

DATE: August 28, 2023

MEMO TO: Jessica Vealitzek, Chair
Operations Committee

Gina Roberts, Chair
Finance Committee

FROM: Mary E. Kann
Director of Administration

RECOMMENDATION: Recommend approval of a Resolution to amend a contract with ADP, Inc., for Outsourced Payroll Services and a Human Resource Information System (HRIS), in an annual amount not-to-exceed \$65,000.00.

STRATEGIC DIRECTION SUPPORTED: Organizational Sustainability

FINANCIAL DATA: This item will be budgeted for in FY2024, in account 19214000-709000 Miscellaneous Contractuals, in the amount of \$65,000.00.

BACKGROUND: In 2018, the Lake County Forest Preserve District (the “District”) entered into a five-year contract with ADP, Inc. (“ADP”), for Outsourced Payroll Services and a Human Resources Information System. This comprehensive solution provides the complete employee lifecycle, from onboarding to retirement. ADP’s modules include onboarding, time and attendance, compensation management, performance management, benefit management and payroll processing.

The current contract includes a Major Accounts Services – Master Services Agreement and a Guaranteed Sixty-Month Price Agreement. The Price Agreement expires on November 1, 2023; however, the Master Services Agreement remains in effect, unless terminated by either party. If neither party terminates the Master Services Agreement, then without a new Price Agreement in effect as of November 1, 2023 ADP can set new pricing unilaterally.

Staff has obtained from ADP a proposal for a new Guaranteed Sixty-Month Price Agreement that would apply from November 1, 2023 through October 31, 2028. Staff is recommending approval of the New Price Agreement, as an amendment to the contract.

REVIEW BY OTHERS: Chief Operations Officer, Director of Finance, Manager of Human Resources & Risk, Manager of Board Operations, Purchasing Manager, Corporate Counsel.

**LAKE COUNTY FOREST PRESERVE DISTRICT
LAKE COUNTY, ILLINOIS**

**A RESOLUTION APPROVING A GUARANTEED PRICE AGREEMENT AS AN
AMENDMENT TO A CONTRACT WITH ADP, INC., FOR OUTSOURCED PAYROLL
SERVICES AND A HUMAN RESOURCE INFORMATION SYSTEM**

WHEREAS, in April 2018, the Lake County Forest Preserve District (the “District”) approved a contract with ADP, Inc. (the “Contract”), for Outsourced Payroll Services and a Human Resource Information System (the “Services”); and

WHEREAS, the Contract includes a Major Accounts Services – Master Services Agreement (the “Master Services Agreement”) and a Guaranteed Sixty-Month Price Agreement (the “2018 Price Agreement”)

WHEREAS, the 2018 Price Agreement will expire on October 31, 2023, and, unless terminated by one of the parties, the Master Services Agreement will remain in effect; and

WHEREAS, the Director of Administration and the Purchasing Manager have determined that the Services require personal confidence; and

WHEREAS, ADP has submitted a proposed new Guaranteed Sixty-Month Price Agreement (in the form attached to this Resolution) that would replace the 2018 Price Agreement upon its expiration (the “2023 Price Agreement”); and

WHEREAS, the District’s staff, the Purchasing Manager, the Director of Administration, and the Operations and Finance Committees have reviewed the proposed 2023 Price Agreement and recommend that the Board of Commissioners find that the 2023 Price Agreement is the proposal for the Services that is most advantageous to the District;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Lake County Forest Preserve District, Lake County, Illinois, **THAT**:

Section 1: Recitals. The recitals set forth above are incorporated as a part of this Resolution by this reference.

Section 2: Approval of 2023 Price Agreement. The 2023 Price Agreement is hereby approved in substantially the form attached hereto as an amendment to the Contract for the Services. The Board of Commissioners hereby finds that (i) the 2023 Price Agreement is germane to the original Contract as signed and (ii) the 2023 Price Agreement is in the best interest of the District and is the proposal for the Services that is most advantageous to the District.

Section 3: Approval of Future Price Agreements. The Executive Director of the District is hereby authorized and directed to execute and approve guaranteed price agreements for Services to be provided under the Contract starting on November 1, 2028 (“Future Price Agreements”) if, in a given year (i) the price of the Future Price Agreement is within the amount budgeted by the District’s

Budget Ordinance for such year for the Services to be provided under such Future Price Agreement and (ii) the Executive Director determines it is in the best interest of the District to approve the Future Price Agreement and makes the written determination required by Section 33E-9 of the Illinois Criminal Code, 720 ILCS 5/33E-9.

Section 4: Payments. The Treasurer shall make payments under the Contract only pursuant to and in accordance with the Contract terms.

Section 5: Placement in Contract File. This Resolution shall be preserved in the District file for the Contract. This Resolution shall constitute the written determination to the extent required by Section 33E-9 of the Illinois Criminal Code, 720 ILCS 5/33E-9.

