



Legislation Text

File #: 19-328, **Version:** 1

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SUBJECT: Approval of a Five Year Software Maintenance Contract with Superior for Support and Hosting of the Current Enterprise Resource Planning System in the Amount of \$858,910.40 with Provisions to Reduce Costs by Completing an Annual Review of Modules Migrated to the New Enterprise Resource Planning System

REPORT IN BRIEF

Authorize the execution of a five year software maintenance contract with Superior for support and hosting of the current enterprise resource planning software in the amount of \$858,910.40 with provisions to reduce costs by completing an annual review of modules migrated to the new enterprise resource planning system.

RECOMMENDATION

City Council - Adopt a motion approving the agreement with Superior and authorizing the City Manager or the Assistant City Manager to execute the necessary documents including future contract amendments for cancelling select modules to reduce future maintenance and hosting costs; as well as future professional services contract amendments with Superior below the bid threshold as required.

ALTERNATIVES

1. Authorize agreement as recommended by IT Department: or,
2. Refer to staff for further evaluation: or,
3. Deny.

AUTHORITY

Charter of the City of Merced, Section 200

CITY COUNCIL PRIORITIES

As provided for in the 2019-20 Adopted Budget

DISCUSSION

The City currently used an entire suite of integrated software applications provided by Superior to carry out business functions for the City. These software suites are commonly referred to as an (ERP) Enterprise Resource Planning systems. The Superior enterprise resource planning (ERP) system was built on main frame style technology that was developed in the 1960s and for the past 30 years it has run many of the City's critical business operations, including payroll, utility billing, GMBA, business licenses, building permits, Work Orders, and more. In 2014 the City transition from running

our own mainframe style hardware and in-house staff to contracted services with Superior for them to own the hardware and provide part of the staffing to support the ERP system. This is commonly referred to as cloud commuting. The contract signed in 2014 is ending and needs to be renewed to maintain our service through Superior. Without the renewal of the contract all City services that utilized the Superior owned mainframe and software will cease to function.

In addition we are seeking authority for the City Manager and Assistant City Manager to have signing authority for any amendments to the contract for professional services not to exceed the current bid threshold. During the length of the previous contract several law changes required modifications to the ERP system to follow the new regulatory compliance requirements. Additional professional services may be required during the duration of the new contract for any future regulatory compliance changes or any updates necessary for completing the new ERP system migration. An example of a previous modification due to regulatory compliance was for the Affordable Care Act of 2018 required changes to the payroll module to accommodate the new (ACT) requirements for processing and printing of checks for a total cost of \$800.00.

In Fiscal year 2017/2018 the City published an RFP to replace the Superior ERP system. The City is working through a proof of capability demonstration with the top three proposals. Once a final vendor has been selected and negotiations have been complete the contract for the ERP system will be brought to the City Council for approval. It is anticipated based upon best practices and the RFP responses to take between three and five years to transition from the current Superior ERP to the new ERP vendor selected. During this transition period the City will need to maintain the current Superior ERP system while implementing the new ERP system. The City negotiated terms in the contract to allow the City to cancel module (software programs) at each anniversary of the 5 year contract. This will allow the City to reduce the cost of the Superior contract while the City transitions to the new ERP system over the coming years. The pricing for each module is shown in the chart below.

