BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

○ Award ◉ Contract ○ Grant **Requested Board Meeting Date:** 07/02/19

** = Mandatory, information must be provided* **or Procurement Director Award** ☐

***Contractor/Vendor Name/Grantor (DBA):**
Automatic Data Processing Inc. dba ADP LLC

***Project Title/Description:**
HR/Payroll, Benefits, eTime Management

***Purpose:**
Amendment of Award: Master Agreement No. MA-PO-13-202, Amendment No. 07. This Amendment extends the termination date to 11/01/21, adds three (3) one-year renewal options, increases the contract amount by $4,100,000.00 (including sales tax) for a cumulative not-to-exceed contract amount of $15,966,654.00, and amends the scope of the Contract.

This Amendment replaces certain sections of Annex Z, upgrades ADP eTime to Version 8, adds ADP Health Compliance services, and allows for one mass salary update at no charge.

Administering Department: Human Resources.

***Procurement Method:**
Pursuant to Pima County Procurement Code 11.24.010, Cooperative procurement authorized, on 07/02/13, the Board of Supervisors approved a contract for five (5) years and a contract amount of $11,974,501.00 with the stipulation that future pricing increases required Board approval.

On 0817/15, Amendment No. 01, was approved by the Board of Supervisors that discontinued Benefits Call Center Services and Dependent Verification Services; modified ADP Self Service rate from "Per Employee" to "Per Month", and Health and Welfare Services/Core Offering (Decreased unit prices); and decreased the cumulative not-to-exceed contract amount to $11,866,654.00.

On 10/18/16, Amendment No. 02, was approved by the Board of Supervisors that increased Unit Prices by 1% for payroll/hosting services, time/labor management and eTime.

On 03/07/17, Amendment No. 03, was approved by the Board of Supervisors that increased a unit price in the Benefits Administration Services category, specifically the line item for Health and Welfare Services/ Core Offering, by 2.1% from $4.41 to $4.50 as allowed by the contract.

On 04/18/17, Amendment No. 04, was approved by the Board of Supervisors that modified the termination date to 11/01/19 and the fee written notices from 30 to 60 days, and replaced Annex Z, Section 5.4 in its entirety to document the fee changes that were approved in the previous amendment.

On 08/21/17, Amendment No. 05, was approved by the Board of Supervisors that changed contractor's legal name from ADP, Inc. to Automatic Data Processing, Inc dba ADP, LLC. and replaced Annex Z, Section 5.4 to reflect an increase of 2.2%.

On 08/07/18, Amendment No. 06, was approved by the Board of Supervisors that replaced Annex Z, Section 5.4 in its entirety with Annex Z, Section 5.4.1, which increased the Ongoing Service Fees by 2.5%.

PRCUID: 68249
Attachment: Contract Amendment No. 07.

To COB: 6-20-19 (1) Addendum
ver. 24 pgs. 22

Procurement Dept 06/20/19 PM04:06

***Program Goals/Predicted Outcomes:**
Maintain current level of benefit coverage for County employees.

***Public Benefit:**
Maintain the electronic HR and Payroll systems.

***Metrics Available to Measure Performance:**
System availability with minimal downtime.

***Retroactive:**
No

Contract / Award Information

Document Type: _____ Department Code: _____ Contract Number (i.e.,15-123): _____

Effective Date: _____ Termination Date: _____ Prior Contract Number (Synergen/CMS): _____

☐ **Expense Amount: $*** _____ ☐ Revenue Amount: $ _____

***Funding Source(s) required:**

_____

Funding from General Fund? ○Yes ○No If Yes $ _____ % _____

Contract is fully or partially funded with Federal Funds? ☐ Yes ☐ No

***Is the Contract to a vendor or subrecipient?** _____

Were insurance or indemnity clauses modified? ☐ Yes ☐ No

If Yes, attach Risk's approval

Vendor is using a Social Security Number? ☐ Yes ☐ No

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment / Revised Award Information

Document Type: MA Department Code: PO Contract Number (i.e.,15-123): 13-202

Amendment No.: 07 AMS Version No.: 24

Effective Date: 07/02/19 New Termination Date: 11/01/21

Prior Contract No. (Synergen/CMS): _____

◉ Expense or ○ Revenue ◉ Increase ○ Decrease Amount This Amendment: $ 4,100,000.00

Is there revenue included? ○Yes ◉ No If Yes $ _____

***Funding Source(s) required:** General Fund

_____

Funding from General Fund? ◉Yes ○No If Yes $ _____ % 100

Grant/Amendment Information (for grants acceptance and awards) ○ Award ○ Amendment

Document Type: _____ Department Code: _____ Grant Number (i.e.,15-123): _____

Effective Date: _____ Termination Date: _____ Amendment Number: _____

☐ Match Amount: $ _____ ☐ Revenue Amount: $ _____

***All Funding Source(s) required:**

_____

***Match funding from General Fund?** ○Yes ○No **If Yes $** _____ **%** _____

***Match funding from other sources?** ○Yes ○No **If Yes $** _____ **%** _____

***Funding Source:** _____

***If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?** _____

Contact: Eric Welch, Procurement Officer _____ 6/19/19

Department: Procurement _____ Telephone: 520-724-9510

Department Director Signature/Date: _____ 6/19/19

Deputy County Administrator Signature/Date: _____ 6-20-19

County Administrator Signature/Date: _____ 6/20/2019

(Required for Board Agenda/Addendum Items)

