

Board of Trustees Agenda Item

Board Meeting Date: 12/10/12

Title of Item: Purchase of Taleo Applicant Tracking System

Background and Analysis:

Background

The District has been utilizing PeopleAdmin 5.8 since 2001 as the applicant tracking system for faculty, classified, adjunct faculty, and administrator recruitments. Beginning in 2010, the District's Office of Human Resources/Employment Services began encountering several problems regarding the timeliness, effectiveness, and efficiencies provided by PeopleAdmin's customer service. This was a significant concern, as the recruitment process is a highly visible component within HR, and unnecessary errors can potentially result in litigious activity from applicants, delays in processing time, and increased staff workload.

PeopleAdmin offered an upgrade to all member institutions (version 7.0) in order to provide enhancements to the existing version 5.8. However, due to customer service concerns, and because of the increased costs associated with maintaining PeopleAdmin on an annual basis, Employment Services began researching other options and discovered other systems that offered greater functionality and flexibility than PeopleAdmin.

Detailed Review Process

At the end of 2011, Employment Services formally interviewed a number of applicant tracking systems based on a number of factors including but not limited to:

- Cost
- Familiarity with educational institutions
- Customer support
- Features which would allow for greater effectiveness within recruitment and HR

Based on these criteria, Employment Services decided that Taleo (by Oracle), iCIMS, and NEOGOV best met these criteria. After further review, it was decided that iCIMS did not offer greater functionality than PeopleAdmin, so it was eliminated from further consideration. After a thorough comparison between NEOGOV and Taleo, it was decided that Taleo offered the greatest functionality for the cost. (see attached for cost comparisons and additional information).

Recommendation:

Submitted by:	Miriam Lamb (Employment Services)
Additional contact names:	Suzanne Pfeiffer, Dorene Novotny
Is backup provided?	yes



ORACLE SOFTWARE AS A SERVICE ORDERING DOCUMENT

Oracle America, Inc.
500 Oracle Parkway
Redwood Shores, CA
94065

Your Name Foothill Deanza Community
College District
Your Location 12345 El Monta Rd,
Los Altos Hills
CA 94022

Your Contact Mariam Lamb
Phone Number (650)9496216
Email Address lambmiriam@fhda.edu

Programs and Program Support Services			
Cloud Services Ordered	Quantity	Service Term (Months)	Net Fee
B68230 - Oracle TBE Recruiting Premium Cloud Service - Hosted Employee	2000	36	89,100.00
B68233 - Oracle TBE Onboarding Cloud Service - Hosted Employee	2000	36	19,305.00
Subtotal			108,405.00

Consulting/Professional Services Fees	Quantity	Net Fee
Oracle TBE New Customer Setup Cloud Service - Per New Customer Setup	2	0.00
Oracle TBE Smart Sourcing Per Posting Cloud Service - Per Posting	40	400.00
Oracle TBE Partner Integration Setup Cloud Service - Per Partner Setup	1	500.00
Oracle TBE Onboarding Implementation - Express	1	2,660.00
Oracle TBE Recruiting Data Migration - Premier 20K	1	8,075.00
Other Fees		11,635.00

Fee Description	Net Fee
Cloud Services Fees	108,405.00
Consulting / Professional Services Fees	11,635.00
Total Fees	120,040.00

A. Ordered Services

1. Summary of Fees

All fees on this ordering document are in US Dollars.

2. Agreement

a. This order incorporates by reference the terms of the **Oracle Business Edition General Terms and Conditions** which may be viewed at www.oracle.com/contracts and all amendments and addenda thereto (the "agreement"). The defined terms in the agreement shall have the same meaning in this order unless otherwise specified herein.

3. Offer Validity

The offer is valid through 21-DEC-2012 and shall become binding upon execution by you. The signature below affirms your commitment to pay for the services ordered in accordance with the terms of this ordering document and the agreement.

B. General Terms

1. Terms of Use

Terms of Use: All products and services listed on this ordering document are provided by Oracle under, and subject to, the terms of this ordering document, including the agreement and all Oracle documents referenced in this ordering document and the agreement. You indicate your agreement to the terms of this ordering document, including the agreement, by signing this ordering document, and you represent that you have the authority to bind the company to whom this ordering document is addressed above to the terms of this ordering document and the agreement. Oracle normally processes a customer's order after receipt of a purchase order or a valid credit card. Any terms and conditions on your purchase order are void and have no legal effect. You may not reduce the number of Users purchased hereunder, in whole or in part, during the services term of this ordering document set forth above. In the event of any conflict between the terms of this ordering document and the terms of the agreement, the terms of this ordering document shall govern. The Service is effective upon the effective date of this ordering document.