Section 6: Effective Date. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED this ____ day of _____, 2023

AYES:

NAYS:

APPROVED this ____ day of _____, 2023

Angelo D. Kyle, President
Lake County Forest Preserve District

ATTEST:

Julie Gragnani, Board Secretary
Lake County Forest Preserve District

Exhibit No. ____



ADP, INC. GUARANTEED PRICE AGREEMENT

Client Name: Lake County Forest
Effective Date: 11/01/2023
Expiration Date: 11/01/2028
Customer #(s): 1641321
Contact Name: Lisa Roberts
Contact Email: lroberts@lcpfd.org
Reference ID #: C-10100177214
Requested By: Marcus Kuhns
Contact Phone:

ADP, Inc. ("ADP") is pleased to provide Lake County Forest ("Client") with a guaranteed price agreement (the "Price Agreement"), which shall govern any increases in fees to the Services (as defined in section 1 below) purchased by Client for the next 60 month(s), subject to the terms and conditions set forth in this Price Agreement. In consideration of the mutual agreements set forth below, ADP and Client agree as follows:

1) Price Increase: For the next 60 month(s) commencing with the Effective Date of this Price Agreement, ADP will increase prices per the schedule below for the processing services (the "Services") listed in section 1a that Client is receiving or shall receive as of the Effective Date.

1a) Included Services:

- Payroll
- HCM
- TLM

1b) Processing Services:

<u>Year #</u>	<u>Guaranteed Price Period</u>	<u>Increase %</u>	<u>Increase Date</u>
1	11/01/2023 to 10/31/2024	0.00%	11/01/2023
2	11/01/2024 to 10/31/2025	0.00%	11/01/2024
3	11/01/2025 to 10/31/2026	1.00%	11/01/2025
4	11/01/2026 to 10/31/2027	0.00%	11/01/2026
5	11/01/2027 to 10/31/2028	1.00%	11/01/2027

Items specifically excluded from this agreement are delivery, reverse wire fees, jurisdiction fees, year-end fees, and maintenance fees. In the month following the Expiration Date, Client's prices will be subject to the same price increases applied to its other clients of similar size and product utilization unless a renewal agreement is signed by both parties.

2) Guaranteed Term: As consideration for the Price Agreement, Client agrees to purchase the Services for a minimum guaranteed term of 60 month(s) commencing with the Effective Date of this Price Agreement and thereafter Client's agreement to purchase the Services shall remain in effect until terminated by Client or ADP in accordance with the terms of the ADP Major Accounts Agreement (or such equivalent ADP terms and conditions or agreement governing the provision and receipt of ADP Services including but not limited to any product specific terms set forth in such agreement) between ADP and Client (the "ADP Services Agreement").

3) Early Termination Fee: If Client terminates all Services without cause as provided in the ADP Services Agreement prior to the Expiration Date of this Price Agreement, Client agrees to pay ADP an early termination fee of 3 month(s) of average monthly processing fees for the Services (based on the average monthly fees during the twelve-month period immediately preceding the date of termination or a shorter period of time if monthly fees have been payable for less than 12 months at the termination date). If Client fails to pay the early termination fee, Client shall reimburse ADP for any expenses incurred, including interest and reasonable attorney fees, in collecting amounts due ADP hereunder. The early termination fee will be waived by ADP in the event there is a material breach by ADP of any material warranty, term, condition or covenant of the ADP Services Agreement and ADP fails to cure such breach within the timeframe provided in such ADP Services Agreement.

THE ADP SERVICES COVERED BY THIS AGREEMENT ARE PROVIDED IN ACCORDANCE WITH THE TERMS AND CONDITIONS SET FORTH IN THE AGREEMENT(S) BETWEEN CLIENT AND ADP COVERING THE SPECIFIC SERVICES. THIS AGREEMENT SUPPLEMENTS AND DOES NOT SUPERSEDE ANY OF THOSE TERMS AND CONDITIONS. THIS AGREEMENT IS NOT VALID UNLESS SIGNED BY BOTH PARTIES. IN THE EVENT CLIENT HAS AN EXISTING PRICE AGREEMENT IN PLACE, THIS AGREEMENT REPLACES ANY PRIOR PRICE AGREEMENT GOVERNING THE SAME SERVICES.



ADP, Inc.

Lake County Forest

Name: _____

Name: _____

Signature: _____

Signature: _____

Title: _____

Title: _____

Date: _____

Date: _____

NOTE: THIS PRICE AGREEMENT IS VALID ONLY IF SIGNED BY BOTH PARTIES WITHIN 30 DAYS OF THE DATE OF CREATION. THE AGREEMENT MUST BE SIGNED BY 09/15/2023 IN ORDER TO BE VALID. FINANCE OR RELATIONSHIP MANAGEMENT IS AUTHORIZED TO EXECUTE THIS AGREEMENT ON BEHALF OF ADP.