Pima County Department of Human Resources

Project: HR/Payroll, Benefits, eTime Management

Contractor: Automatic Data Processing, Inc., DBA ADP, LLC

67 Edna Rd., Ste. 400

Lebanon, NH 03766

Contract No.: MA-PO-13-202

Contract Amendment No.: Seven (07)

Orig. Contract Term:	07/02/2013 - 07/01/2018	**Orig. Amount:**	$11,974,501.00
Termination Date Prior Amendment:	11/01/19	**Prior Amendments Amount:**	$ (107,847.00)
Termination Date This Amendment:	11/01/21	**This Amendment Amount:**	$ 4,100,000.00
		Revised Total Amount:	$15,966,654.00

CONTRACT AMENDMENT

1. **Background.** The parties acknowledge that the following information is accurate:

1.1 County and Automatic Data Processing, Inc. DBA ADP, LLC ("Contractor") entered into the above referenced agreement (the "Contract") on July 2, 2013 to provide HR/Payroll, Benefits, and eTime Management Services.

1.2 The term of the Contract was July 2, 2013 to July 1, 2018. The parties subsequently amended the term to end on November 1, 2019.

1.3 The original not-to-exceed amount for the Contract was $11,974,501.00. This amount was decreased by $107,847.00 as a result of amendment one to the Contract.

1.4 The parties have also amended Annex Z to the Contract multiple times and most recently on August 1, 2018 to replace Annex Z, Section 5.4 with Annex Z, Section 5.4.1.

1.5 The parties want to amend the Contract to extend the Contract's termination date, increase the Contract payment amount, replace Annex Z, upgrade ADP eTime to Version 8, and add ADP Health Compliance services.

1.6 The parties want to amend the Contract to allow for a Mass Salary Update once per year at no charge to Pima County. Any additional mass salary updates will be at the normal change request cost.

2. **Term.**

2.1 **Initial Term.** The Contract Term is extended to November 1, 2021.

2.2 **Renewals.** After the Initial Term, County will have the option to renew this agreement for three (3) one-year periods ("Renewal Terms") by providing Contractor with sixty (60) days' advance written notice prior to the end of the Initial Term or Renewal Term.

3. **Maximum Payment Amount.** The agreement amount is increased by $4,100,000.00. County's total payments to Contractor under this agreement, including any sales taxes, will not exceed $15,966,654.00.

4. Annex Z, Section 5.4.1 is replaced in its entirety with the Pricing Appendix Sections I, II, and III attached to this Amendment.

5. **Fee Adjustments**. The Ongoing Service Fees set forth in the Pricing Appendix Section II will remain fixed during the Initial Term. After the Initial Term, Client may renew the services for three (3) one year periods. During this time, ADP may increase the fees for the Services on an annual basis by 1.8% with 30 days' prior written notice..

6. Exhibit 3, Volume Assumptions, to Annex Z is replaced in its entirety by Section IV of the Pricing Appendix.

7. Annex Z, Section 5.6 is replaced in its entirety by Section V(A) of the Pricing Appendix.

8. Annex Z, Section 5.7 is replaced in its entirety by Section V(B) of the Pricing Appendix.

9. Annex Z, Section 5.8 is replaced in its entirety by Section V(C) of the Pricing Appendix.

10. Annex Z, Section 5.9 is replaced in its entirety by Section V(D) of the Pricing Appendix.

11. Annex Z, Section 5.10 is replaced in its entirety by Section V(E) of the Pricing Appendix.

12. Annex Z, Section 6 is replaced in its entirety by Section V(F) of the Pricing Appendix.

The effective date of this Amendment is July 2, 2019.

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All other provisions of the Contract not specifically changed by this Amendment remain in effect and are binding upon the parties.

PIMA COUNTY

Chairman, Board of Supervisors

Date

ATTEST

Clerk of the Board

Date

CONTRACTOR

Authorized Officer Signature

Jimmy Adams

SVP, HCM Services

Printed Name and Title

06.10.19

Date

APPROVED AS TO FORM
ADP
LEGAL

APPROVED AS TO FORM

Deputy County Attorney

STACEY ROSEBERRY

Print DCA Name

6/17/19

Date

APPROVED AS TO CONTENT

Department Head

Date

PRICING APPENDIX

I. Professional Services

One-time Fees	Quantity	Rate	Frequency	One-time Cost	Based On
Time & Attendance Services					
ADP Enterprise eTIME upgrade				No charge	Upgrade to version 8 as per Attachment I eTime Project Timeline
ADP Health Compliance Services				$0.00	
ADP Health Compliance Services Implementation				$0.00	Estimated Live Date: November 01, 2019
Total One-time Fees				$0.00	

II. Ongoing Service Fees

The fees set forth in the table(s) below are based on the Services and volumes in the assumptions set forth in Section IV (Assumptions).

OnGoing Service Fees	Units Assumed	Rate	Frequency	Based On
ADP HR and Payroll Services	16,102			
EPS Monthly Production Fee	16,102	$1.45	Per pay	
Additional Self Service Concurrent User (ESS)	7,709	$10,195.40	Base fee/month	
EPS Monthly Hosting Fee	1	$17,097.70	Base fee/month	
ALINE Pay - ADP Check + Full Service Direct Deposit (FSDD)	17,464	$0.00	Included	

