



## Legislation Text

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**File #:** 1785-2019, **Version:** 1

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**BACKGROUND:** This ordinance NO. 1785-2019 authorizes expenditures of \$1,900,000 for the upgrade (and support) of Dynamics AX 2012 to Dynamics 365 Finance and Operations. This legislation authorizes the City Auditor to enter into contract with OnActuate Consulting Inc., Knowledge Services, Navigator Management Partners and/or such additional consultant vendors as may be necessary.

The City implemented Microsoft Dynamics AX 2012, R3 for Public Sector Industry as its financial management system on January 1, 2016. Approximately 600 active users and 7,000 vendor contacts utilize the system.

This project seeks a new Microsoft Partner to provide professional consulting services, training and ongoing support and is expected to be renewable annually, subject to mutual agreement, as well as funding, appropriation, and approval by City Council. Services will include the performance of functional and gap analysis of City of Columbus use of product and reliance on third party solutions or customizations. As some Tyler Insight Extension (TIE) items are to be added to D365FO core by Microsoft, it is anticipated that Columbus can return closer to the manufacturer's product and reduce reliance on third party solutions and customizations.

The Evaluation Committee conducted an RFP process in accordance with Chapter 329, Section 329.28 of the Columbus City Code. The RFP was advertised on February 4, 2019 and expired on March 11, 2019 4:00 PM EST. The committee is comprised of cross functional stakeholders from the City Auditor's Office, the Department of Finance and Management, the Purchasing Office, and Public Safety representing the various financial disciplines within the system.

Five (5) responses were received and evaluated. The initial responses were evaluated based on the following criteria:

- The competence of the offeror to perform the required service as indicated by the technical training, education and experience of the offeror's personnel who would be assigned to perform the work;
- The quality and feasibility of the offeror's technical proposal;
- The ability of the offeror to perform the required service competently and expeditiously as indicated by the offeror's workload and the availability of necessary personnel, equipment and facilities;
- Past performance of the offeror as reflected by evaluations of the city agency, other city agencies and other previous clients of the offeror with respect to such factors as quality of work, success in controlling costs, and success in meeting deadlines; and
- Price

Following an initial evaluation of RFP responses, three offerors: AKA Enterprise Solutions, Crowe LLP and OnActuate Consulting Inc. were invited to participate in vendor sessions. Each offeror participated in a two day session with City subject matter experts and the Evaluation Committee. Items such as project plan, automated test strategy, training strategy, interfaces, and reports were covered in depth.

Following completion of vendor sessions for all three offerors, the Evaluation Committee determined that AKA Enterprise Solutions and OnActuate Consulting Inc. would advance to the reference check phase of the RFP evaluation. As part of the offeror's RFP response, each offeror was requested to submit three questionnaires completed by customers for AX2012 implementations, D365FO migration assessments, D365FO implementations or D365FO migrations. Public Sector references were preferred.

Based on the evaluation process results, OnActuate Consulting Inc. was recommended as the highest ranked offeror.

Upgrading Dynamics 2012 to Dynamics 365 Finance and Operations will allow the City of Columbus to achieve many of the following goals:

- Select a Support Partner who offers the City of Columbus the highest level of support and a partner that will help the City's Dynamics implementation grow following upgrade (enhancements).
- Improve Efficiency (Performance, Usability - Learn what we can do better, address pain points).
- Move to Microsoft Hosting (Increased System Performance Monitoring, proper sizing).
- Improve user adoption (web, workspaces, and leverage task recorder).
- Improve access to our data (Improved reporting, PowerBI, Data entities).
- Revamp Integration capabilities.
- Take advantage of continuous product updates and reduce deployment time to production environment from 7 -8 hours to approx. 30 minutes, every 1 to 3 months.
- Reduce third party dependencies (Tyler Content Manager, Tyler Forms, etc.).
- Develop automated test scripts to reduce in-house testing resource time commitments.

