



AGENDA MEMORANDUM

First Reading for the City Council Meeting of December 10, 2013
Second Reading for the City Council Meeting of December 17, 2013

DATE: November 14, 2013

TO: Ronald L. Olson, City Manager

FROM: Mark E. Van Vleck, P.E., Interim Assistant City Manager
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First Reading Ordinance – Purchase of Community Development and Regulation (CDR) module of Infor Software

CAPTION:

Ordinance appropriating \$1,648,183 from the Unreserved Fund Balance in the Development Services Fund No. 4670 for the purchase of the Infor Community Development and Regulation (CDR) module; changing the FY 2013-2014 Budget adopted by Ordinance No. 029915 to increase appropriations by \$1,648,183; authorizing the City Manager, or designee, to execute amendment to Master Contract with Infor, Inc. for CDR module, with an initial three-year service agreement and initial one-year hosting and maintenance agreements, each with automatically annual renewal terms upon payment of annual fees, with the total amount of the fixed price agreement of \$1,648,183, which includes the recurring support costs for years one and two, and additional recurring support costs of \$64,820 per year for years three through five.

PURPOSE:

To provide and implement software in Development Services, Neighborhood Services, Wastewater, and the Health Department that is compatible with and integrated with the ERP (Enterprise Resource Planning) software currently being implemented by the City. The integration of this software will require approximately 9 months and must begin in January 2014 to avoid conflict with existing ERP implementation activities. The software currently used by the departments will be eliminated after the implementation process. Infor will provide the licenses, subscription license and services, support, and hosting services to implement the CDR Module of Infor, which will replace the City's current SunGard and ePlan systems.

BACKGROUND AND FINDINGS:

SunGard (formerly HTE), the existing, stand-alone software that the City is currently using to process and schedule Development Services' permitting, licensing, building inspections, and code enforcement was purchased and implemented in 2002.

The purchase of the Infor CDR module will purposefully integrate software across multiple departments and will increase the ability to collaborate on solutions and foster the sharing of information, thus creating more responsive customer service.

The City plans to discontinue its use of SunGard software when the ERP system is implemented, including the module used for Utility Billing. Implementing the CDR module as proposed will ease the anticipated difficulty of the utility billing conversion and will allow the concerned City Departments to benefit from improved software more quickly than would otherwise be possible. It will allow the City to avoid the expense of maintaining SunGard and developing temporary interfaces if the CDR project were delayed until after completion of the ERP project.

See Financial Impact comments for cost comparison.

ALTERNATIVES:

Denial or alteration of the proposed purchase of the Infor CDR Module.

OTHER CONSIDERATIONS:

Not applicable

CONFORMITY TO CITY POLICY:

The proposed purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement. Infor is listed on the State of Texas Direct Buy listing and this extends a 30% discount to all Infor products to be purchased.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Municipal Information Systems Department

Development Services Department

Finance & Purchasing Department

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2013-2014	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$1,105,586	\$542,597	\$1,648,183
Encumbered / Expended Amount				
This item		\$1,105,586	\$542,597	\$1,648,183
BALANCE				

Fund: Development Services Funds

Comments:

Projected Costs with Change (Infor)						
	Year 1*	Year 2**	Year 3	Year 4	Year 5	5 Year Total
Use of H.T.E. in transition period		\$ 282,600.20				\$ 282,600.20
Software	\$ 324,100.00					\$ 324,100.00
Implementation	\$ 716,666.00	\$ 477,777.00				\$ 1,194,443.00
Support	\$ 64,820.00	\$ 64,820.00	\$ 64,820.00	\$ 64,820.00	\$ 64,820.00	\$ 324,100.00
Total	\$ 1,105,586.00	\$ 825,197.20	\$ 64,820.00	\$ 64,820.00	\$ 64,820.00	\$ 2,125,243.20

Projected Costs with No Change (H.T.E.)						
	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Total
Neighborhood Services	\$ 89,084.10	\$ 89,084.10	\$ 89,084.10	\$ 89,084.10	\$ 89,084.10	\$ 445,420.52
Environmental Health Inspections	\$ 5,776.60	\$ 5,776.60	\$ 5,776.60	\$ 5,776.60	\$ 5,776.60	\$ 28,883.00
Fire Prevention	\$ 8,664.90	\$ 8,664.90	\$ 8,664.90	\$ 8,664.90	\$ 8,664.90	\$ 43,324.50
Development Services	\$ 179,074.60	\$ 179,074.60	\$ 179,074.60	\$ 179,074.60	\$ 179,074.60	\$ 895,373.00
Total	\$ 282,600.20	\$ 282,600.20	\$ 282,600.20	\$ 282,600.20	\$ 282,600.20	\$ 1,413,001.02

* Software cost is a one-time purchase and the Services portion is approximately 60% of the total Service cost.

** Services cost for this year is approximately 40% of the total Service cost. Year 2 also includes an estimated amount to account for the concurrent use of both systems in the transition period. Excluding H.T.E., the Year 2 costs for Infor would be \$542,597.00

Note: The 5 Year total for Infor costs only (excluded concurrent use of H.T.E.) is \$1,842,643.00. Using this number, the break-even point, when comparing the cost of the two systems, would be approximately 6.5 years.

RECOMMENDATION:

Staff recommends approval of the ordinance as presented.

LIST OF SUPPORTING DOCUMENTS:

- Statement of Work
- Change Order
- Contract Addendum #1
- Order Form