OnGoing Service Fees	Units Assumed	Rate	Frequency	Based On
ADP Check	17,464	$0.00	Included	
iPay Statements	19,910	$0.00	Included	
ADP GL	16,532	$0.00	Included	
Y/E Info, Tax Reporting, W-2s	8,291	$3.18	transaction	
W2 iPay	8,291	$0.22	transaction	
Employment Tax Services - employees	16,532	$0.00	Included	
Employment Tax Services - Jurisdictions	1	$21.16	jurisdiction	
Adaptation (Ongoing Maintenance of SQRs)	1	$2,310.00	custom/month	
Mass Salary Update	1	$0.00	One/year	One mass update per year at no charge. Additional mass updates will be charged at the change request rate of $185.00/hour.
Time & Attendance Services**				
ADP Enterprise eTIME	7,025	$1.48	ee/month	
ADP Enterprise eTIME Web Time Entry	5,853	$1.48	ee/month	
Additional Managers above 10:1 ratio	462	$5.29	mgr/month	Price per additional manager over the included 10:1 employee/manager ratio
ADP Enterprise Accruals	7,025	$0.423	ee/month	
Leave Management	5,805	$0.634	ee/month	Requires Enterprise Accruals
Hosting	1	$8,252.60	month	Includes test database
Subscription Timeclocks and Other Devices				
InTouch Timeclock Proximity Reader	157	$124.85	clock/mo	
InTouch Quick Punch Peripheral	157	$15.48	clock/mo	
ADP Benefits Administration Services*				

OnGoing Service Fees	Units Assumed	Rate	Frequency	Based On
CORE APPLICATION				* The monthly fee for the Benefits Administration Services shall become payable by Client as of the date on which the Benefit Services administration system is made available to Client in a production environment (regardless of whether the Client has opened the system to its employees or whether any employees are actually processed through the system). There shall be no proration of the first month's fees.
ADP Benefits Enrollment Services and Access	6,050	$4.61	PBEPM	
BUY-UP OPTIONS				
Voluntary Benefits Intake File	6,050	$0.00	No charge	
Wellness Credits	6,050	$0.00	No charge	
Twice Weekly Batch Census Data Load	6,050	$0.00	No charge	
ADP Electronic I-9 Services				
ADP Electronic I-9 Services		$2.00	New Hire	*Minimum monthly fee: $100.00 includes first 50. Any I-9 forms processed over 50 are priced at $2.00 per form
ADP Health Compliance Services				
Health Compliance Services - Comprehensive	6,900			Includes eligibility calculation, affordability determination, notices of coverage, annual IRS Forms 1094-C and 1095C, exchange notice management, and penalty management

III. Additional Services (if applicable)

Subject to the Fee Adjustments set forth in Section V, the fees for certain additional services are set forth in the table below. These fees are based on the scope of work outlined and will be charged at the applicable rates as they occur or exceed the volume included in the fees set forth in Section IV (Assumptions) after the Services commence.

Category	Item Description	Units Included in Fees	Rate per Unit (or ADP Prevailing Rate)	Frequency	Based on
ADDITIONAL SERVICES					
Payroll Processing					
Pays/ Distribution	ADP Check Early Check Cashing Fee	0	$35.00	Per transaction	
	Payroll Processing Runs	up to 8 per month	$0.16	Per transaction	- Additional processing runs will result in a minimum processing charge of $785
	Wire Fees, Voids, Stop Payments, recalls and reversals	0	$12.00	Per wire	Applies to: - Reverse wire - Direct wire
Client Practitioners	Client Service/Support, and Hosting Contacts	5	$260.00	Monthly	- Per contact per month
Hosting Services					
Hosting	Additional Client Requested Databases - Temporary or Permanent	0	$1575.00	Monthly	- Per database per month (excluding the one (1) production instance included in base hosting fee)
Other	Ongoing Interface Maintenance (Adaptation)	1	$210.00	Monthly	- Per interface per month - Includes ongoing maintenance of stated volume of interfaces
ADP Employment Tax Services					
State/Local Fees	Tax Jurisdictions in Applied For Status	0	$50.00	Per occurrence	- Per state per month
	Tax Registration Services	0	$150.00	Per transaction	
Amendments	Amended Return	0	$105.00	Per occurrence	- Applies to all Federal, State, Local, SIT, SUI returns
	Amended W-2C for Employee	0	$4.50	Per employee	
Exceptions	Exception Return	0	$150.00	Per occurrence	Applies to: - Federal 941, 942, 944, 945, 1086, W-3C - FUTA, SIT and SUI - CA - NJ SIT/SUI - State Recon and State 1096 - Local, Local Recon and Local 1096
Time and Labor Management - Enterprise eTime					
Client	Client-designated support contacts	5	$260.00	Per month per	

Category	Item Description	Units Included in Fees	Rate per Unit (or ADP Prevailing Rate)	Frequency	Based on
Practitioners				contact	
ADP Electronic I-9 Services					
Other	Manual I-9 Transactions	0	$7.50	Per form	- Per manual or paper I-9 form reviewed (re-reviews of forms are counted as a new review) in connection with new hires outside of the electronic I-9 process as of the Effective Date
	Import of Electronic I9 Data and Images	0	$5.50	Per form	
	I-9 and Federal Retro/Conversion Section 3 Forms Processing	0	$1.00	Per form	- Name Change, RE-Hire or Updating Expired Documents
	I-9 and Federal Retro/Conversion Documentation Fee	0	$1.00	Per page	

IV. Assumptions

The fees presented were calculated based upon the assumptions set forth below, and the funding requirements set forth in Section V (Financial Terms) of this Appendix and if Client's actual requirements vary from what is stated, the parties shall negotiate in good faith to adjust the fees based on such changes. The fees do not include any customizations to any Service.

