



## Legislation Text

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**File #:** 1321-2020, **Version:** 1

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**BACKGROUND:** This ordinance NO. 1321-2020 authorizes expenditures of \$1,150,000.00 for the upgrade (and support) of Dynamics AX 2012 to Dynamics 365 Finance and Operations (Project ELEVATE) change in project duration due to the COVID-19 public health emergency. This legislation authorizes the City Auditor to modify contracts with OnActuate Consulting Inc., Knowledge Services, Microsoft Corporation/Dell, 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. The City was in the process of migrating to Dynamics 365 Finance and Operations, Project ELEVATE, when the Mayor declared a State of Emergency for the City of Columbus related to COVID-19.

As a result of the Declaration of State of Emergency, City resources critical to Project ELEVATE were transitioned over a period of time to working remotely and the majority of project resources were essential employees focused on COVID response efforts in maintaining operations for health, safety and welfare during the crisis. Thus, resource availability for continuing work on Project ELEVATE dropped by over 60%. Progress was made during this time period, but not within the timeframes in the project plan.

The City's Department of Technology was instrumental in providing remote work capability for employees so they could access Dynamics 2012, which is only accessible from the City of Columbus Network. Without access to the City network, financial operations city-wide would have been significantly impacted. The public health emergency highlighted our need to improve telework capabilities and provide access to the City financial system outside of the City of Columbus Network.

In an effort to improve telework capabilities and support functions of government such as financials (budgeting, purchasing, accounts receivable, etc.) the City Auditor has added the following goals to Project ELEVATE.

1. Extend the implementation project timeline of D365 Finance and Operations (\$340,000) in response to the COVID 19 induced delays and also ensure the City's financial management system will be accessible from any internet connected device (PC, tablet, phone). The user will not be required to remotely connect to their desktop on the City of Columbus network in order to access the application and perform applicable job functions. D365 will be hosted by Microsoft and the project timeline extension will allow the necessary components to be put into place to support this.
2. Implement Microsoft Point of Sale (POS) to replace Tyler Cashiering (\$380,000). POS shall be accessible from any internet connected device (PC, tablet, phone). Tyler Cashiering is a desktop application used by multiple City departments for accounts receivable functions that can only be accessed when the user is connected to a City computer on the City of Columbus Network that has Cashiering installed. Microsoft POS improves telework capabilities and support functions of government accounts receivable and would allow payment to outstanding AR invoices, allow entry of deposits, etc. Point of sale will be posted by Microsoft.
3. Virtual Training. In an effort to comply with social distancing and/or stay at home orders, training for Dynamics 365 will be developed as a virtual curriculum rather than face to face training. The training coordinator will develop a virtual class curriculum utilizing training development software (\$2,500) and teleconference capabilities allowing us to properly train 600 users on D365 prior to go-live without requiring attendance in person or in close proximity to other users.

In addition, this ordinance authorizes the expenditure of up to \$248,000 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 and implementation of Point of Sale.
- 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 \$25,000 for Azure/web environments for a publicly facing Vendor Portal to register vendors and display open request for quotations and Point of Sale Azure specifications.

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:** 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 for proper accounting of the City's financial system.

To authorize the City Auditor to modify 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) and implementing Microsoft Point of Sale; to provide funding for the upgrade of Dynamics 2012, and support and maintenance of Dynamics 365 Finance and Operations and Point of Sale 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 \$1,150,000.00 from the Auditor G.O. Bond Fund for a total expenditure of \$1,150,000.00; and to declare an emergency (\$1,150,000.00).

**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 implement Microsoft Point of Sale; 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 \$1,150,000.00; 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**, the COVID-19 pandemic has resulted in actions to facilitate compliance with COVID-19 public health measures causing project delays, and therefore, project expense that were not planned or budgeted; and

**WHEREAS**, the project to upgrade the City’s Financial Management System, Dynamics AX 2012 to Dynamics 365 Finance & Operations (D365FO) in the Cloud, implement Microsoft Point of Sale, and develop virtual training and remote learning are necessary to improve telework capabilities and better support the function of government financials (budgeting, purchasing, general ledger, etc.); and

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

**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 OnActuate Consulting, Inc. and others for the upgrade of Dynamics 2012 to Dynamics 365 Finance and Operations and implementation of Point of Sale 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 OnActuate Consulting Inc., Knowledge Services, Navigator Management Partners, Microsoft/Dell and others for professional services necessary for the upgrade of Dynamics 2012 to Dynamics 365 Finance and Operations and implement Microsoft Point of Sale 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 finance functions.

**SECTION 2.** That, for the same purposes as set forth in Section 1 of this ordinance, the City Auditor is hereby authorized to modify 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, 2020, the sum of \$1,150,000.00 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, 2020, the sum of \$1,150,000.00 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 \$1,150,000.00 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 2019 Capital Improvement Budget is amended as follows:

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

7783 | P783002 - 100002 | Financial Systems (Councilmanic SIT Supported) | \$5,000,000 | \$6,150,000 | \$1,150,000

**SECTION 7.** That the expenditure of \$1,150,000.00, 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 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 \$1,150,000.00 (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.