



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of October 18, 2016

Action Item for the City Council Meeting of October 25, 2016

**DATE:** September 27, 2016

**TO:** Margie C. Rose, City Manager

**FROM:** Belinda Mercado, Director of Information Technology  
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Approving the Infor Software Subscription Agreement for the City's  
Enterprise Software Solution

### **CAPTION:**

Motion authorizing the City Manager or designee to approve the execution of a Software Subscription agreement with Infor, Inc. for five years for a total expenditure of \$3,775,000 with annual payments of \$755,000. Funds are available in the Information Technology Department FY2016-2017 budget.

### **PURPOSE:**

To consolidate Infor software licenses and support into one software subscription agreement for cost savings and improved upgrade support.

### **BACKGROUND AND FINDINGS:**

Multiple maintenance support contracts are in place for Infor products. It is recommended to move towards a subscription agreement in place of a license agreement.

Infor Products	Department Users	Current Annual Support Cost
Infor Hosting Agreement	All City Departments	\$543,840
Infor Financials, Procurement, Human Capital, Talent Management, Payroll, Budget	All City Departments	\$139,200
Infor Community Development For Building Permits, Planning, Business License, Trade License, Health permits, Utility Billing	Development Services, Health, Utility Billing Office, Finance	\$71,239
BSI Tax Factory	Finance/Payroll	\$11,922
	<b>Current TOTAL COST</b>	<b>\$766,201</b>

Some of the challenges with our current arrangement include:

- Escalation charge per year is 3% on hosting and 6% on maintenance agreements
- Multiple support contracts renewable at different times
- Upgrades require consulting services and are not included in current support agreements

Moving to a central Infor Software Subscription agreement provides:

- No escalation charge for 5 years
- Simplified contracts for licensing
- No charge for consulting services for future upgrades

#### **ALTERNATIVES:**

1. Approve the Infor Software Subscription agreement for continued use of system to include licenses, support, and upgrades.
2. Do not approve Infor Software Subscription agreement. Without approval, city staff will continue current license model at an increased overall cost. **(Not recommended).**

#### **CONFORMITY TO CITY POLICY:**

The proposed purchase conforms to the City's purchasing policies and procedures and Texas State procurement laws.

#### **EMERGENCY/NON-EMERGENCY:**

Non-Emergency

#### **DEPARTMENTAL CLEARANCES:**

Information Technology Department  
Legal Department  
Office of Management and Budget

#### **FINANCIAL IMPACT:**

☒ Operating      ☐ Revenue      ☐ Capital      ☐ Not applicable

<b>Fiscal Year: 2016-2017</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget		\$1,810,513		
Encumbered / Expended Amount				
This item		\$755,000	\$3,020,000	\$3,775,000
BALANCE		\$1,055,513		

Fund(s):5210

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

**Comments:** No matching funds required.

**RECOMMENDATION:**

Staff recommends approval of this agenda item.

**LIST OF SUPPORTING DOCUMENTS:**

Infor Agreements

Total Cost of Ownership analysis