



BOARD OF SUPERVISORS AGENDA ITEM REPORT
AWARDS / CONTRACTS / GRANTS

Award Contract Grant

Requested Board Meeting Date: 04/02/2024

\* = Mandatory, information must be provided

or Procurement Director Award: [ ]

\*Contractor/Vendor Name/Grantor (DBA):

International Business Machines Corporation DBA IBM Corporation

\*Project Title/Description:

Enterprise Resource Planning (ERP) System Implementation Services

\*Purpose:

Amendment of Award: Master Agreement No. MA-PO-23-125, Amendment No. 04. This Amendment is for a one-time increase in the amount of \$216,000.00 for a cumulative not-to-exceed contract amount of \$19,216,000.00, and revises the Statement of Work to incorporate changes included in Project Change Request 4. Administering Department: Analytics and Data Governance.

\*Procurement Method:

Pursuant to Pima County Procurement Code 11.12.020, Competitive sealed proposals, on 02/07/2023, the Board of Supervisors approved an award of contract for a term effective 01/24/2023 to 04/01/2025 in the award amount of \$17,500,000.00.

On 06/20/2023, the Board of Supervisors approved Amendment No. 01, which increased the not-to-exceed contract amount by \$840,000.00 for a cumulative not-to-exceed contract amount of \$18,340,000.00, and revised the Statement of Work to incorporate changes included in Project Change Request 1.

On 10/13/2023, the Procurement Director approved Amendment No. 02, which revised the Statement of Work to incorporate the changes included in Project Change Request 2.

On 01/23/2024, the Board of Supervisors approved Amendment No. 03, which increased the not-to-exceed contract amount by \$660,000.00 for a cumulative not-to-exceed contract amount of \$19,000,000.00, and revised the Statement of Work to incorporate changes included in Project Change Request 3.

PRCUID: 425287

Attachment: Contract Amendment No. 04.

\*Program Goals/Predicted Outcomes:

Increase County efficiency and interoperability through the implementation of an integrated ERP system, including by not limited to functionality for Financials, Human Resources, Benefits, Payroll, Procurement, Talent Management and Reporting. Existing enterprise systems, such as those for Work Management and Debt Management will be integrated into the ERP system to continue such functionality. Additional third-party systems may be added to enhance functionality as such needs are identified. The number of systems currently supported by County will be reduced as more functionality is integrated into the ERP system. In accordance with Governmental Accounting Standards Board pronouncement 96, to accurately account for the ERP implementation project costs Finance staff will transfer to the project budget authority, actual staff costs and the associated cash as appropriate from departments that have staff who charge their time to the project.

\*Public Benefit:

As the systems being replaced are vital to the operations of the County, a more fully integrated ERP system will allow County departments to more efficiently perform their duties, thereby permitting the County to better serve its constituents in a more cost-effective environment.

\*Metrics Available to Measure Performance:

Standard project management measurements to track progress of the project and validate implementation success. Analysis of life-long costs and support metrics during the life of the ERP system.

\*Retroactive:

No.

TO: COB 03/11/2024; VERS: 7; PGS: 5

THE APPLICABLE SECTION(S) BELOW MUST BE COMPLETED

Click or tap the boxes to enter text. If not applicable, indicate "N/A". Make sure to complete mandatory (\*) fields

Contract / Award Information

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

If Yes, 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 22-10.

Amendment / Revised Award Information

Document Type: MA Department Code: PO Contract Number (i.e., 15-123): 23-125

Amendment No.: 04 AMS Version No.: 7

Commencement Date: 04/02/2024 New Termination Date: N/A

Prior Contract No. (Synergen/CMS): N/A

Expense Revenue Increase Decrease

Amount This Amendment: \$ 216,000.00

Is there revenue included? Yes No If Yes \$ N/A

\*Funding Source(s) required: Non-Bond Project Funds (Capital Project Funds)

Funding from General Fund? Yes No If Yes \$ N/A % N/A

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

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

Commencement 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: Procurement Officer, Kelsey Braun-Shirley

Acting Division Manager, Troy McMaster

Department: Acting Procurement Director, Ana Wilber

Telephone: 520.724.8728

Department Director Signature: Javier Baca

Date: \_\_\_\_\_

Deputy County Administrator Signature: \_\_\_\_\_

Date: 3-8-2024

County Administrator Signature: \_\_\_\_\_

Date: 3/11/2024

**Pima County** Procurement Department

**Project:** Enterprise Resource Planning (ERP) System Implementation Services

**Contractor:** International Business Machines Corporation dba IBM Corporation  
1 Orchard Road  
Armonk, NY 10504

**Contract No.:** MA-PO-23-125

**Contract Amendment No.:** 04

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<b>Orig. Contract Term:</b>	01/24/2023 – 04/01/2025	<b>Orig. Amount:</b>	\$ 17,500,000.00
<b>Termination Date Prior Amendment:</b>	04/01/2025	<b>Prior Amendments Amount:</b>	\$ 1,500,000.00
<b>Termination Date This Amendment:</b>	04/01/2025	<b>This Amendment Amount:</b>	\$ 216,000.00
		<b>Revised Total Amount:</b>	\$ 19,216,000.00

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**CONTRACT AMENDMENT**

The parties agree to amend the above-referenced contract as follows:

**1. Background and Purpose.**

- 1.1. Background. On January 24, 2023, County and Contractor entered into the above referenced agreement to provide implementation services for County's new ERP system.
- 1.2. Purpose. County requires an amendment to process Project Change Request 4, adjusting the implementation schedule and related payment milestones.