In addition, this ordinance authorizes the expenditure of up to \$407,608 to Knowledge Services, Navigator Management Partners and/or such additional consultant vendors as may be necessary. The City Auditor requires the ability to contract with additional vendors to provide resources for staff augmentation. This ordinance would authorize the City Auditor to contract with the following current State term schedule holders as needed:

- State of Ohio's IT Staff Augmentation Contract (state term schedule) with Knowledge Services or the current contract provider for any additional IT staff needed to assist in upgrade of Dynamics 2012 to Dynamics 365 Finance and Operations.
- State of Ohio STS-033, schedule 534431, with Navigator Management Partners for organizational change management resources.

In addition, this ordinance authorizes the expenditure of up to \$50,400 for additional attachment storage and Azure/web environments for a publicly facing Vendor Portal to register vendors and display open request for quotations.

Finally, this ordinance contains funding for contingencies that may arise in the project and allows the project manager to authorize change orders in the scope of work as needed to see the project to a successful conclusion.

### **FISCAL IMPACT**

This project has been budgeted for in the 2019 Capital Improvement Budget. The funds will not be available until the 2019 bond sale has been completed and the proceeds deposited. Therefore, it is necessary to certify the requisite funds in the amount of \$1,900,000.00 against the Special Income Tax Fund.

### **EMERGENCY DESIGNATION**

Emergency action is requested in order to complete the project in a timely manner to allow for proper accounting of the City's financial system.

To authorize the City Auditor to enter into contracts with OnActuate Consulting Inc., Knowledge Services, Navigator Management Partners and/or such additional consultant vendors as may be necessary, for upgrading Dynamics AX 2012 to Dynamics 365 Finance and Operations (D365FO); to provide funding for the upgrade of Dynamics 2012, and support and maintenance of Dynamics 365 Finance and Operations system; 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 \$1,900,000.00 from the Auditor G.O. Bond Fund for a total expenditure of \$1,900,000.00; and to declare an emergency

(\$1,900,000.00).

**WHEREAS**, the City Auditor and Mayor's Office have determined to upgrade the City's Financial Management System, Dynamics AX 2012 to Dynamics 365 Finance & Operations (D365FO) in the Cloud; and

**WHEREAS**, the City Auditor and the Department of Finance and Management and their staffs have conducted a search for and evaluation of upgrade service partners; and

**WHEREAS**, the City of Columbus solicited Requests for Proposals (RFP) pursuant to Columbus City Code 329 for Professional Services for upgrade of Dynamics AX 2012 to Dynamics 365 Finance and Operations. The RFP was advertised in the City Bulletin, published to the web on Vendor Services, and all registered vendors for the related commodities were notified via email or fax; and the evaluation committee reviewed the qualifications, proposals, and demonstrations of the offeror and recommended OnActuate Consulting Inc. as the highest rated offeror; and

**WHEREAS**, additional resources and support services are necessary to complete the project; 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 which the City will issue to finance this project is presently expected not to exceed \$1,900,000.00; 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**, 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 enter into contracts with OnActuate Consulting, Inc. and others for the upgrade of Dynamics 2012 to Dynamics 365 Finance and Operations, 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 enter into contracts with OnActuate Consulting Inc., Knowledge Services, Navigator Management Partners and others for professional services necessary for the upgrade of Dynamics 2012 to Dynamics 365 Finance and Operations.

**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 OnActuate Consulting Inc., Knowledge Services, Navigator Management Partners and/or such additional consultant 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 all of 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 this ordinance, 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, 2019, the sum of \$1,900,000.00 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, 2019, the sum of \$1,900,000.00 is appropriated in Fund 7783 (Auditor G.O. Bond Fund), Dept-Div 2201 (Auditor), Project P783002-100002 (Financial Systems), 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 \$1,900,000.00 from the Special Income Tax Fund 4430 to the Auditor G.O. Bond Fund 7783 Dept-Div 2201, Project P783002-100002 per the account codes in the attachment to this ordinance.

**SECTION 6.** That the expenditure of \$1,900,000.00, 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 7.** 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 8.** 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 9.** 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 \$1,900,000.00 (the “Obligations”).

**SECTION 10.** 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 11.** 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 12.** 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 13.** 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.