2. Payment Terms

Payment Terms: The Service Payment Frequency applies to any Service fees; all other products and services fees shall be invoiced in full in advance, except as may be otherwise noted above or separately agreed in writing. The fees listed in this ordering document are nonrefundable and are exclusive of all taxes, levies, or duties imposed by taxing authorities, and you shall be responsible for payment of all such taxes, levies, or duties invoiced by Oracle, except for taxes based solely on Oracle's net income. Please note that if the pre-tax value of this ordering document is USD 2,000 or less, the products and services listed on this ordering document must be purchased by credit card. Purchase orders and checks are no longer accepted for transactions of this size. You agree not to disclose the terms of this ordering document to any third party.

Payment Frequency: Your payment frequency for this ordering document is quarterly in advance.

All amounts invoiced hereunder are due and payable within 30 days of the date of the invoice.

C. Service Descriptions

1. Service Descriptions

This order incorporates by reference the Oracle service descriptions and metrics that govern the Oracle Cloud Service, which may be viewed at www.oracle.com/contracts. The Oracle service descriptions and metrics are subject to change at Oracle's discretion; however, Oracle will not materially reduce the level of the services provided to you under this ordering document for the period for which you have paid for such services. The terms of the Oracle service descriptions and metrics will govern over any conflicting term in this ordering document or the agreement.

D. Other

1. Your Data - SaaS

Your Data: Oracle may use tools, scripts, software, and utilities (collectively, the "tools") to monitor and administer the services. The tools will not collect, report or store any of your content residing in the service environment, except as necessary to troubleshoot problems in the services. Data collected by the tools (excluding production data) may also be used to assist you in managing your Oracle product and service portfolio, to help Oracle improve on product and services offerings, and for license and services management. Oracle may also compile statistical information related to the performance of and use of the services in an aggregated and anonymous manner to support other features of the services and to improve Oracle's products and services. Oracle may make such information publicly available, provided that such information does not incorporate your content and/or identify your confidential information or include your company's name. Oracle retains all intellectual property rights in such information.

2. Terms

The following defined and capitalized terms in the referenced agreement shall have the same meaning as the stated terms in this ordering document: "Agreement" and "agreement"; "Customer"/"Client" and "you"/"your"; "Program" and "program"; "Technical Support" and "technical support"; "Program Documentation"/"Documentation" and "program documentation"; and "Ordering Document"/"Order Form" and "ordering document".

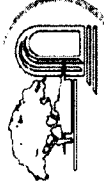
FOOTHILL DEANZA COMMUNITY COLLEGE DISTRICT

Signature

Name

Title

Signature Date



Annual Fees:

Product	Description	Fee
TBE Recruit	Annual Subscription (based on 2000 employees)	\$29,700.00
TBE Onboard	Annual Subscription (based on 2000 employees)	\$6,435.00
SmartSourcing	Includes: Outlook Plugin, Internet Source Bar	\$0.00
Job Board Deliveries -40 jobs	Through Partner, Broadbean you can post jobs to job boards/sites (i.e. Monster, CareerBuilder, Dice, etc). (NOTE: This fee does NOT include fees owed to job boards)	\$400.00
Recurring Annual Fee =		\$36,535.00

One-time Fees:

Professional Services - Recruit Premier Implementation, INCLUDING Data Migration	Premier Recruit Implementation with Solutions Consultant and Data Migration of up to 20K candidate records	\$8,075.00
Professional Services - Onboarding Implementation	Onboard Implementation with Solutions Consultant	\$2,660.00
Set up Fees	Careers Website - waived \$0.00	\$0.00
	Job Board Deliveries integration set up fee (Broadbean)	\$500.00
One-time Fee =		\$11,235.00

Total 1st year Cost = \$47,770.00
 Total 2nd year Cost = \$36,535.00
 Total 3rd year Cost = \$36,535.00
 1st Invoice amount (Due approx 1/20/13) = \$20,368.75
 Quarterly payment after initial invoice = \$9,133.75

Applicant Tracking System Review and Upgrade

Background

The District has been utilizing PeopleAdmin 5.8 since 2001 as the applicant tracking system for faculty, classified, adjunct faculty, and administrator recruitments. Beginning in 2010, the District's Office of Human Resources/Employment Services began encountering several problems regarding the timeliness, effectiveness, and efficiencies provided by PeopleAdmin's customer service. This was a significant concern, as the recruitment process is a highly visible component within HR, and unnecessary errors can potentially result in litigious activity from applicants, delays in processing time, and increased staff workload.

