



**City of Tacoma  
Finance**

**Specification Title  
RFP Specification No. FI21-0032F**

**QUESTIONS and ANSWERS**

All interested parties had the opportunity to submit questions in writing by email to Tad Carlson by 3:00 pm on February 25, 2021. The answers to the questions received are provided below and posted to the City's website at [www.TacomaPurchasing.org](http://www.TacomaPurchasing.org). Navigate to *Current Contracting Opportunities / Services*, and then click *Questions and Answers* for this Specification. This information IS NOT considered an addendum. Respondents should consider this information when submitting their proposals.

**Question 1:** We received a request to extend the submittal deadline by one week.

**Answer 1:** The project timeline does not allow for the one week extension.

**Question 2:** Is it your intention to have the vendor use your existing SAP HR, Time and Payroll solution to process and manage the payroll? If yes, would the City of Tacoma be interested in a staff augmentation program vs a full managed service program?

**Answer 2:** It is our intention to send the payroll provider a file from our SAP HR system for time and benefits. We do not want a staff augmentation program. We want to remove the payroll function out of SAP HR entirely.

**Question 3:** Is it your intention to select a vendor that will use their own Payroll system to manage the payroll process for the City of Tacoma?

**Answer 3:** Yes.

**Question 4:** Is your intention to migrate to SAP SuccessFactors for Core HR and Payroll as part of the managed payroll service migration? Or at another time?

**Answer 4:** We are not planning for a migration at this time. The core HR system work for time entry and benefits will occur in a different biennium. We will not be seeking a system solution for payroll at all.

**Question 5:** Why are you considering a managed service program?

**Answer 5:** We would like to migrate the majority of the payroll and pension processing functions away from the City and have those aspects handled by a managed payroll service. It would alleviate the burden of having to maintain highly specialized skillsets in IT, HR, retirement and payroll to run in house payroll. From a system perspective, it would free up our yearly constraint of having to patch our systems for payroll taxes and forms at the end of every year when we are the busiest. Finally, a managed service would streamline our process which are about 85% manual right now and offer a few more end-user features.

**Question 6:** Do you have internal resources who are currently responsible for processing payroll? Will these resources be available to support this migration?

**Answer 6:** Yes, the Payroll division of Finance currently process payroll for the City every two weeks. Retirement processes pensions monthly. Payroll, Retirement, and the IT department will be available to support the migration.

**Question 7:** Section 2.01 Background: Please explain - "the calculations for gross pay to net pay needs to be performed outside of the system"?

**Answer 7:** The City currently uses SAP to perform the payroll process of calculating gross pay, accounting for all of the deductions, which includes taxes, benefits, and voluntary deductions, to arrive at the employees' net pay. SAP will eventually no longer support this function in its current state. We are looking for a managed service to take on the process of calculating employees' gross pay and arriving at their net pay. Preferably, the managed service will also handle the direct deposits, tax payment, and paying the vendors.

**Question 8:** Section 2.01 Background: Please explain – "We are looking for a service provider to process employees' time data..." - Are you looking for a new time solution? Is it your intention that time is processed and calculated in the vendors payroll solution? Or will calculated time stay in the City of Tacoma's SAP time solution and integrate to the vendor's solution?

**Answer 8:** No, we are not looking for a new time tracking system. SAP will still perform that function. Time will be transferred from SAP to the vendor's solution to perform the calculations. The quota accruals and deductions for vacation, PTO, comp time, floating holiday, various incentive days, admin leaves, TOP days, and sick leave will need to be calculated on the vendor side. We have no way of calculating the accruals in SAP if we do not run payroll.

**Question 9:** Section 2.01 Background: Do you currently generate all financial reports, tax documents and adhoc reports from your existing SAP HR, Time, and Payroll solution? If yes, is it your intention to have the vendor who is selected for managed services execute these documents within your existing system?

**Answer 9:** Yes, financial reports are currently generated using data from SAP. We would prefer that the service would have some reporting features that may replace what is being extracted from SAP, especially in regards to taxes.

**Question 10:** Would the City of Tacoma be open alternative solutions to a managed service program?

**Answer 10:** Possibly as long as it means we are able to essentially outsource our payroll function. We want the vendor to become our payroll department and maintain any systems that go with it.

**Question 11:** Please list integrations that would be required as part of the managed service program to 3rd party vendors. Insert answer number one.

**Answer 11:** Not sure what insert answer number one meant. Integrations that would be required include master data from SAP and then information out to Department of Retirement Systems, Federal taxes, garnishments, union dues, banks, and parking. This is not necessarily an all-inclusive list but representative of the type of integration.

**Question 12:** How many employees do you currently have on salary and how many are hourly?

**Answer 12:** Salary: 1,069. Hourly: 2,571.

**Question 13:** What is the average number of child support payments per payroll and the average number of agencies / states are they paid to?