**2. Maximum Payment Amount.** The maximum amount the County will spend under this Contract, as set forth in Section 5.2, is increased by \$ 216,000.00. County's total payments to Contractor under this contract, including any sales taxes, will not exceed \$ 19,216,000.00.

**3. Scope of Services.** The parties have revised the IBM Statement of Work for Workday Implementation to incorporate the changes described in **Exhibit E: Project Change Request 4** (3 pages).

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

This contract template has been approved as to form by the Pima County Attorney's Office.

**PIMA COUNTY**

**INTERNATIONAL BUSINESS  
MACHINES CORPORATION DBA IBM  
CORPORATION**

Signed by Randall Serak

on 2024-03-07

\_\_\_\_\_  
Chair, Board of Supervisors

\_\_\_\_\_  
Authorized Officer, Signature Associate Partner

Randall Serak

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name and Title

2024-03-07 16:03:14 PST

\_\_\_\_\_  
Date

ATTEST

\_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Date

APPROVED AS TO CONTENT

Nancy Cole



\_\_\_\_\_  
Department Head

3/8/24

\_\_\_\_\_  
Date

# EXHIBIT E

## Project Change Request 4

### PROJECT CHANGE REQUEST (PCR)

**PCR Date:** 03/01/2024  
**PCR Number:** 004

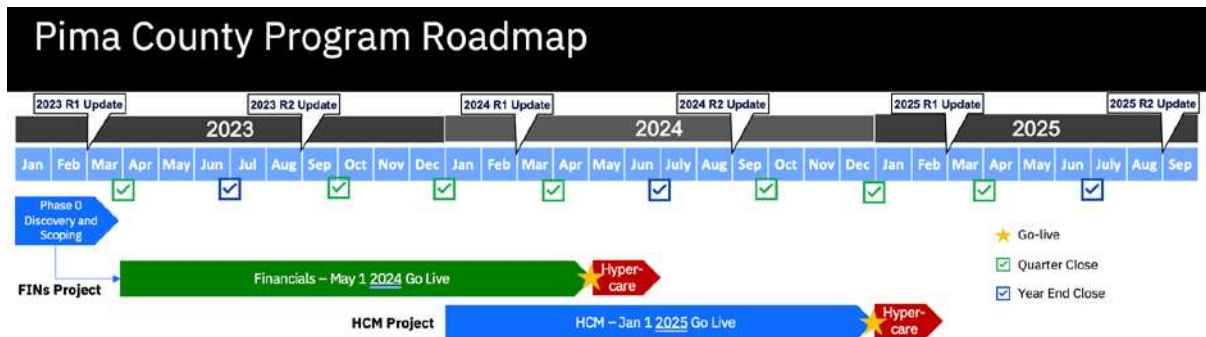
**Requested by:** International Business Machines Corporation ("IBM")

This PCR must be approved by all the parties' signature below.

All terms of that certain Professional Services Contract (Contract No: MA-PO-23-125) dated January 12, 2023 and Exhibit A: IBM Statement of Work for Workday Implementation entered between IBM and Pima County ("Pima"), dated November 3, 2022 (the "SOW"), which are not amended by this this PCR shall remain in full force and effect. Unless defined herein, capitalized terms shall have the meaning ascribed to them in the SOW.

The parties hereof agree that this PCR modifies the existing referenced SOW as follows:

#### 10. Estimated Schedule



#### 11. Charges

The Services will be conducted on a fixed price basis. The fixed price for performing these Services defined in PCR 4 will be **\$216,000 and spread evenly across milestones 13, 14, and 15**. The Fees are exclusive of any travel and living expenses, other reasonable expenses incurred in connection with the Services, and any applicable taxes. IBM will invoice Client for the Services performed on a milestone basis as set forth in the Payment Schedule in the Charges section below, plus applicable taxes and subject to Pima County's acceptance approval of the Workday Implementation Billing Milestone Table below.

