



AGENDA MEMORANDUM

Future Item for the City Council Meeting of April 30, 2013

Action Item for the City Council Meeting of May 14, 2013

DATE: April 30, 2013

TO: Ronald L. Olson, City Manager

FROM: Michael Barrera, Assistant Director of Financial Services
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Purchase of Enterprise Resource Planning System

CAPTION:

Motion approving license, service, hosting, maintenance and professional services agreements with Infor (US), Inc., Alpharetta, GA, for an enterprise resource planning system for \$5,922,196.16, of which \$1,383,138.16 is required for the remainder of FY 2012-2013; an additional project contingency of \$749,718.87; and ongoing service, hosting and maintenance. The initial term of the service agreement is three years and the initial term of the hosting and maintenance agreements is one year; each will automatically renew annually thereafter upon payment of annual service, hosting and maintenance fees, respectively. The term of the professional services agreement will extend through project completion. Funds have been budgeted by the Municipal Information Systems Department in FY 2012-2013.

PURPOSE:

The recommended vendor will provide the Enterprise Resource Planning system (ERP) that will replace the City's current PeopleSoft system.

BACKGROUND AND FINDINGS:

The City's existing ERP system, PeopleSoft, was purchased in March of 1998 and has been in continuous use for the fifteen years since. Oracle Corporation, PeopleSoft's parent company, has announced that it will cease providing upgrades and support for its PeopleSoft products in 2015. As a result, the City needs to move to a different ERP system. Moreover, the City requires a more up-to-date ERP system that will provide greater functionality and more robust tracking and reporting capabilities providing for increased efficiencies by leveraging use of many new electronic processes and functions available from a more modern, integrated and technologically advanced ERP system.

Thus, with assistance from its ERP system consultant, Plante & Moran, LLC, the City conducted an assessment of its business processes supported by PeopleSoft and developed and issued a Request for Proposal which ultimately resulted in this recommendation to purchase the City's new ERP system from the recommended vendor, Infor (US), Inc.

ALTERNATIVES:

Not applicable

OTHER CONSIDERATIONS:

The ERP system also includes a third-party tax software component to be purchased from Business Software, Inc., Norcross, GA, the license for which will be purchased through Infor (US), Inc., the cost of which is included in the \$5,922,196.16 expenditure set out herein. City staff will administratively execute a one-year maintenance agreement directly with Business Software, Inc. in the amount of \$12,708.00, which will automatically renew annually thereafter.

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

Municipal Information Systems Department

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year: 2012-2013	Project to Date Expenditures (CIP only)	Current Year	Future Years
Line Item Budget		\$3,000,000.00	\$4,031,909.83
Future Encumbrances		\$0.00	\$1,394,259.44
This Item		\$1,605,740.56	\$5,426,169.27
BALANCE		\$1,394,259.44	\$0.00

Fund(s): Municipal Information System Fund

Comments: "This Item" in the table above is comprised of current and future expenditures to which the City will be contractually obligated through FY2015-2016 and which are necessary to purchase the ERP System and its related component software from the four recommended vendors listed below, each of which is described in its own agenda item.

	<u>Current Year</u>	<u>Future Years</u>	<u>Totals</u>
Infor (US), Inc.	\$1,383,138.16	\$5,288,776.87	\$6,671,915.03
Emphasys Software	\$36,500.00	\$69,100.00	\$105,600.00
MHC Software, Inc.	\$68,292.40	\$68,292.40	\$136,584.80
PCI, LLC	<u>\$117,810.00</u>	<u>\$0.00</u>	<u>\$117,810.00</u>
	\$1,605,740.56	\$5,426,169.27	\$7,031,909.83

In Future Years, the agreements with Infor, to which the City will be contractually obligated, and the project contingency recommended herein total \$5,288,776.87, calculated as follows:

\$5,922,196.16	Total Amount of Infor Agreements Recommended Herein
(\$1,383,138.16)	Current Year Expenditures for Infor Agreements Recommended Herein
<u>\$749,718.87</u>	Project Contingency in Future Years
\$5,288,776.87	Total of Infor Agreements and Project Contingency in Future Years

The "Line Item Budget" amount in future years will be requested during the normal budget approval process in the applicable future fiscal years.

RECOMMENDATION:

Staff recommends approval of the motion as presented.

LIST OF SUPPORTING DOCUMENTS:

Evaluation Summary

Master Contract