorporate social distancing safety measures, the City Auditor has negotiated the following changes with Ceridian to modify the project timeline and training plan:

1. Extend the implementation project timeline for an additional quarter. It is a recommended best practice to take these types of systems live at the beginning of a quarter or end of a reporting period. The project timeline extension will allow the City to completed the tasks in the original timeline as well as expand the amount of eLearning in the My Path online Help and Training
2. Neither Ceridian nor the City were responsible for the pandemic. Both could not have foreseen such an unprecedented chain of events in terms of mitigating this in the project plan. The original project budget was for a fixed fee implementation; however, Ceridian will incur additional costs for retaining its consultants for approximately 2500 additional hours to continue supporting the City during implementation. The cost for the extension (\$187,500) is calculated by the number of hours (2500) multiplied by the discounted project rate (\$150), then divided by two (2) to reflect a shared burden between the City and Ceridian. The additional cost will be added to the fixed fee and allocated for payment based upon successful completion of the remaining project milestones.
3. The training plan has been completely revised to reflect the need for socially distanced and remote based training. In an effort to comply with social distancing and/or stay at home orders, training delivery plan has been modified to deliver training through webinars, virtual instructor lead sessions, as well as the number of custom My Path online lessons has been tripled. The additional unbudgeted cost for achieving this virtual training is \$85,000.

In addition, this ordinance authorizes the extension of contracts and expenditure of up to \$196,000 to Navigator Management Partners, SaasME Consulting Services, and/or such additional consultant vendors as may be necessary. The City Auditor contracted with these additional vendors to provide resources for staff augmentation on a time and materials basis and additional hours are needed to support the following project roles for another quarter:

- Navigator Management Partners, LLC (owned by Avaap) currently contracted rates are from State of Ohio STS-033, schedule 534431, for organizational change management, data conversion, and quality assurance resources. Rates are per hour and discounted 3% from already discounted State rates in the STS. This will add sufficient hours to complete these tasks through the next quarter.
- Software as a Service Made Easy, LLC (SaaSME) is an independent Ceridian consulting firm based in Cincinnati, Ohio. During the course of the project, the City's Payroll Manager retired so this consultant is acting as a payroll implementation subject matter expert and supporting in a payroll data conversion testing capacity. Rates per hour for this independent contractor are less than Ceridian and other Ceridian partners that the project manager solicited when seeking this contract.
- Finally, this ordinance contains funding for contingencies that may arise in the project for new reporting

requirements, to support social distancing and facilitate distance learning, or to support government functions where Dayforce can improve the telework capabilities for public employees in order to enable compliance with COVID-19 public health precautions, and/or meet any new and unforeseen reporting or regulatory requirements.

FISCAL IMPACT: Funds for this project will be certified against the Special Income Tax fund 4430 and reimbursed with funds from a future bond sale.

EMERGENCY DESIGNATION

Emergency action is requested in order to complete the project in a timely manner to allow the completion of the Dayforce implementation for modernizing the City's Payroll & Personnel system by the next quarter.

To authorize the City Auditor to modify contracts with Ceridian HCM Dayforce, Navigator, SaaSME, and/or enter into such additional contracts with consultants or vendors as may be necessary, for a project extension of an additional quarter due to delays in project and changes in training plans related to the COVID 19 public health emergency; to waive the competitive bidding provisions of City Code; to provide funding for extension and expansion of the Scope of Work for the implementation of Dayforce Payroll and Personnel system; ; to amend the 2019 Capital Improvement Budget; to authorize the City Auditor to appropriate and transfer funds from the Special Income Tax Fund to the Auditor G.O. Bond Fund; to authorize the expenditure of up to \$468,500.00 from the Auditor G.O. Bond Fund; and to declare an emergency (\$468,500.00).

WHEREAS, the City Auditor and Mayor's Office have determined to modernize the City's payroll & Personnel system by implementing Ceridian's Dayforce cloud-based system as Software as a Service; and

WHEREAS, additional resources and support services are necessary to complete the project; and

WHEREAS, it is necessary to amend the 2019 Capital Improvement Budget; and

WHEREAS, it is necessary to transfer funds from the Special Income Tax Fund to fund this project; and

WHEREAS, the City will reimburse the Special Income Tax Fund; and

WHEREAS, this transfer should be considered as a temporary funding method; and

WHEREAS, the aggregated principal amount of obligations (requested via this ordinance) which the City will issue to finance this project is presently expected not to exceed \$468,500.00; and

WHEREAS, the City anticipates incurring certain Original Expenditures (as defined in Section 1.150-2(c) of the Treasury Regulations (the "Treasury Regulations") promulgated pursuant to the Internal Revenue Code of 1986, as amended) with respect to the construction of the project described in this ordinance (the "Project"); and