Workday Implementation Billing Milestone Table									
Phase	Milestone	Est. Month	Deliverable Name	Amount	Phase	Milestone	Est. Month Due	Deliverable Name	Amount
O	1	Mar '23	1 - Change Strategy & Plan 2 - Data Conversion Strategy 3 - Integration Strategy	\$ 550,000	FIN/ HCM	13	Mar '24	1 - Workday DA FIN Compliance Review 2 - Workday FIN Go Live Check List & Authorization	\$ 878,500
FIN	2	Apr '23	1 - FIN Project Plan 2 - Workday DA FIN Project Initiation Checkpoint 3 - FIN Stakeholder Engagement Strategy & Plan	\$ 550,000	FIN/ HCM	14	Apr '24	1 - Workday DA FIN Final Configuration Workbook Signoff 2 - FIN Gold Tenant Build 3 - HCM Workset B Configuration Workbooks	\$ 878,500
FIN	3	Apr '23	1 - FIN FDM Workshop	\$ 550,000	FIN/ HCM	15	May '24	1 - FIN Go Live (users operational in production) 2 - FIN Post Go-Live Conversion 3 - HCM Workset C Configuration Workbooks	\$ 1,673,500
FIN	4	May '23	1 - Workday DA FIN Plan Stage Signoff Document 2 - FIN Design Sessions	\$ 550,000	HCM	16	Jun '24	1 - FIN First Month End Close 2 - FIN Project Review and Lessons Learned 3 - HCM E2E Test Strategy 4 - HCM Customer Confirmation Sessions	\$ 601,500
FIN	5	Jul '23	1 - FIN Workset A Configuration Workbooks 2 - FIN Workset B Configuration Workbooks	\$ 592,000	HCM	17	Jul '24	1 - Workday DA HCM Configuration Workbook Signoff 2 - HCM End to End Tenant Build 3 - HCM End to End Handoff	\$ 601,500
FIN	6	Aug '23	1 - FIN Workset C Configuration Workbooks 2 - Workday DA FIN Configuration Workbook Review 3 - FIN E2E Test Strategy	\$ 592,000	HCM	18	Aug '24	1 - HCM Change Impact Assessment 2 - HCM Communications Strategy	\$ 601,500
FIN	7	Sep '23	1 - FIN Customer Confirmation Session (CCS) 2 - FIN Change Impact Assessment	\$ 592,000	HCM	19	Sep '24	1 - HCM Payroll Parallel Testing Plan 2 - HCM Training Strategy & Plan	\$ 592,000
FIN	8	Oct '23	1 - FIN End to End Tenant Build 2 - FINS End to End Tenant Handoff 3 - FIN Communications Strategy	\$ 592,000	HCM	20	Oct '24	1 - Workday DA HCM Integration Build Template Review 2 - HCM Cutover Plan 3 - HCM Payroll Parallel Test Tenant Ready	\$ 592,000
FIN	9	Nov '23	1 - Workday DA Integration Build Template Review 2 - Workday DA Prism Build Template Review 3 - FIN Training Strategy & Plan	\$ 601,500	HCM	21	Nov '24	1 - Workday DA HCM Compliance Review 2 - HCM Job Aids 3 - HCM Payroll Parallel Testing Complete	\$ 592,000
FIN	10	Dec '23	1 - FIN Cutover Plan 2 - HCM Project Kick Off	\$ 601,500	HCM	22	Dec '24	1 - Workday HCM Go Live Check List & Authorization 2 - HCM Pre-Production Tenant Build	\$ 592,000
FIN/ HCM	11	Jan '24	1 - FIN Job Aids 2 - HCM Project Plan	\$ 601,500	HCM	23	Jan '25	1 - HCM Go Live (users operational in production)	\$ 1,592,000
FIN/ HCM	12	Feb '24	1 - Workday DA HCM Plan Stage Signoff Document 2 - HCM Stakeholder Engagement Strategy & Plan 3 - HCM Workset A Configuration Workbooks	\$ 806,500	HCM	24	Feb '25	1 - HCM Project Review and Lessons Learned	\$ 592,000
				FY23 \$ 2,200,000					
				FY24 \$ 9,011,000					
				FY25 \$ 5,755,000				Workday Implementation Grand Total	\$ 16,966,000

SOW	\$ 15,200,000
PCR1	\$ 840,000
PCR2	\$ 95,000
PCR3	\$ 615,000
PCR4	\$ 216,000

PCR Approval

In entering into this PCR, you are not relying upon any representation made by or on behalf of IBM that is not specified in the SOW or this PCR. Each of us agrees that the complete agreement between us about the services referenced in this PCR consists of 1) this Project Change Request and 2) the referenced SOW.

Agreed to:	Agreed to:
<b>Pima County</b>	<b>International Business Machines Corporation ("IBM")</b>
By (Authorized Signature): 	By (Authorized Signature): e-Signed by Stacy Hapgood on 2024-03-07
Title: ERP Executive Project Manager	Title: <b>Partner, Global Workday Financials Practice</b>
Name (type or print): Nancy Cole	Name (type or print): <b>Stacy Hapgood</b>
Date: 3/8/24	Date: 2024-03-07 16:15:02 PST