Category	Item Description	Units Included in Fees	Rate per Unit (or ADP Prevailing Rate)	Based on
VOLUME ASSUMPTIONS				
Payroll Processing				
Populations	Pay Frequencies	1	Included	
	Company Codes / Pay Groups	1	Included	
	Employees Paid Monthly	16,102	Included	-Processing for up to 16,102 employees paid monthly included
Pays/ Distribution	Payment Transactions	193,224	Included	

Category	Item Description	Units Included in Fees	Rate per Unit (or ADP Prevailing Rate)	Based on
Time and Labor Management - Enterprise eTime				
Populations	TLM Users	7,025	Included	
	Supervisor/Manager Users	1164.50	Included	- Per manager users per month - Standard assumption is 10:1 employee: manager ratio(core) users
	Enterprise Leaves Users	5,805	Included	
	Accruals	7,025	Included	
ADP Benefits Administration Services				
Populations	Benefit Eligible Employees	6,050	Included	
	Benefit Eligible Retirees	0	Included	
	Turnover	15%	Included	-Assumes 15% benefit eligible employee turnover
Client Practitioners	Client Named Contacts	5	Included	- All reporting, including census errors, payroll deduction file reports, and additional standard reports are offered for a single location - Additional sorting or reporting breakouts are a client responsibility
Administration	Retiree Administration	Not Included	Not Included	
Solution Center	Participant Solution Center Support	Not Included	Not Included	- Monday through Friday 8AM - 8PM EST - Saturday 9AM - 5PM EST
Data Import	Beneficiary Data Conversion Sources	0	Not Included	Includes import of up to 2 test files, 1 production file and 1 post-production file
	Census/Indicative Data Load	1	Included	- Census data loaded from one source one time per week (or real-time integration if applicable)
	Wellness Credits	1	Included	Standard ADP format; up to 3 benefit options from single data source
	Voluntary Benefits	1	Included	Standard ADP format; up to 3 benefit options from single data source
Data Export / Interfaces	Healthcare Vendor Exports in HIPAA Compliant 834/5010A Format	8	Included	
	Affordable Care Act (ACA) Output File	Included	Included	ADP will provide Client with an output file in standard ADP format for reporting of benefits data elements required for annual filing
System Configuration	Unique Pay Schedules/ Calendars	4	Included	

Category	Item Description	Units Included in Fees	Rate per Unit (or ADP Prevailing Rate)	Based on
	Annual Open Enrollment Periods	1	Included	
	Active Enrollment	Not Included	Not Included	Services commencing with annual enrollment require active enrollment process for initial year.
	Centralized Administration	Included	Included	Client decision making and processing rules governed by single centralized group
	Benefit Eligibility Groups	4	Included	Includes retiree eligibility groups if applicable
	Health Plan Options	10	Included	- Health Plans include medical, dental, vision, prescription and do not include welfare or flexible spending accounts. - In the event Client (or Client vendor) requires employees to sign an arbitration agreement in order to obtain benefits coverage, Client (or Client vendor) is responsible for such administration.
	Coverage Tiers	5	Included	Coverage tiers are defined as EE only, EE + One, EE + Family, etc.
	Retiree Administration	Not Included	Not Included	
	Additional Rate Structures	0	Not Included	
	Work / Life Events	33 types	Included	Available work / life event types are: - New hire - Newly eligible - Rehire with benefit reinstatement - Rehire without benefit reinstatement - Address change - Leave of absence - Return from leave of absence - Salary change - Change to participation group - Termination - Retirement - Death of employee - Pay frequency change - Reduction of hours - no longer benefit eligible - Full Time to Part Time / PT to FT - Newly benefits eligible (ACA) - Dependent age out - Annual Enrollment - Turning 65 / newly Medicare eligible - Age Banded Events (i.e. life insurance crossing 5 yr age bad) - Marriage or civil union - Divorce or annulment - Birth or adoption of dependent - Add a domestic partner (DP) - Dissolution of domestic partnership - Death of spouse / DP - Death of child / DP's child - Spouse becomes benefit eligible - Spouse becomes benefit ineligible - Dependent child becomes benefit eligible - Dependent child becomes benefit ineligible - Loss of Coverage Elsewhere, Gain of Coverage Elsewhere - Spouses Open Enrollment
Employee Web Access	Non-English Language	1	Included	
	Single Sign-on (SSO) to Third Party Site	0	Not Included	
ADP Health Compliance Services				
Populations	Total Employees	6,900	Included	Includes Employees in Active or Leave of Absence status.

Category	Item Description	Units Included in Fees	Rate per Unit (or ADP Prevailing Rate)	Based on
	Benefit Eligible Employees	6,900	Included	

V. Financial Terms

A. **Postage, Shipping, Travel and other Out-of-Pocket Expenses:** ADP will invoice Client for postage charges, delivery charges, other third party charges incurred on behalf of Client, and reasonable travel and out-of-pocket expenses will be billed in accordance with the standards set forth in Annex Y, Travel and Expense Policy.

B. **Change Control:**

In the event either party requests a change in the scope of the Services (including Implementation Services) (each a "**Change Control Item**"), the parties shall address such change request via ADP's change control process. Change Control Items and the cost associated with such changes (if any) to the Services shall be mutually agreed to by the parties, with the exception of Change Control Items that are required to be made by law or regulation applicable to the Services or to the duration of Implementation Services, which ADP will notify Client of prior to making such change.

1) The standard rate for a Change Control Item is $185.00 per hour; provided, however, that such rate may be increased by ADP as follows:

   - By 50% for Change Control Items requested by Client after October 1st which ADP agrees to deliver by January 31st;
   - By 25% if, after receiving a Change Control Notice, the Client requests an expedited timeframe for completion of the Change Control Item.

