

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Human Resources

AGENDA DATE: August 21, 2018

CONTACT PERSON/PHONE: Linda Ball Thomas, Human Resources Director, 915-212-1240
Bruce D. Collins, Director of Purchasing & Strategic Sourcing, 915-212-1181

DISTRICT(S) AFFECTED: All

STRATEGIC GOAL: NO. 6 – Set the Standard for Sound Governance and Fiscal Management

SUBJECT:

That the Director of Purchasing and Strategic Sourcing is authorized to notify ADP, LLC., that the City is terminating the Global Master Services Agreement based on ADP's failure to cure one or more of the material breaches identified by the City at least as early as May 25, 2018, and that the Global Master Services Agreement is therefore terminated as of August 21, 2018.

BACKGROUND / DISCUSSION:

City Council awarded ADP Contract on October 18, 2016. Contract was awarded to provide Payroll, Benefits, and Human Capital Management administration. ADP Project Launch date was December 7, 2016 with a contracted "Go Live" date of December 24, 2017. Due to multiple risks/deficiencies, a "Cure" letter was sent on May 25, 2018. ADP did not respond to "Cure" letter within the timeframe delineated within the Master Service Agreement. Staff recommends termination of contract.

SELECTION SUMMARY:

Not Applicable

PROTEST

Not Applicable

COUNCIL REPRESENTATIVE BRIEFING:

Was a briefing provided? ☒ Yes or ☐ No, Routine Item
If yes, select the applicable districts.

- ☐ District 1
- ☐ District 2
- ☐ District 3
- ☐ District 4
- ☐ District 5
- ☐ District 6
- ☐ District 7
- ☐ District 8
- ☒ All Districts

PRIOR COUNCIL ACTION:

City Council awarded contract on October 18, 2016

AMOUNT AND SOURCE OF FUNDING:

\$15,028,137 – Total Contract Value

Funding Source -
999-1000-15240-522020-P1506

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: _____

**COUNCIL PROJECT FORM
(RESOLUTIONS)**

*******POSTING LANGUAGE BELOW*******

Please place the following item on the **CONSENT** agenda (under **RESOLUTIONS**) for the Council Meeting of **AUGUST 21, 2018.**

Strategic Goal 1: Create an Environment Conducive to Strong, Sustainable, Economic Development

That the Director of Purchasing and Strategic Sourcing is authorized to notify ADP, LLC., that the City is terminating the Global Master Services Agreement based on ADP's failure to cure one or more of the material breaches identified by the City at least as early as May 25, 2018, and that the Global Master Services Agreement is therefore terminated as of August 21, 2018.

*******ADDITIONAL INFO BELOW*******

RESOLUTION

WHEREAS, on October 18, 2016, the City of El Paso ("City") entered into a Global Master Services Agreement ("Agreement") with ADP, LLC through a cooperative contract awarded by The Cooperative Purchasing Network ("TCPN"); and

WHEREAS, the Agreement has a term of five (5) years to begin after the implementation period; and

WHEREAS, ADP has not completed the services to be provided during the implementation period of the Agreement; and

WHEREAS, pursuant to Section 12.2 of the Agreement, the City may terminate the Agreement for ADP's material breach of the Agreement if such breach is not cured within 60 days following the notice of the material breach; and

WHEREAS, the City provided ADP a Notice of Intent to Terminate the Agreement dated May 25, 2018 in which the City identified the multiple material breaches of the Agreement by ADP and requested that ADP cure all the material breaches within sixty (60) day cure period; and

WHEREAS, the City has acted in good faith to provide ADP with the opportunity for ADP to cure the identified material breaches found in the implementation period; and

WHEREAS, the City has reviewed ADP's response and is recommending that the Agreement be terminated for material breach because the Contractor failed to cure the identified material breaches within the sixty (60) day cure period.

NOW, THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF EL PASO:

That the Director of Purchasing and Strategic Sourcing is authorized to notify ADP, LLC., that the City is terminating the Global Master Services Agreement based on ADP's failure to cure one or more of the material breaches identified by the City at least as early as May 25, 2018, and that the Global Master Services Agreement is therefore terminated as of August 21, 2018.

(Signatures Begin on the Following Page)

PASSED AND APPROVED this _____ day of _____, 2018.

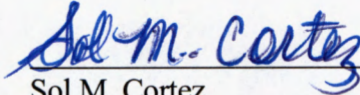
THE CITY OF EL PASO

Dee Margo,
Mayor

ATTEST:

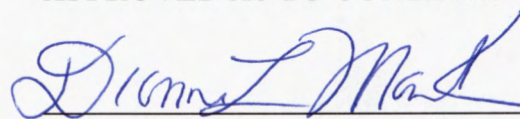
Laura D. Prine
Municipal Clerk

APPROVED AS TO FORM:



Sol M. Cortez
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



Dionne L. Mack
Deputy City Manager