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At the end of 2011, Employment Services formally interviewed a number of applicant tracking systems based on a number of factors including but not limited to:

- Cost
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Table A

<u>Description</u>	<u>NEOGOV Annual Recurring Cost</u>	<u>Non- Recurring Cost</u>	<u>Taleo Annual Recurring Cost</u>	<u>Non- Recurring Cost</u>	<u>PeopleAdmin 5.8^D</u>	<u>PeopleAdmin 7.0</u>
Subscription License ^A	\$18,000	\$7,500	\$29,700 ^A	N/A	\$23,740 ^A	\$23,740
Onboarding ^B	\$12,000	\$5,000	\$6,435 ^B	\$2,660	N/A	Low Functionality
Job Board Integration	\$495	\$0	\$400 ^C	\$500	\$0	\$0
One time migration fee ^C	N/Available	N/Available	N/A	\$8,075		\$5,000 ^E
TOTAL - 1	\$30,495	\$12,500	\$36,535	\$11,235	\$23,740	\$28,740*
Cost of Performance Module	\$20,000	\$7,500	\$24,750	\$4,940.	N/A	N/A
TOTAL – 2 Performance WITH other modules	\$50,495	\$20,000	\$61,297	\$19,975	N/A	N/A
Other Modules ^E Compensation; and Learning Management	N/Available	N/Available	Available but not reported	Available but not reported	N/Available	N/Available.

- A. **Basic Subscription** - based on the improved level of functionality provided, Taleo's stand-alone applicant tracking subscription license (\$5,960 more annually than PeopleAdmin) is an added value and will serve the District for years to come.
- B. **Onboarding** in addition to automated requisition processing, Taleo offers new hire forms processing such as W-4 Form, I-9 Form, Drug Free Workplace Act Form, etc., which can be uploaded to Banner. This functionality is not nearly as robust in PeopleAdmin and cost is prohibitive.
- C. **Migration** - both PeopleAdmin and Taleo charge a fee to migrate current files to the new system. If tolerable from the colleges, we recommend not migrating any current files, and starting clean with Taleo. This would require all current part-time faculty to "reapply" using Taleo. If such an approach is not tolerable (the campuses have indicated a preference to migrate files), the recommendation is to migrate a two year history of records. Records that are more than two years old are deemed outdated and should be update regardless. HR would outreach current part-time applicants to update their records using Taleo. The PeopleAdmin data would continue to be available for an unspecified period of time.
- D. **PeopleAdmin 5.8** will no longer be supported within the next few years.
- E. **Other Modules** - the Compensation System and the Learning Management System are additional modules available but not included here. Current recommendations are that compensation remains with the Hay System and enhanced to include classified positions, and not consider the Learning Management System as it is too costly for the value at this time. Although the District will not be implementing these modules at this time because of budgetary concerns these modules may be of long-term interest to the District.

Table B
Features Unique to Taleo
(Not offered by NEOGOV or PeopleAdmin)

Recruitment and Requisition Management	
Job Board Integration	Taleo allows the District to specify an unlimited number of job boards to post positions to. NEOGOV has only two job boards to post to. The District would need to manually post to all other job boards; for example, those unique to faculty hiring or specific disciplines.
Branding/Targeted Image Messaging	Taleo provides for strengthening the District's image and "brand" across different populations of candidates through multiple branded career sites. For example, the District could have separate sites for internal postings verses external faculty recruiting. Additionally, Taleo allows for keeping the most current hiring needs in sync with what's published on the career site.
Integration with Microsoft Outlook	Simplify applicant tracking, storage and correspondence through integration with Microsoft Outlook®. Managers will also be able to sign on to Outlook via a "single sign on" utilizing various platforms (i.e. Blackberry, iPhone, desktop, etc.).
Predictive Ranking Capability:	Analyze openings easily, to automatically identify and post to best-fit job boards using Taleo's eQuest's integrated Prophecy™, AdvantageT and FreeBUG tools.
Streamlined scoring/screening process.	Score, rank, and refer applicants (allowing for breakdown of screening criteria, rather than assigning composite score to applicants).