WHEREAS, the COVID-19 pandemic has resulted in actions to facilitate compliance with COVID-19 public health measures causing project delays, and therefore, the project to implement Dayforce timeline to complete needs to be extended resulting in project expenses that were not planned or budgeted; and

WHEREAS, the project training modalities must change to develop virtual training and remote learning; and

WHEREAS, the completion of the implementation will improve telework capabilities as well as better support the function of government management of payroll, benefits administration, time and attendance, and personnel management; and

WHEREAS, such expenditure of funds has not been previously accounted for in the 2020 Budget; and

WHEREAS, this ordinance does not identify all the contractor(s) to whom the contract(s) will be awarded and

understands that its passage will give the City Auditor the discretion and final decision in determination of the contract(s) that are in the best interests of the City and necessary for the successful upgrade of this financial management system, therefore, it is necessary to waive the competitive bidding provisions of City Code to allow the Auditor to enter into these contracts; and

WHEREAS, an emergency exists in the usual daily operations of the City Auditor's Office in that it is immediately necessary to authorize the City Auditor to modify contracts with Ceridian HCM, Inc. and others for the implementation of Dayforce to complete the project in a timely manner, thereby preserving the public health, peace, safety, and welfare;

NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the City Auditor be and is hereby authorized to modify contracts with Ceridian HCM, Inc, Navigator Management Partners, LLC, SaaSME Consulting Services, LLC, and others for professional services necessary for implementation of Dayforce due to change in project duration caused by the COVID-19 public health emergency as well as improve telework capabilities and more efficient support of governmental payroll and personnel functions.

SECTION 2. That, for the same purposes as set forth in Section 1 of this ordinance, the City Auditor is hereby authorized to enter into contracts with such additional consultants or vendors as may be necessary and available through State Term contracts per the terms and conditions of such State Term contracts. This Council recognizes that this ordinance does not identify all the contractor(s) to whom the contract(s) will be awarded and understands that its passage will give the City Auditor the discretion and final decision in determination of the contract(s) that are in the best interests of the City and necessary for the successful upgrade of this financial management system. For the purposes of these types of contracts, this Council deems it in the best interests of the City to delegate this contracting decision to the City Auditor and to waive the competitive bidding requirements of the Columbus City Code.

SECTION 3. That from the unappropriated balance of the Special Income Tax Fund No. 4430, and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ending December 31, 2020, the sum of \$468,500.00 is hereby appropriated to the Department of the City Auditor for transfer per the account codes in the attachment to this ordinance in order to carry out the purpose of this ordinance.

SECTION 4. That from the unappropriated monies and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ended December 31, 2020, the sum of \$468,500.00 is appropriated in Fund 7783 (Auditor G.O. Bond Fund), Dept-Div 2201 (Auditor), Project P220003-100000 (Network Systems - Payroll), in object class 06 (Capital Outlay) per the account codes in the attachment to this ordinance.

SECTION 5. That the City Auditor is hereby authorized to transfer up to \$468,500.00 from the Special Income Tax Fund 4430 to the Auditor G.O. Bond Fund 7783 Dept-Div 2201, Project P220003-100000 per the account codes in the attachment to this ordinance.

SECTION 6. That the 2019 Capital Improvement Budget is amended as follows:

Fund | Project ID | Project Name | Current Authority | Revised Authority | Change

7783 | P220003 - 100000 | Network Systems - Payroll(Councilmanic SIT Supported) | \$0| \$468,500 | \$468,500

SECTION 7. That the expenditure of \$468,500.00, or so much thereof as may be needed, is hereby authorized in Fund 7783 (Auditor G.O. Bond Fund), per the accounting codes in the attachment to this ordinance.

SECTION 8. That the City Auditor is authorized to make any accounting changes to revise the funding contract or contract associated with the expenditure of the funds transferred in Section 5.

SECTION 9. That upon obtaining other funds for this project, the City Auditor is hereby authorized to repay the Special Income Tax Fund the amount transferred under Section 5 above, and said funds are hereby deemed appropriated for such purpose.

SECTION 10. That the City intends that this ordinance constitute an “official intent” for purposes of Section 1.150-2(e) of the Treasury Regulations, and that the City reasonably expects to reimburse itself for certain Original Expenditures incurred with respect to the Project from the proceeds of obligations to be issued by the City in a principal amount currently estimated to be \$468,500.00 (the “Obligations”).

SECTION 11. That the City Auditor is authorized to make any accounting changes to revise the funding source for any contract or contract modification associated with this ordinance.

SECTION 12. Funds are hereby deemed appropriated and expenditures and transfers authorized to carry out the purposes of this ordinance and the City Auditor shall establish such accounting codes as necessary.

SECTION 13. That the City Auditor is hereby authorized to transfer the unencumbered balance in a project account to the unallocated balance account within the same fund when said project has been completed and the monies are no longer required for said project.

SECTION 14. That for reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.