



COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

Office of the Comptroller

DATE: September 27, 2017

TO: Theodore Lipscomb, Sr., Chairperson, County Board of Supervisors

FROM: Scott B. Manske, Comptroller

SUBJECT: **Request for authorization to enter into a revised fourth Extended Term Amendment to the Agreement for Products and Services with Ceridian Corporation**

Policy Issue

Wisconsin Statutes Section 59.52(31) requires Finance Committee consideration and County Board approval of a contract with a value greater than \$300,000.

Background

Milwaukee County and Ceridian Corporation entered into an Agreement for Products and Services on July 29, 2005, for an initial term through July 29, 2010, as approved in File 05-145(a)(a). Under the agreement, Ceridian implemented and provided ongoing annual service for a human resources information system including payroll, human resources, recruiting, and benefits. The County exercised the first, second, and third renewals for periods ending July 29, 2013, July 29, 2016, and December 31, 2017.

The fourth Extended Term Amendment proposed by Ceridian several months ago contained a typographical error indicating a two-year term but a December 31, 2018, end date. The County brought this typo to Ceridian's attention. The County understood an intent to extend for only one year.

In July 2017 the County Board (File 17-505) authorized a fourth Extended Term Amendment for the one-year period from January 1, 2018, through December 31, 2018, for Ceridian to provide Human Resources Payroll, Dayforce Workforce Management (previously Time and Attendance), Tax Filing, Self Service, and Wage Attachments Disbursement services with a three percent increase effective January 1, 2018.

Ceridian later clarified its final nonnegotiable position that the County may either extend for one year with an immediate seven percent increase or extend for two years with an immediate three percent increase and a three percent increase as soon as twelve months later.

In order to save money and recognizing that the County will need Ceridian's services in 2018 and 2019, the Comptroller's office is now requesting authorization to enter into a revised fourth Extended Term Amendment with a two-year term.


Provisions of the Revised Fourth Extended Term Amendment

The pending revised fourth Extended Term Amendment contains the following provisions:

1. **Extended Term.** Ceridian will provide Dayforce Workforce Management, Human Resources Payroll, Tax Filing, Self Service, and Wage Attachments Disbursement services from January 1, 2018, through December 31, 2019. Upon expiration of this Extended Term, the original agreement would remain in effect until terminated with notice.
2. **Service Fees.** On January 1, 2018, fees for the services will increase by 3%. Ceridian may again increase fees by 3% on January 1, 2019.
3. **Cancellation.** If the County terminates services for convenience prior to December 31, 2019, then it must pay Ceridian a cancellation charge. We anticipate that the enterprise resource planning system will provide these functions after December 31, 2019, at which point Ceridian's services will no longer be needed. The County may need to extend the agreement with Ceridian if a new system is not completed by that date.

Committee Action

The Comptroller's Office recommends that Milwaukee County amend the Agreement for Products and Services with Ceridian Corporation to enter into a revised fourth Extended Term through December 31, 2019. We request that this report be referred to the Committee on Finance and Audit for action.



Scott B. Manske
Comptroller

Attachments

**Cc: Supervisor Peggy A. West, Chairwoman, Finance and Audit Committee
Chris Abele, County Executive
Finance and Audit Committee
Kelly Bablitch, Chief of Staff, County Board
Raisa Koltun, Chief of Staff, Office of the County Executive
Teig Whaley-Smith, Director, Department of Administrative Services
Steve Cady, Research & Policy Director, Research Services Division, Office of the
Comptroller
Janelle Jensen, Legislative Services Division Manager, Office of the County Clerk**