Taleo and NEOGOV offer the following features above those provided by PeopleAdmin. Where all three offer user capability, NEOGOV and Taleo offer improved functionality:

Improved functionality	Unique to NEOGOV and Taleo
Recruitment Management	
<ul style="list-style-type: none"> ○ Online job announcements and descriptions ○ Online applications integration with current agency website ○ The ability to proactively search the applicant database ○ Job Board Optimization: (Know which jobs are 	<ul style="list-style-type: none"> ○ Refer and certify applicants electronically ○ Recruitment and examination planning ○ Automatic online job interest cards

working the best)	
Requisition Management	
<ul style="list-style-type: none"> ○ Create, store, and reuse supplemental questions 	<ul style="list-style-type: none"> ○ <i>Screen applicants automatically as they apply</i> ○ <i>Define unique scoring plans per recruitment, or copy existing scoring plans</i> ○ <i>Score, rank, and refer applicants electronically</i> ○ <i>Generate electronic requisitions. Route for approval via email-including over mobile devices</i>
Applicant Tracking	
<ul style="list-style-type: none"> ○ EEO data collection and reports ○ Detailed applicant history record 	<ul style="list-style-type: none"> ○ Track applicants by step/hurdle
Reporting and Analysis	
<ul style="list-style-type: none"> ○ Track and analyze data such as time-to-hire, recruitment costs, staff workload, applicant quality, etc. 	<ul style="list-style-type: none"> ○ N/A.

Campus Constituency Review

During summer 2012, a focus group of administrators and staff (who regularly chair and serve on a variety of hiring committees) from both campuses provided feedback on the orientations conducted by Taleo and NEOGOV, and a free trial version provided by Taleo. This focus group unanimously recommended that the District proceed with implementation of Taleo, as they believed it would best allow the District to streamline recruitment processes. Many members of this focus group cited that although both systems offer applicant tracking, performance management, and onboarding modules, Taleo offers a higher level of functionality and the best potential for future growth: more comprehensive job board integration service; more comprehensive applicant screening; integration with a single sign-on process to Outlook (which is not provided by NEOGOV); and ability to add on learning management and compensation modules.

Cost Comparison

Table A provides a breakdown of costs into one-time dollars and reoccurring costs based on the modules that Employment Services would like to implement. This table also provides a comparison between the current costs to implement various modules within NEOGOV; the annual contract cost for PeopleAdmin; as well as the cost to implement PeopleAdmin 7.0. The pricing in **Table A** is based on the completion of a signed contract between Taleo and the District, and commits the District to a three-year contract with Taleo. This pricing is subject to change if the District does not sign a contract by September 2012. The District will pay the one-time fees up front along with one quarter of the license fees and then be billed license fees each subsequent quarter.

The following is a breakdown of costs associated with implementation/data migration services depending on the number of records (if any) Employment Services decides to import data from PeopleAdmin:

- \$11,875 Implementation/migration of 60K records
- \$10,500 Implementation/migration of 40K records
- \$8,075 Implementation/migration of 20K records
- \$5,200 Implementation/migration of NO records

Listed within the table is also an estimated cost (based on current pricing) for the Performance Management System (which may be implemented in the future). The pricing for the Taleo Compensation System is not included, as the Hay Classification System is recommended for compensation/classification processes (for classified staff), as it will provide seamless integration with the compensation/classification system already in place for administrators. The pricing for the Learning Management System is also not included in the table, as it deemed too costly given the District's current and foreseeable budgetary situation.

Process

In order to implement Taleo, Employment Services will need to work with an implementation team to establish timelines and deliverables for the project. On average, implementation takes approximately two to three months to complete. An Oracle Taleo Implementation Consultant will provide the knowledge and support needed to design, configure, test and deploy Taleo.

For the implementation of the applicant tracking module, approximately seven meetings will be held with the Oracle consultant. Onboarding will have a two to three week implementation timeframe, with up to three meetings with the consultant. In addition, Employment Services will need to establish a specific timeline by which applicants will need to apply in PeopleAdmin before the system is taken offline. Approximately fifteen to twenty hours per week will need to be dedicated by the Employment Services team in order to implement the system within the timeframe cited above.

Staff Dedication

Besides members of the Employment Services team (Employment/Classification Supervisor, the HR Specialist for Classification and the Employment Technician), other members of the HR/benefits staff, and ETS, will need to provide support for implementation of the onboarding module, the staffing requisition workflow process and any integration deemed necessary between recruitment processes and Banner. ETS staff assistance will also be needed to export data to a format that Taleo will be able to upload into the new applicant tracking system if it is decided that old applicant information will be migrated into the new system. ETS staff will also need to be available to ensure the system meets the specific technical requirements of the District.

