BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date:	8/6/13
requested board Meeting Date.	0/0/10

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ITEM SUMMARY, JUSTIFICATION and/or SPECIAL CONSIDERATIONS

BACKGROUND

The contract was initially awarded by the Procurement Director on 9/30/08 in an annual amount of \$0.00 (service fees were paid by insurance carrier, UHC) and included four one-year renewals, which have been exhausted. The contract's current termination date is 5/14/13.

The County's recent decision to become self-insured and change its provider of employee health care benefits from United Healthcare (UHC) has disrupted payment for this contract. As part of the change to self-insured, the County will need to move forward and assume the costs associated with this system until the implementation of the new enterprise system with ADP is complete, which is estimated to be August of 2014.

The costs associated for the remainder of the time with the current system is approximately \$300,000.00 per year. This amount was anticipated at the time FY 2013-2014 budget was developed and according to Finance there are sufficient funds to cover this expense.

Effective Date: 07/01/13	Effective Date: 5.6-13
New Termination Date: 06/30/14	Cost : 300, 100
Original Contract Amount: \$0.00	Total Action
Prior Amendment Amounts: \$0.00	Renewal By : 2-1-19 Term : 10 4.30-19
This Amendment Amount: \$300,000.00	Reviewed by: VX
Revised Contract Amount: \$300,000.00	
Contract Officer: Ana Wilber, Phone number 724-8166	, Procurement Department
Payment System: AMS Financial System	
CLERK OF BOARD USE ONLY: BOS MTG.	ITEM NO

Procure Bept 07/22*13 AMO/"

To: CoB - 7.24.13
Agenda - 8.6.13

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CONTRACT NO. MA-PO-1400000 00000 00000 AMENDMENT NO. This number must appear on all

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contract.

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ADDENDUM No. 2 to ADP HR/BENEFITS SOLUTION documents LICENSE AND SERVICE AGREEMENT between ADP, INC. and

Pima County

This Addendum, made as of the /st day Quely, 2013 by and between ADP, INC. ("ADP") with its principal office at One ADP Boulevard, Roseland, New Jersey 07068 and Pima County, a body politic and corporate of the State of Arizona, having a principal place of business at 150 West Congress Street, Tucson, Arizona 85701 ("Client"), contains changes, modifications, revisions and additions to the ADP HR/Benefits Solution License and Service Agreement dated May 13, 2008 between ADP and Client (the "Agreement").

In consideration of the mutual covenants contained in the Agreement and in this Addendum, and for other good and valuable consideration, notwithstanding anything to the contrary in the Agreement, ADP and Client agree as follows:

1. As of the Effective Date of this Addendum, Client no longer designates PacifiCare Life Assurance Company (the "Carrier") as its primary contact to ADP with respect to the services performed by ADP for Client under the Agreement. Client shall be the primary contact to ADP with respect to the services provided by ADP under the Agreement.

2. Billing/Fees for Services:

- (a) Commencing with the August 2013 invoices for the ADP Services provided under the Agreement, ADP shall no longer bill the Carrier for such ADP Services, but will bill Client directly. Carrier shall pay ADP for any invoices sent prior to the August 2013 invoice, however, if the Carrier fails to pay ADP the fees it owes to ADP in respect of Services to Client, Client shall be responsible to pay such amount to ADP, promptly following written notice from ADP.
- (b) The fees for the ADP HR/Benefits Solution Services provided by ADP under the Agreement are hereby modified as follows: the PEPM Rate for the ADP Advanced Solution (previously named "Employease® Benefits Administration for Open Enrollment) is increased from \$2.20 to \$2.60 and the PEPM Rate for the Archived Records is increased from \$0.30 to \$0.38
- (c) Section 7.D.Price Increases, is hereby deleted and replaced with the following: "ADP may increase fees on an annual basis based on the Consumer Price Index (CPI), All Urban Consumers, Not Seasonally Adjusted, U.S. City Average, All Items as published by the United States Bureau of Labor Statistics, Series ID: CUUR0000SA0, provided any such fee increase shall never be lower than 0% or higher than 3%. After the Initial Term, ADP may modify the fees upon 30 days prior written notice to County for the next annual term also based on CPI, provided any such fee increase shall never be lower than 0% or higher than 3% annually. These prices do not include monthly communication charges or communication installation charges (e.g. internet service provider charges), which will be paid by Client."
- A new Statement of Work attached hereto, is added as <u>Exhibit D.</u>

All other terms and conditions of the Agreement shall remain in full force and effect. In the event of any conflict between the terms and conditions of this Addendum and the terms and conditions of the Agreement, this Addendum shall prevail. The terms defined in the Agreement and used in this Addendum shall have the same respective meanings as set forth in the Agreement, unless clearly otherwise defined in this Addendum.

IN WITNESS WHEREOF, this Addendum to the Agreement is hereby executed by an authorized representative of each party hereto as of the date first above written.

ADP, INC.	PIMA COUNTY
By Janice MRoupe	Ву:
Name: Jania M. Bilyn	Name:
Title: Service Center DVP**	Title:
	OR DESIGNATED FINANCIAL EXECUTIVE OF THE

AFFECTED REGION IS AUTHORIZED TO EXECUTE THIS ADDENDUM ON BEHALF

APPROVED AS TO FORM: **TOBIN ROSEN** Deputy County Attorney

Marc Nulsisky

EXHIBITD



Statement of Work

All Fields Required

Contact Information					
Company Name:	Pima County	HRB Company ID:	pimacounty	ADP 24533297	
Co Code:	18T	Region:	0073	ADP Product Code 8G - HRB	
Contact Name:	Terri Morando	Contact Email Address:	terri.morando	@plma.gov	
Contact Phone#:	(520) 740-2792	Form Completed By:	¹ Rosanne Pas	cascio	
		Project Information			
Project Title:	Standard / Non-Standar				
Project Description:	ADP will develop and implement each of the Connections listed below. Development and implementation of certain connections are dependent upon the total employee population in the ADP HR&B module. In some cases implementation is also dependent upon a vendor's ability to accept and process an electronic file. Please Note: The implementation of a carrier connection may take up to 12 weeks, please see your implementation Consultant for additional details about your specific request.				
Standard — SCN F003xx - \$2100; Carrier Name: Astna Medical Standard — SCN F003xx - \$2100; Carrier: Name: Ast COBRA Standard — SCN F003xx - \$2100; Carrier Name: Standard — SCN F003xx - \$0.00; Carrier Name: Non-Standard — SCN F0035x \$0.00; Carrier Name: Stand-alone Payroll Connection — SCN F00210 — \$1500 Standard Employee Connection — SCN F00210 — \$1500 Standard Employee Connection — SCN F00210 — \$1500 Standard Enrollment — SCN F00220 — \$1500 Historical Data Export — SCN F00220 — \$1500 Historical Data Export — SCN F00220 — \$500 Archived Data Export — SCN F00220 — \$500 Automated Import Service — SCN F00240 — \$4000 \$0.00					
Comments:					
		Fees			
Total Connections:	2				
Total Charges:	\$4,200.00				
		Disclaimer and Signature			
Agreement. The charge fo A professiona after production documented r	r services will be billed at the I service fee may be charged on notification. Such maintent equirements. Service fees wi	shall be subject to the terms and contime each connection is placed into for the completion of requests to mance requests include changes to the charged at the rate of \$175.00 and fax back to 84 of this Statement of Work.	production. odify the listed of the configuration of the per hour. 7.228.454	onnections if received 30 days of a file or changes to	
Signature:	M. Star.		Dat	e: <u>2/27/13</u>	
. Oignature.					