2) **Change Control Procedure.** If a Change Control Item is requested or needed, the Parties will follow the change control procedures set forth in this Appendix before ADP devotes resources, expends time or incurs costs. ADP will also notify the County in advance of any impact that a Change Control Item will have to the Ongoing Services Fees, which fee impact (which impact could be upward, downward, or neutral) will also be subject to the mutual agreement of the Parties. ADP will not unreasonably request adjustment to fees, nor will the County unreasonably withhold agreement to equitable fee adjustments commensurate with the additional work effort required as a result of a Change Control Item.

   "Change Control Item" means a change to the Services as defined in this Agreement (including the SOW) that is requested by County, or that is due to the discovery that information provided by the County, on which the Implementation Fees or Ongoing Service Fees was based, is incorrect, which requires ADP to devote additional resources or otherwise incur costs not contemplated by this Agreement, or that reduces ADP's work or results in increased efficiencies. Events that may cause Change Control Items include but are not limited to the following:
   - The County changes a project deliverable;

- ADP must perform additional work or devote additional resources to the project in order to mitigate the impact of a delay by the County that, if not mitigated, will cause the initial Implementation Services described in Section 5.3 to exceed 58 weeks;
- The County fails to provide an environment necessary to support ADP associates during the Implementation Services when on-site at County premises including workspace, access to printers, administrative support, and connection to the internet, unless ADP has not defined in reasonable detail the additional environmental items required to the County at least 60 days in advance of requiring these additional environmental items; and
- Any change that must be enacted in connection with Benefits Services (not due solely to ADP's actions or omissions) in order for ADP to continue to perform the Services.

Certain Change Control Items are required in order for ADP to continue to perform the Implementation Services or the Ongoing Services, as the case may be, and such Change Control Items (each, a "Required Change Control Item") shall not require the County's consent, except that the fees associated with any such Required Change Control Item shall be as mutually agreed, provided that neither party may unreasonably withhold its agreement.

3) **Change Control Documentation.** Upon the occurrence of a Change Control Item, whether initiated by ADP or the County, ADP will deliver to the County a notice (a "**Change Control Notice**") setting forth (i) the details of the Change Control Item, (ii) an analysis of the impact of the Change Control Item on the Implementation Services or the ongoing Services, as applicable, including whether the Change Control Item may result in changes to expected or target completion dates, (iii) an estimate of the time, materials, and aggregate costs required to address the Change Control Item, and (iv) whether the Change Control Item is a Required Change Control Item. The County will notify ADP in writing within 10 Business Days whether or not the Change Control Item is approved as submitted. If the County does not respond to the Change Control Item within the specified period, the Change Control Item will be deemed to be rejected by the County. If the County rejects a Change Control Item, ADP may proceed to provide the Implementation Services or the Ongoing Services, as applicable, without implementing the Change Control Item or ADP may dispute the rejection of the Change Control Item. The immediately preceding three sentences will not apply to a Required Change Control Item.

4) **Change Control Dispute Resolution.** If ADP and the County disagree as to whether an event or request constitutes or necessitates a Change Control Item, or dispute the amount of any fee associated with that Change Control Item, the appropriate individuals for ADP and the County will meet (in person or by telephone), within five Business Days of discovery of such disagreement, and make a good faith effort to resolve the disagreement. If the parties are unable to resolve the dispute, the parties will summarize the dispute in writing and forward it to a senior executive of ADP and a senior executive (Functional Area Project Sponsor) of the County. Such executives will meet (in person or by telephone) within five Business Days of delivery of the dispute summary and make a good faith attempt to resolve the dispute. If a good faith compromise cannot be reached at that meeting a further good faith meeting shall be convened, within 5 Business Days thereafter at which ADP's senior executive and a representative from ADP's legal department will meet (in person or by telephone) with the County's_Functional Area Project Sponsor, Chief Information Officer and County legal department. If these individuals are unable to resolve the dispute, the dispute will be mediated as soon as practicable by a third-party mediator knowledgeable in software development and support and reasonably acceptable to ADP and the County. The cost of the mediation will be shared equally by ADP and the County.

C. **Application Program Maintenance, Support and Modifications:**
ADP will provide maintenance and support of the Application Programs as described in the SOW. ADP will provide the County at least one (1) year's notice before sun-setting the version of an Application Program in use by the County. During the Initial Term, ADP will not require the County to pay for an Upgrade or Update unless such Upgrade or Update is requested by the County. Any fee for the County to Upgrade or Update an Application Program will be mutually agreed through Change Control Item based on the hourly rates described in this Appendix.

The County may request modifications to the System (alteration to core system functionality, SQRs, interfaces, payroll management reports and/or ADP Reporting customizations). Such modifications will be agreed to through the Change Control procedure above. In addition to the one-time fee for ADP to develop such system modification, ADP may charge the County an annual maintenance fee for such System modification developed for the County not to exceed 15% of the total one-time fee in the Change Control Item for such modification. Such annual maintenance fee will be invoiced on a monthly basis beginning the month following the first live payroll processing utilizing such system modification.

D. **Funding Requirements and Disbursement Disclosure:**

1) For ADP Employment Tax Services

Tax Liability Impounding Schedule

- All tax liabilities will be provided to ADP via direct wire.
- Federal, state and local withholding, Social Security/Medicare (FICA) employee withholding and employer contribution, and FUTA and SUI contributions will be provided to ADP one business day prior to the associated payroll check date.
- For direct wire clients, funds must be available by 6:00 a.m. Pacific time.

