

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: 11/18/2019

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment
 Dedication/Vacation Appropriation/Supplemental DRMC Change
 Other:

2. Title: (Start with *approves, amends, dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Amends a contract with Workday, Inc. by adding \$13,333,592.80 for a new total of \$23,333,592.80, extending the term by five years for a new end date of 12/31/2024 and amending certain legal terms. The City uses Workday's Enterprise Resource Planning software application for all activities related to the City's Human Resource and Financial Services; citywide (TECHS-201523140)

3. Requesting Agency: Technology Services

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Chad Mitchell	Name: Joe Saporito
Email: chad.mitchell@denvergov.org	Email: joseph.saporito@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

The City conducted an RFP in 2014 / 2015 to purchase and implement a new Enterprise Resource Planning (ERP) application. This application is used by all agencies within the City including Denver International Airport and would replace Peoplesoft. As a result of the RFP, Workday, Inc. was awarded a contract. The initial term of the contract will expire on December 31, 2019. The City will continue its use of Workday's ERP application and Technology Services, through this Resolution Request, desires to extend the contract by another five year term.

Workday is a Cloud based Software as a Service (SaaS) Solution that is highly configurable with minimum to no customization required. The Workday solution increases the customer experience and usability of the application. This contract includes vendor supported upgrades which ensures the City is always on the most current version of the software.

The increase in the contract maximum amount can be broken down as follows:

- Human Resources & Financials: \$10,911,934 (\$2,182,387 annually)
 - Workday's base subscription which includes:
 - Human Capital Management
 - Cloud Connect for Benefits
 - Payroll
 - Projects
 - Expenses
 - Procurement
 - Core Financials
 - Grants Management
 - Learning
 - Media Cloud

To be completed by Mayor's Legislative Team:

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- Recruiting
- Prism Analytics: \$465,764 (\$232,882 annually, contract term starts in 2022).
 - Prism Analytics provides City Agencies with self-service access to the data they need to deliver better business outcomes.
- Platinum Customer Success Package: \$743,750 (\$148,750 annually)
 - Workday will dedicate resources to assist the City with future deployment, production and post-production activities to ensure success.
- Contingency of 10%: \$1,212,144.80 to allow for growth in the City and for adding future functionality

For this software application, the contract duration will exceed Executive Order 8’s recommendation of rebidding every three to five years. Per Executive Order 8: "Agencies should limit the duration of contracts to three to five years at which time a new solicitation should be initiated absent special circumstances." The special circumstances that would provide for a justification to deviate from this policy are as follows:

- Situations where standardization of equipment or continuity of service is required;
- Situations where competition does not exist;
- Situations where economic factors make it unfavorable for the city to re-bid a contract.

Continuity of Service:

The Workday ERP application has been configured specifically for the City of Denver. City employees have been trained and are efficient with this application so the continual use of this application will allow City personnel to provide continuity in its internal business functions as well any external services available to citizens.

Competition does not exist:

As the City already has purchased, implemented, has been trained on and intends on using Workday’s ERP software application for several years to come, continual subscription and support from Workday is needed to ensure the application is functioning at its maximum capacity. These are services that should come directly from Workday so an opportunity for competition does not exist.

Economic factors make it unfavorable to for the city to re-bid a contract:

To fully implement this software application, there were multiple phases spanning a two year timeframe that the City and Workday went through which were investments for both the City and Workday. These include negotiating a Statement of Work, negotiating a contract, analysis of the City’s then current Human Resource and Financial software data, planning for the new system, designing the new system to meet City objectives, implementing the new system, configuring (fine tuning) the new system, testing the new system and training employees on the new system. This is a resource and time consuming process. For the City to re-bid this every three to five years would mean the opportunity for any type of return on our investment would be minimalized and the City would be in a perpetual cycle of bidding, implementing, retraining and decommissioning of previous applications. This would result in an unnecessary negative financial impact and a decrease in consistency of services for City employees and the citizens of Denver.

6. **City Attorney assigned to this request (if applicable):** Steve Hahn
7. **City Council District:** N/A - Citywide
8. ****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):

Standard Expenditure contract exceeding \$500,000

Vendor/Contractor Name: Workday, Inc.

Contract control number: TECHS-201523140

Location: Citywide

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** First

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Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

Current term: 7/31/2015 - 12/31/2019 Proposed term: 7/31/2015 - 12/31/2024 Duration: 10 years

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
\$10,000,000	\$13,333,592.80	\$23,333,592.80

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
7/31/2015 - 12/31/2019	5 Years	12/31/2024

Scope of work:

Workday will continue to provide access to the Workday ERP software and will continue to support the City's use of it's product by providing technical assistance and support.

Was this contractor selected by competitive process? Yes **If not, why not?**

Has this contractor provided these services to the City before? Yes (via this contract) No

Source of funds: Cost Center 3074300 Technology Services Applications - Applications Planning Analysis

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? N/A

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