Application	Qty	Year 1	Year 2	Year 3	Year 4	Year 5
ASP-Navi-Payroll/Personnel	1	\$11,934.00	\$12,292.02	\$12,660.78	\$13,040.60	\$13,431.82
ASP - Navi - Purchasing/Inventory	1	\$8,910.00	\$9,177.30	\$9,452.62	\$9,736.20	\$10,028.28
ASP - Navi - Work Orders/Facility Management	1	\$9,774.00	\$10,067.22	\$10,369.24	\$10,680.31	\$11,000.72
ASP - Navi Asset Management	1	\$4,482.00	\$4,616.46	\$4,754.95	\$4,897.60	\$5,044.53
ASP - Navi-Building Permits	1	\$8,991.00	\$9,260.73	\$9,538.55	\$9,824.71	\$10,119.45
ASP - Navi-Code Enforcement	1	\$2,763.00	\$2,845.89	\$2,931.27	\$3,019.20	\$3,109.78
ASP - Navi-DMS	1	\$1,827.00	\$1,881.81	\$1,938.26	\$1,996.41	\$2,056.30
ASP - Navi-Land Management	1	\$8,109.00	\$8,352.27	\$8,602.84	\$8,860.92	\$9,126.75
ASP - Procurement Card Tracking	1	\$2,853.00	\$2,938.59	\$3,026.75	\$3,117.55	\$3,211.08
ASP - Rec Trac I/F to GMBA	1	\$324.00	\$333.72	\$343.73	\$354.04	\$364.66
ASP CIS/Voice Response Interface - Selectron	1	\$2,781.00	\$2,864.43	\$2,950.36	\$3,038.87	\$3,130.04
ASP Credit Card Interface - Selectron	1	\$1,098.00	\$1,130.94	\$1,164.87	\$1,199.81	\$1,235.81

ASP Delinquency Callout Listing Interface Selectron	1	\$1,098.00	\$1,130.94	\$1,164.87	\$1,199.81	\$1,235.81
NaviLine Click2Gov3 - Employee Self Service	1	\$4,914.00	\$5,061.42	\$5,213.26	\$5,369.66	\$5,530.75
ASP - Cognos BI: Base Bundle Multi Data Source	1	\$8,726.40	\$8,988.19	\$9,257.84	\$9,535.57	\$9,821.64
ASP - Cognos BI: User Bundle	1	\$1,980.00	\$2,039.40	\$2,100.58	\$2,163.60	\$2,228.51
ASP - Navi - Cash Receipts	1	\$3,456.00	\$3,559.68	\$3,666.47	\$3,776.46	\$3,889.76
ASP - BP/Voice Response Interface - Selectron	1	\$2,781.00	\$2,864.43	\$2,950.36	\$3,038.87	\$3,130.04
ASP - Click2Gov Building Permits	1	\$3,780.00	\$3,893.40	\$4,010.20	\$4,130.51	\$4,254.42
ASP - Click2Gov CIS	1	\$5,220.00	\$5,376.60	\$5,537.90	\$5,704.03	\$5,875.16
ASP - Click2Gov Core Module	1	\$2,664.00	\$2,743.92	\$2,826.24	\$2,911.02	\$2,998.36
ASP - Navi - Accounts Receivable	1	\$5,382.00	\$5,543.46	\$5,709.76	\$5,881.06	\$6,057.49
ASP - Navi - Customer Information System	1	\$15,125.30	\$15,579.06	\$16,046.43	\$16,527.82	\$17,023.66
ASP - Navi - Fleet Management	1	\$10,422.00	\$10,734.66	\$11,056.70	\$11,388.40	\$11,730.05
ASP - Navi - GMBA	1	\$14,895.00	\$15,341.85	\$15,802.11	\$16,276.17	\$16,764.45
ASP - Navi - Occupational Licenses	1	\$5,490.00	\$5,654.70	\$5,824.34	\$5,999.07	\$6,179.04
Test Environment (Request to put it as "Known as 3rd Environment")	1	\$12,000.00	\$12,360.00	\$12,730.80	\$13,112.72	\$13,506.11
Additional Refreshes Per Year (4) per test environment (2-test environments)	1	Incl above				
Annual Access Fee		\$16,177.970	\$166,633.09	\$171,632.08	\$176,781.05	\$182,084.48
ASP - SunGard Transaction Managers - Billed Monthly per transaction						
					5 Year Total	\$858,910.40

IMPACT ON CITY RESOURCES

There is funding in the adopted fiscal year 19/20 budget.

672-0403-512-2400 \$161,779.70

ATTACHMENTS

1. Superior Annual Service Maintenance Agreement