2) For ADP Wage Payment Services

Net Pay Impounding Schedule

- All net pay will be provided to ADP via direct wire.
- All net pay funding will be provided to ADP two business days prior to associated payroll check date.
- For direct wire clients, funds must be available by 6:00 a.m. Pacific time.

E. **Buy Out Fee.** If Client terminates the any or all of the Services prior to the Termination Date for any reason except those in Section 8.3 of Annex A, or if ADP terminates this Agreement pursuant to Section 8.4 of Annex A, Client shall pay to ADP a buy-out fee ("Buy Out Fee") equal to A multiplied by B multiplied by C, where A equals the number of months remaining prior to the Termination Date at the effective date of termination; B equals the average monthly fee for the terminated Services during the twelve-month period immediately preceding the termination (or a shorter period of time if monthly fees have been payable for less than twelve months at the termination date); and C equals (i) forty percent (40%) if such termination is prior to the twenty-fifth (25th) month after commencement of live processing of the terminated Service, (ii) thirty-five percent (35%) if such termination is prior to the thirty-seventh (37th) month after commencement of live processing of the terminated Service, or (iii) thirty percent (30%) if such termination is after the thirty-sixfth (36th) month after commencement of live processing of the terminated Service. If the termination is after the thirty-sixfth (36th) month, the Buy Out Fee will be the lower of the calculation described above in the section or the previous six (6) months of Ongoing Services Fees for the terminated Service. In the case of any partial termination, the parties may mutually agree to any fees for reconfiguration work required as a result of the partial termination. Payroll Services may not be terminated without also terminating ADP Enterprise Services. If monthly fees for Services have not yet been payable at the time of termination, the Buy Out Fee will be equal to twelve (12) months of estimated monthly

fees that would have been payable for the terminated Service(s) plus a prorated portion of the Implementation Fee for the terminated Service(s).

F. **Application Programs:**
The Application Programs licensed to the County are listed below:

ADP to deploy the Application Programs at a Uniform Resource Locator (URL) to be selected, registered, and owned by ADP.

- **ADP Enterprise HR/Payroll without Advanced Toolkit**
- **ADP Reporting**

  ADP reserves the right to substitute different technology, so long as no substitution has a material adverse effect on System performance or ADP's ability to meet the Service Levels, and ADP will discuss same with the County.
- **ADP Enterprise eTIME**

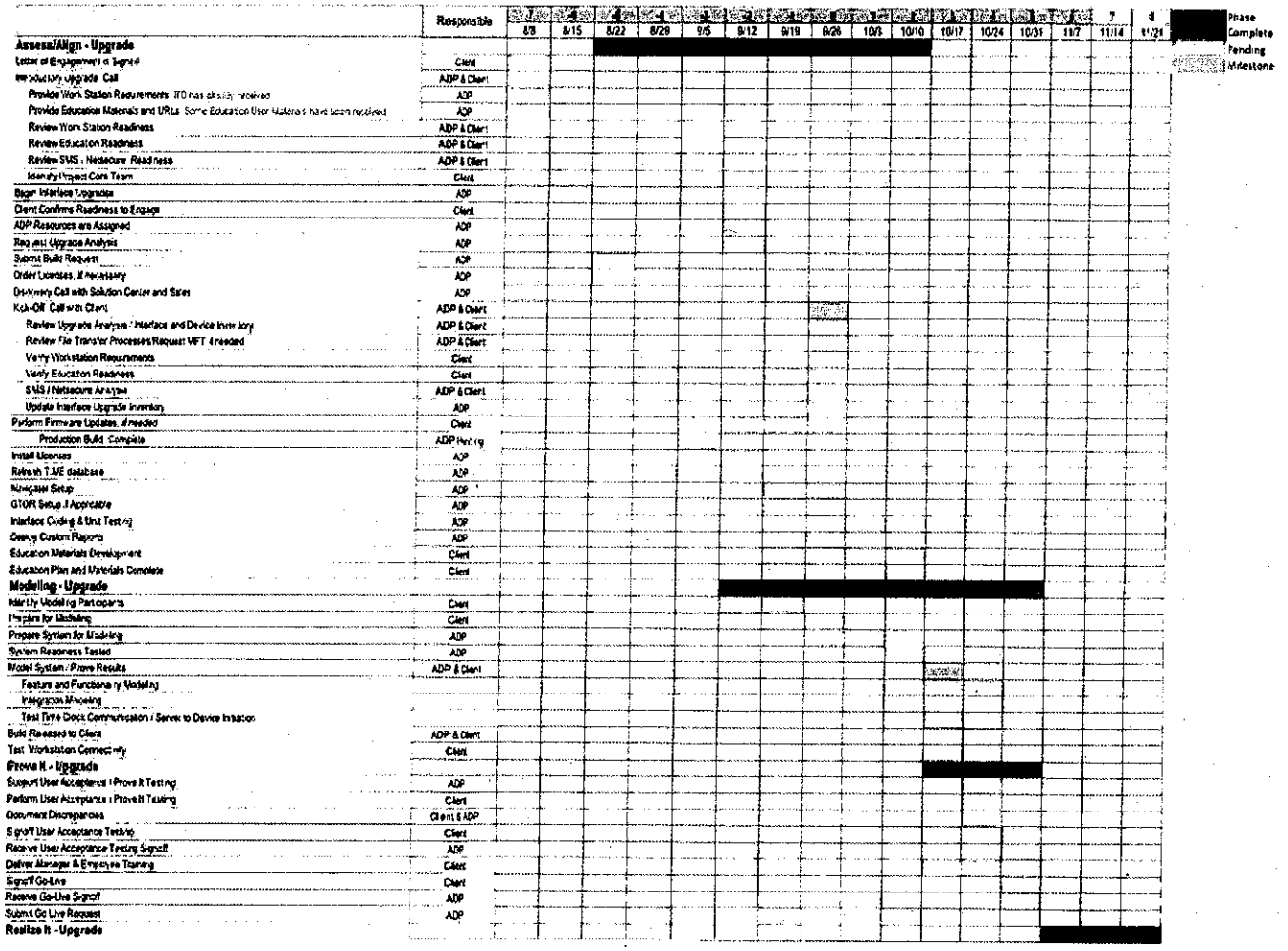
  The number of core employee, manager/supervisor, web-based time entry, and accruals licenses included in the Ongoing Services Fees are stated in Section II or the Assumptions in Section IV..

