



Legislation Text

File #: 0867-2021, Version: 1

Background:

This ordinance NO. 0867-2021 authorizes expenditures of \$27,000,000 for the implementation and support of a modern revenue management system. This legislation authorizes the City Auditor to enter into contract with FAST Enterprises and other vendors necessary

The City of Columbus currently uses a collection of 125 legacy tax applications and batch processes maintained by the Department of Technology to collect, audit, and enforce the City's income, admissions, hotel/motel, excise, and short-term rental taxes. The City's current tax systems have limited interfaces with each other or other systems of record (such as the accounting system), making the back-end data processing and reporting necessary for audit and enforcement ineffective compared to modern tools. The complicated network of applications and processes makes the safeguarding of taxpayer information and federal tax information a significant, costly undertaking for both the Division of Income Tax and the Department of Technology. Finally, the systems have not kept up with technical advances in providing a modern taxpayer interface, leaving Columbus taxpayers without a viable online option for filing returns, viewing account information, or making payments. Due to the lack of modern online options for taxpayers, a significant portion of the Division's incoming filings are received via mail, making the collection of income tax revenues not only inconvenient for taxpayers, but also highly manual for the City.

The Auditor's Office conducted an RFP process in accordance with Section 329.27 of Columbus City Code for a new fully-integrated revenue management system and related professional services necessary to implement the proposed system.

Five (5) responses were received. The initial responses were evaluated using (1) quality and feasibility of the proposed project plan, (2) overall proposed system, (3) project resources and product efficiencies, (4) licensing model/ongoing maintenance support options, (5) cost and payment terms, and (6) ability, competence, and past performance of the offeror.

After reviewing the proposals, two (2) offerors were selected to provide scripted virtual demonstrations for five (5) days each. Each vendor was permitted to revise their proposals and resubmit to account for COVID-19 restrictions and after having interviewed the City, any revisions needed for items such as scope, project plan, or cost. The committee re-reviewed the content of the proposals, the revisions and considered the presentation content, the references, and all other pertinent information collected during the due diligence phase. After the demonstrations were concluded, FAST Enterprises GenTax solution was recommended by the Evaluation Committee as the highest rated offeror to replace the City's aged legacy systems.

Implementing FAST Enterprises' GenTax solution will allow the City of Columbus as an enterprise to achieve the following objectives:

- Replace all tax processing systems with a single solution that meets the City's needs for an integrated revenue management system.
- Maintain a flexible and configurable revenue management system, requiring minimal customizations to accommodate current and future business rules, various tax and revenue types, scanning and other data

acquisition methods, reporting requirements, and interfaces.

- Allow taxpayers easy self-service access to their tax accounts to find the information and the filing capabilities they need to meet all of their tax requirements.
- Streamline City workflow and case management processes.
- Enhance safeguarding protections of confidential personal information and federal tax information.
- Integrate third party data sources to more accurately identify non-compliance and enforce the collection of the City's income tax.
- Provide more reliable, real-time data to City leadership to better inform the decisions that impact the economic prosperity of our residents and businesses.
- Enable the ability for the Division of Income Tax staff to work remotely and continue collection of essential revenues, which is not possible via the current legacy systems.

Finally, this ordinance contains \$2,490,000 in 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. Contingencies budgeted for include the purchase of any necessary machines/equipment, network needs for data conversion, staff augmentation, and other unforeseen circumstances. Pricing for such contingency purchases will be obtained from state or other cooperative contracts, City UTC, standard published government discounts, or soliciting quotes from vendors qualified to provide the necessary items.

In order to ensure adequate resources and complete the project, the City Auditor requires the ability to contract with additional vendors to provide resources for staff augmentation. It is in the City's best interests to authorize the City Auditor to waive competitive bidding in order to enter into contracts with the following vendors 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 the deployment of the tax revenue system.
- Additional vendors as may be necessary from the project contingency budget.

To amend the 2020 Capital Improvement Budget; to authorize the City Auditor to appropriate and transfer \$24,510,000.00 from the Special Income Tax Fund to the Auditor Bond Fund; to authorize the City Auditor to enter into contract with FAST Enterprises; to authorize the City Auditor to enter into contract with such additional vendors as may be necessary for a modern revenue management system; to waive the competitive bidding provisions to enter into such contracts; to provide funding for the implementation, support, hosting, and maintenance of GenTax Income Tax Revenue Management System; to authorize the appropriation of \$24,510,000.00 in the Auditor Bond Fund; to authorize the expenditure of \$27,000,000.00 in the Auditor Bond Fund; and to declare an emergency (\$27,000,000.00).