**Answer 13:** 76 payments and 4 agencies, which are located in WA, OR, CA, and MT.

**Question 14:** Are all employees on the same pay schedule?

**Answer 14:** City employees are on the same bi-weekly pay schedule. Pension payments are processed once per month.

**Question 15:** How many people do you currently have in your payroll department doing the work that this contract will replace?

**Answer 15:** We have 4 people in the payroll department. There's no replacement plan for personnel. They will just have a change in their job function possibly, more audit and other duties.

**Question 16:** How many US salaried employees are there? How many hourly employees?

**Answer 16:** All employees currently reside in WA. Salary: 1,069. Hourly: 2,571.

**Question 17:** How many Canadian salaried employees are there (if any)? How many hourly employees?

**Answer 17:** Zero and zero, at this time but want to have the ability to pay.

**Question 18:** How many active Expats?

**Answer 18:** 8

**Question 19:** How many legal entities are there (FEINs)?

**Answer 19:** 2

**Question 20:** How many states are payroll taxes paid in?

**Answer 20:** Zero at this time but want the ability to have more than Washington state in the future.

**Question 21:** How many sites/locations are there?  
**Answer 21:** Almost all of the City's offices reside in Tacoma, however, we have satellite locations from Covington to Mossyrock.

**Question 22:** How many bank accounts are used for payroll?  
**Answer 22:** 1

**Question 23:** How many additional pay runs per year (e.g. supplemental payrolls – bonus, commission)  
**Answer 23:** For payroll, about 26 for leave cashouts or bank rejects and such. For pension, about 24 primarily for deaths.

**Question 24:** How many PTO plans? How many 401-k plans?  
**Answer 24:** 8 different leave types. 457(b) – 2 plans. 401(a) – 1.

**Question 25:** What percent of employees are on direct deposit?  
**Answer 25:** 100% for employees. Once in a while, a pension check is required mostly for off cycle.

**Question 26:** What is the approximate number of W2s (or average turnover %)?  
**Answer 26:** 4,100 W-2s, 3,200 – 1099-Rs, 1 – 1042S

**Question 27:** What is the current number of active garnishments?  
**Answer 27:** 79

**Question 28:** How do you process garnishments today?  
**Answer 28:** For child support orders, payroll receives and enters that information into the personnel records. Accounts Payable sets up a vendor account for each entity. For creditor garnishments, the Legal department receives the orders and relays that information to payroll for entry into the records. When a payment is requested, Accounts Payable sends a check to Legal.

**Question 29:** How many inbound payroll interfaces are there? How many outbound payroll interfaces?

**Answer 29:** Zero inbound and 25 outbound.

**Question 30:** What is the average number of employee queries (customer support calls/emails regarding payroll per month)?

**Answer 30:** 150

**Question 31:** What is the average call time of these calls?

**Answer 31:** 3 minutes.

**Question 32:** What are the top 3 reasons for these calls/emails?

**Answer 32:** Request duplicate documents, how to enter time, and garnishments.

**Question 33:** Is there an anticipated project start date and/or go live date?

**Answer 33:** Start by June 2021 and technical go-live Q1 2022 with possible monitoring and / or parallel work for 2 months following technical go-live.

**Question 34:** Please provide an expected Interface listing: Looking for name of system, import or export, type of data to be exchanged

**Answer 34:** We do not have detailed information in this area at this time. We are anticipating that this would be a workshop at the least with the managed payroll provider. The types of integrations that would be required include master data from SAP such as name and address as well as benefit plans and time information, and then information from the payroll system out to Department of Retirement Systems, Federal taxes, garnishments, union dues, banks, and parking. This is not necessarily an all-inclusive list but representative of the type of integration.

**Question 35:** Is there flexibility in the budget outlined in section 1.07 of the RFP document?

**Answer 35:** No, there isn't any flexibility with the budget.

**Question 36:** What is meant by ***custom*** in this requirement: *Custom year-end tax statement/letters and CT-1 filing*

**Answer 36:** Rail sends out tax letters to employees to relay the taxes withheld for Tier I and Tier II taxes.

**Question 37:** Section 2.02 Technical Requirements – what additional information do you anticipate will need to be added to the W-2 and/or 1099R?

**Answer 37:** The thought is that new federal requirements, similar to the FFCRA wage reporting in 2020, may be added and we need to be agile in order to meet the new rules. We expect the vendor to keep up with these federal mandated requirements. The City will not have our own specific requirements.

**Question 38:** Section 2.02 Technical Requirements – how many 1042-S forms did you issue for 2019? 2020?

**Answer 38:** 1 in each year.

**Question 39:** Section 3.01 Format and Presentation – Submittal should not exceed 30 pages excluding Title Page and required City of Tacoma Forms – Appendix A. Is Appendix D exempt from the 30 page count or is it included in the 30 page count?

**Answer 39:** Appendix D is exempt.