  License subscriptions will be based on the total number of records within the database with an active or inactive status. Terminated employees do not require a license. Records may be for the County employees or the County contractors who are or are not paid by Client.

  Any person paid by the County under this Agreement must hold an active employee license. Licenses are application-specific unless otherwise noted.

  A copy of the TLM Services database is available in ADP's standard format upon request, at additional charge.
- **ADP Health & Welfare Benefit Services**

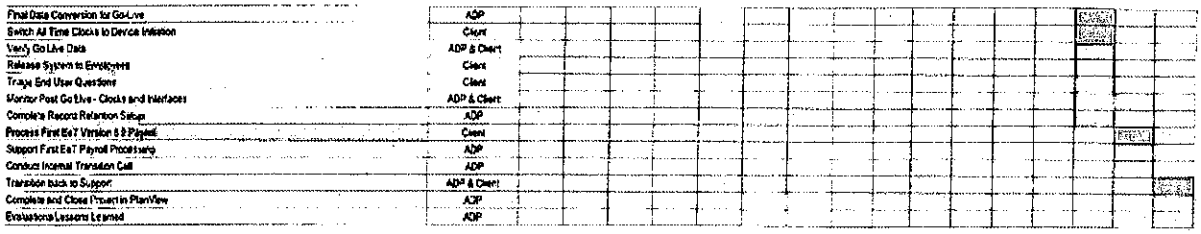
Attachment I
eTime Upgrade to Version 8



	Responsible	1 8/8	2 8/15	3 8/22	4 8/29	5 9/5	6 9/12	7 9/19	8 9/26	9 10/3	10 10/10	11 10/17	12 10/24	13 10/31	14 11/7	15 11/14	16 11/21
Assess/Align - Upgrade																	
Letter of Engagement is Signed	Client																
Introductory Upgrade Call	ADP & Client																
Provide Work Station Requirements ITO has already received	ADP																
Provide Education Materials and URLs Some Education User Materials have been received	ADP																
Review Work Station Readiness	ADP & Client																
Review Education Readiness	ADP & Client																
Review SMS / Netsecure Readiness	ADP & Client																
Identify Project Core Team	Client																
Begin Interface Upgrade	ADP																
Client Confirms Readiness to Engage	Client																
ADP Resources are Assigned	ADP																
Request Upgrade Analysis	ADP																
Submit Build Request	ADP																
Order Licenses, if necessary	ADP																
Introductory Call with Solution Center and Sales	ADP																
Kick-Off Call with Client	ADP & Client																
Review Upgrade Analysis / Interface and Device Inventory	ADP & Client																
Review File Transfer Processes/Request VFT if needed	ADP & Client																
Verify Workstation Requirements	Client																
Verify Education Readiness	Client																
SMS / Netsecure Analysis	ADP & Client																
Update Interface Upgrade Inventory	ADP																
Perform Firmware Updates, if needed	Client																
Production Build Complete	ADP Testing																
Install Licenses	ADP																
Refresh TIME database	ADP																
Workplace Setup	ADP																
GTOR Setup if Applicable	ADP																
Interface Coding & Unit Testing	ADP																
Develop Custom Reports	ADP																
Education Materials Development	Client																
Education Plan and Materials Complete	Client																
Modeling - Upgrade																	
Identify Modeling Participants	Client																
Prepare for Modeling	Client																
Prepare System for Modeling	ADP																
System Readiness Tested	ADP																
Model System / Prove Results	ADP & Client																
Feature and Functionality Modeling																	
Integration Modeling																	
Test Time Data Communication / Server to Device Initation																	
Build Released to Client	ADP & Client																
Test Workstation Connectivity	Client																
Prove It - Upgrade																	
Support User Acceptance / Prove It Testing	ADP																
Perform User Acceptance / Prove It Testing	Client																
Document Discrepancies	Client & ADP																
Signoff User Acceptance Testing	Client																
Receive User Acceptance Testing Signoff	ADP																
Deliver Manager & Employee Training	Client																
Signoff Go-Live	Client																
Receive Go-Live Signoff	ADP																
Submit Go Live Request	ADP																
Realize It - Upgrade																	

