

## State of Maine Procurement Justification Form

This form must accompany all contract requests and sole source requisitions (RQS) over \$5,000 submitted to the Division of Procurement Services.

INSTRUCTIONS: Please provide the requested information in the white spaces below. All responses (except signatures) must be typed; no hand-written forms will be accepted. See the guidance document posted with this form on the Division of Procurement Services website (Forms page) for additional instructions.

### PART I: OVERVIEW

Department Office/Division/Program:		DAFS/Office of the State Controller		
Department Contract Administrator or Grant Coordinator:		Douglas Cotnoir		
(If applicable) Department Reference #:				
Amount: (Contract/Amendment/Grant)	\$ 67,556	Advantage CT / RQS #:		
CONTRACT	Proposed Start Date:	7/1/21	Proposed End Date:	6/30/25
AMENDMENT	Original Start Date:		Effective Date:	
	Previous End Date:		New End Date:	
GRANT	Project Start Date:		Grant Start Date:	
	Project End Date:		Grant End Date:	
Vendor/Provider/Grantee Name, City, State:		ADP, Inc.		
Brief Description of Goods/Services/Grant:		Employment Tax Services		

### PART II: JUSTIFICATION FOR VENDOR SELECTION

Mark an "X" before the justification(s) that applies to this request. (Check all that apply.)

	A. Competitive Process		G. Grant
	B. Amendment		H. State Statute/Agency Directed
<b>X</b>	C. Single Source/Unique Vendor		I. Federal Agency Directed
	D. Proprietary/Copyright/Patents		J. Willing and Qualified
	E. Emergency		K. Client Choice
	F. University Cooperative Project		L. Other Authorization

### PART III: SUPPLEMENTAL INFORMATION

Please respond to ALL of the following:

**1. Provide a more detailed description and explain the need for the goods, services or grant to supplement the response in Part I.**

The ADP SmartCompliance® Employment Tax module is a comprehensive, outsourced service to process federal, state, and local employment taxes efficiently and accurately. Advanced ADP software processes the results of our Workday payroll processing files to provide payroll tax deposits and filings, as well as W2 production and delivery. Deposits, filings and other related processes are closely monitored by tax specialists to reduce the burden on our payroll office, and help minimize the risk associated with noncompliance.

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### PART III: SUPPLEMENTAL INFORMATION

#### 2. Provide a brief justification for the selected vendor to supplement the response in Part II.

Workday does not provide these services within the core components of HCM, Payroll and Benefits so they must be procured separately.

ADP, Inc. is one of two vendors that provide tax and W2 reporting that is integrated with Workday, our HCM provider. ADP's fee structure includes the software subscription, outsourced processing services and call-center services.

The other vendor, Ceridian only provides a software platform for the State to aggregate, reconcile and report payroll taxes and print W2s. They do not provide outsourced processing and compliance services so the State would need to continue to perform monthly filing, reconciliation and deposit of all related employment taxes.

#### 3. Explain how the negotiated costs or rates are fair and reasonable; or how the funding was allocated to grantee.

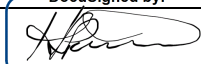

ADP costs were provided based on their national subscription services rate sheet.

Total costs for the ADP SaaS subscription and business process outsourcing services were equal to those proposed by the only competitor, Ceridian. Ceridian provides only SaaS subscription and does not provide any business processing outsourcing services. Consequently, the State would continue to bear the cost and time for managing the aggregation, reconciliation, and reporting for employment taxes, as well as call-center services for employee questions or corrections.

#### 4. Describe the plan for future competition for the goods or services.

These services would extend for three years post-implementation. At that time, the State would consider whether additional vendors are available in the market and pursue competitive procurement accordingly.

### PART IV: APPROVALS

<b>Signature of requesting Department's Commissioner (or designee):</b>	<i>By signing below, I signify that I approve of this procurement request.</i> <small>DocuSigned by:</small> 		
<b>Printed Name:</b>	Heather Perreault <small>9C838649FAA247D</small>	<b>Date:</b>	4/16/2021
<b>Signature of DAFS Procurement Official:</b>	<small>DocuSigned by:</small> 		
<b>Printed Name:</b>	Sue H. Garcia <small>E5DB92AC0F8D490</small>	<b>Date:</b>	5/10/2021