WHEREAS, it is necessary to amend the 2020 Capital Improvement Budget; and

WHEREAS, a transfer of \$24,510,000 from the Special Income Tax Fund to the City Auditor Bond fund is necessary to fund the project; and

WHEREAS, the City will sell notes or bonds to fund this project and will then reimburse the Special Income Tax Fund accordingly; and

WHEREAS, this transfer should be considered a temporary funding method; 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”).

WHEREAS, the City Auditor and the Department of Technology have determined that the City's existing legacy income tax revenue management systems are no longer adequate and are reaching the end of their product life;

WHEREAS, the City Auditor and her staff have conducted a search for and study of replacement options;

WHEREAS, the City of Columbus solicited Requests for Proposals (RFP) pursuant to Columbus City Code 329 for Professional Services for the purchase and implementation of an Income Tax Revenue Management System. 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 FAST Enterprises GenTax product as the highest rated solution;

WHEREAS, the selection of FAST Enterprises GenTax solution meets the goals of best overall fit for the City in terms of application functionality, ease of use, technological direction, cost, resources required to implement and maintain, and compatibility with the software implementer; and

WHEREAS, it is necessary to authorize the City Auditor to enter into contract with such additional consultant vendors as may be necessary for a modern revenue management system. Pricing for such contingency purchases will be obtained from state or other cooperative contracts, City UTC, standard published government discounts, or soliciting quotes from vendors qualified to provide the necessary items; and

WHEREAS, it is in the city's best interests to waive the competitive bidding provisions to enter into such contracts; and

WHEREAS, additional resources and support services are necessary to complete 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 FAST Enterprises and others for the implementation, necessary equipment and professional services related to the deployment of GenTax and related systems to replace the City's current income tax revenue management systems, 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 2020 Capital Improvements Budget authorized by ordinance 2521-2020 be amended as follows to establish sufficient authority for this project:

Fund/Project/Project Name/Current/Change/C.I.B. as Amended

7783/P783002-100002/Auditor Bond Fund/\$0/\$24,510,000/\$24,510,000

SECTION 2. That the City Auditor be and is hereby authorized to enter into contracts with FAST Enterprises for software as a service, devices, and professional services necessary for the implementation of their system to replace the City's existing legacy income tax revenue management system.

SECTION 3. That, for the same purposes as set forth in Section 2 of this ordinance, the City Auditor is hereby authorized to enter into contracts with Knowledge Services, and/or such additional vendors as may be necessary. 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 implementation of this financial management system. Pricing for such contingency purchases will be obtained from state or other cooperative contracts, City UTC, standard published government discounts, or soliciting quotes from vendors qualified to provide the necessary items. For the purposes stated in this Section, this Council deems it in the best interests of the City to waive the competitive bidding

provisions of the Columbus City Code.

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, 2021, the sum of \$24,510,000 is appropriated in Fund 4430 (Special Income Tax) Dept-Div 2201 (City Auditor) in Object Class 10 (Transfer Out Operating) and in Fund 7783 (Auditor Bond Fund), 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 transfer of \$24,510,000 or so much thereof as may be needed, is hereby authorized from Fund 4430 (Special Income Tax), Dept-Div 2201 (City Auditor) to Fund 7783 (Auditor Bond Fund) per the account codes in the attachment to this ordinance.

SECTION 6. That the expenditure of \$27,000,000, or so much thereof as may be needed is hereby authorized from fund 7783 (Auditor Bond Fund) Dept./Div. No. 22-01 , Object Class 06, Main account 66530, Project P783002-100002 per the account codes in the attachment to this ordinance.

SECTION 7. That the monies in the foregoing Section 6 shall be paid upon order of the City Auditor, and that no order shall be drawn or monies paid except by voucher, the form of which shall be approved by the City Auditor.

SECTION 8. That upon obtaining other funds for this project the City Auditor is hereby authorized and directed to repay the Special Income Tax Fund the amount transferred under Section 5.

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 \$24,510,000 (the "Obligations").

The City intends to make a reimbursement allocation on its books for the Original Expenditures not later than eighteen months following the later to occur of the date of the Original Expenditure to be reimbursed or the date the Project for which such Original Expenditures were made is "placed in service" within the meaning of the Treasury Regulations Section 1.150-2(c). Upon the issuance of the Obligations, the proceeds of such Obligations shall be used to reimburse the fund from which the advance for costs of the Project will be made.

SECTION 10. 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 11. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications with this ordinance.

SECTION 12. 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.