Conclusion

In summary, although NEOGOV has the advantage of slightly greater familiarity with public institutions and community colleges, Taleo has functionality that exceeds that of NEOGOV. Based on feedback from managers and other institutions, Employment Services believes that Taleo will better allow the District to enhance functionality, streamline processes, improve efficiencies, and implement more innovative recruitment and human resources processes and strategies.

November 2012

Oracle TBE Recruiting Data Migration - Premier 20K

Customer is responsible for providing legacy data in Oracle specified format.

This package is best for organizations with one to five users who need assistance with making process decisions, configuration and maximizing their Oracle TBE Recruiting setup. A dedicated Oracle TBE Implementation Consultant will provide the knowledge and support needed to design, configure, test and deploy your Oracle TBE Recruiting solution.

6-7 week implementation timeframe

Up to 7 meetings with a dedicated, Professional Services consultant

Configuration Includes:

- ☐ Requisition Page & Requisition Data Sheet (basic requisition information, plus up to 20 custom fields)
- ☐ Candidate Profile Page & Candidate Data Sheet (basic candidate data, plus up to 20 custom fields)
- ☐ Candidate Main Status and Requisition Specific Status workflow
- ☐ Up to 25 each of locations, departments, regions, divisions
- ☐ Up to 10 plain text email templates
- ☐ Up to two (2) offer letter forms
- ☐ Up to three (3) custom, basic Insight reports (basic, custom reports include: selecting fields, defining parameters and sorting the report)
- ☐ Standard filtering of one role including tabs, sub-tabs, list views and page layouts
- ☐ Setup of up to three (3) Smart Views
- ☐ Configuration of Talent Cards
- ☐ Overview of Requisition Questions and Rankings
- ☐ Configuration of up to 2 client branded career websites (internal or external)
- ☐ Configuration of one (1) external candidate application form and one (1) internal candidate application form
- ☐ Creation of Employee Referral URL

Data Migration Includes:

- ☐ Requisitions, Candidates, Candidate Resumes, Candidate History (via Attachment), Users, Candidates to Requisitions, Users to Requisitions, Contacts
- ☐ Migration of up to 20,000 candidate records

Customer Data Responsibilities:

- ☐ Provide data in Oracle specified format.

Implementation Services – Oracle TBE Onboarding

Oracle TBE Onboarding Implementation - Express

Let Oracle TBE Professional Services help you automate your on-boarding/off-boarding processes quickly and effectively. This Express implementation package focuses on "speed to value," with implementation times focused on getting you set-up quickly to eliminate paperwork, streamline your business processes and engage your most important asset - your people!

2-3 week implementation timeframe

Up to 3 meetings with a dedicated, Professional Services consultant

Configuration Services Include:

- ☐ Configuration of up to 10 OnBoard Forms (10 forms with up to 10 fields per form)
- ☐ Configuration of up to 10 OnBoard Activities
- ☐ Configuration of up to 5 OnBoard Bundles
- ☐ Configuration of up to 5 email templates
- ☐ Employee Website review
- ☐ Prototype and demonstration of expected usage and configuration



RE: Notice of bank account information change.

To Whom It May Concern:

Oracle America, Inc. has recently changed the account information used for payments. Please be aware that the invoices that you may be paying from do not contain the new banking information.

Please update your AP system to incorporate the new banking information with the below details.

Wire Payments:

Wells Fargo Bank (Swift Code: WFBIUS6S)

San Francisco, CA

ABA: 121000248

ACCT # 4522-020841

For benefit of Oracle America, Inc.

include invoice number to be paid

Check Remittance Information:

If you are in state of AK, AZ, CA, HI, ID, NV, UT, WA

Please Mail Checks To:

Oracle America, Inc.

PO Box 44471

San Francisco, CA 94144-4471

If you are in any other state please mail checks to:

Oracle America Inc.

PO Box 203448

DALLAS, TX 75320-3448

Taxpayer id# 94-2805249

DUNS# 013044532

Please contact your current Collections Analyst at tbecollections_grp@oracle.com if you have additional questions.

Sincerely,
Oracle America, Inc.

**Request for Taxpayer
Identification Number and Certification**

Give Form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)
Oracle America, Inc.

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
☐ Individual/sole proprietor ☒ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate
☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶
☐ Other (see instructions) ▶

Address (number, street, and apt. or suite no.)
500 Oracle Parkway
City, state, and ZIP code
Redwood City, CA 94065
List account number(s) here (optional)

Requester's name and address (optional)
☒ Exempt payee

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I Instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number								
			-					

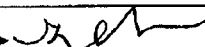
Employer identification number									
9	4	-	2	8	0	5	2	4	9

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶ 

Date ▶ **MAR 15 2012**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.