Phase Complete
Pending
Milestone

Attachment I
eTime Upgrade to Version 8



PIMA COUNTY

MASTER AGREEMENT

PIMA COUNTY, ARIZONA

THIS IS NOT AN ORDER - TRANSMISSION CONSTITUTES CONTRACT EXECUTION

Master Agreement No: 13000000000000000202 **MA Version:** 24

Description: HR/Payroll, Benefits, eTime Management

ISSUER

Pima County Procurement Department
130 W. Congress St. 3rd Fl
Tucson AZ 85701

Issued By: ERIC WELCH
Phone: 5207249510
Email: eric.welch@pima.gov

TERMS

Initiation Date: 07-02-2019
Expiration Date: 11-01-2021

NTE Amount: **$8,268,046.41**
Used Amount: **$3,014,352.67**

VENDOR

Automatic Data Processing Inc
DBA: ADP LLC
67 Etna Rd, Ste 400
Lebanon NH 03766

Contact: Moses Hardie
Phone: 678-230-7650
Email: moses.hardie@adp.com
Terms: 0.00 %
Days: 30

Shipping Method: Vendor Method
Delivery Type: Standard Ground
FOB: FOB Dest, Freight Prepaid

Modification Reason

This Amendment extends the termination date to 11/01/21, adds three (3) one-year renewal options, increases the contract amount by $4,100,000.00 (including sales tax) for a cumulative not-to-exceed contract amount of $15,966,654.00, and amends the scope of the Contract.

This Amendment replaces certain sections of Annex Z, upgrades ADP eTime to Version 8, adds ADP Health Compliance services, and allows for one mass salary update at no charge.
Attachment: Amendment No. 07.

This Master Agreement incorporates the attached documents, and by reference all instructions, Standard Terms and Conditions, Special Terms and Conditions, and requirements that are included in or referenced by the soliciation documents used to establish this agreement. All transactions and conduct are required to conform to these documents.

MASTER AGREEMENT DETAILS

PIMA COUNTY

Line	Description					
1	DO NOT USE					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	$0.00			
2	HR/Payroll Implementation Services					
	Service Contract Amt (Not-To-Exceed)			Service From	Service To	
	0.00					
3	Time and Labor Management Implementation Services					
	Service Contract Amt (Not-To-Exceed)			Service From	Service To	
	0.00					
4	Benefit and Administration Implementation Services					
	Service Contract Amt (Not-To-Exceed)			Service From	Service To	
	0.00					
5	Talent Acquisition Implementation Services					
	Service Contract Amt (Not-To-Exceed)			Service From	Service To	
	0.00					
6	Payroll Production Fee					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	$1.45	29522		
7	EPS Monthly Hosting Fee					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	$17,097.70	29522		
8	Y/E Info, Tax Reporting, W-2s					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	$3.18	29522		
9	Garnishment Services - Payments					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	$1.70	29522		
10	Tax Service - Jurisdictions					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	$21.16	29522		
11	ADP Enterprise eTime Core					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	$1.48	29522		
12	ADP Enterprise eTime Web					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	$1.48	29522		
13	Additional Manager Licenses					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	$5.29	29522		
14	ADP Enterprise eTime Accruals					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	$0.423	29522		
15	ADP Enterprise eTime Leave Management Module					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	$0.634	29522		
16	Monthly Hosting Services TLM					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	MO	$8,252.60	29522		
17	InTouch Terminal Fee, TLM Clocks					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	MO	$124.85	29522		
18	ADP Benefits Enrollment Services (Core Offering)					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	$4.61	29522		
19	ADP Electronic I-9 Processing					
	Discount	UOM	Unit Price	Stock Code	VPN	MPN
	0.0000 %	EA	$2.00	29522		

MASTER AGREEMENT DETAILS

PIMA COUNTY

Master Agreement No: 13000000000000000202 MA Version: 24

Line	Description					
20	**Miscellaneous Items**					
	Discount	**UOM**	**Unit Price**	**Stock Code**	**VPN**	**MPN**
	0.0000 %	EA	$0.00	29522		
21	**ADP Self Service, per Amendment 01**					
	Discount	**UOM**	**Unit Price**	**Stock Code**	**VPN**	**MPN**
	0.0000 %	MO	$10,195.40			
22	**W2 iPay**					
	Discount	**UOM**	**Unit Price**	**Stock Code**	**VPN**	**MPN**
	0.0000 %	EA	$0.22			
23	**InTouch Quick Punch Peripheral**					
	Discount	**UOM**	**Unit Price**	**Stock Code**	**VPN**	**MPN**
	0.0000 %	MO	$15.48			
24	**FREE FORM LINE**					
	Discount	**UOM**	**Unit Price**	**Stock Code**	**VPN**	**MPN**
	0.0000 %		$0.00			
25	**Adaptation (Ongoing Maintenance of SQRs)**					
	Discount	**UOM**	**Unit Price**	**Stock Code**	**VPN**	**MPN**
	0.0000 %	MO	$2,310.00			

PIMA COUNTY

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ISSUER

Pima County Procurement Department
130 W. Congress St. 3rd Fl
Tucson AZ 85701

Issued By: ERIC WELCH
Phone: 5207249510
Email: eric.welch@pima.gov

TERMS

Initiation Date: 07-02-2019
Expiration Date: 11-01-2021

NTE Amount:	**$7,698,607.59**
Used Amount:	**$7,698,607.59**

VENDOR

ADP INC
7474 W CHANDLER BLVD
CHANDLER AZ 85226

Contact: Jean Pearsall
Phone: 503-652-7816
Email: jean_pearsall@adp.com
Terms: 0.00 %
Days: 30

Shipping Method: Vendor Method
Delivery Type:
FOB: FOB Dest, Freight Prepaid

Modification Reason

This Master Agreement incorporates the attached documents, and by reference all instructions, Standard Terms and Conditions, Special Terms and Conditions, and requirements that are included in or referenced by the soliciation documents used to establish this agreement. All transactions and conduct are required to conform to these documents.