



Legislation Text

File #: 06-0930, **Version:** 1

Recommendation to authorize City Manager to execute First Amendment to Contract No. 27423 with Tier Technologies to shorten cancellation clause from one year to six months, and to reduce annual contract amount from \$255,670 to \$147,900 in Fiscal Year 2007. (Citywide)

In February 1998, The City implemented new accounting, purchasing and budget software acquired from KPMG LLP, now Tier Technologies (Tier) . At that time the City executed a Maintenance Services Agreement (Agreement) that provides the City with new software releases, system patches, software maintenance and hotline phone support. An updated agreement was put into place effective November 2000, which is automatically renewed annually, unless either party provides termination notice at least 60 days prior to the end of any one-year renewal term. Based on extensive renegotiations with Tier, staff requests the following amendments to the agreement :

- Change the term and payment schedule from an annual to a six-month basis, allowing the City increased flexibility in canceling this agreement.
- Eliminate \$107,770 in annual maintenance as follows :
- Eliminate \$47,770 for the Cost Allocation and Graphic User Interface modules that are not currently in use.
- Eliminate \$60,000 for Gold Service maintenance support which the City plans to bid out to ensure competitive pricing and improved level of service.

This item was reviewed by Deputy City Attorney Richard F . Anthony on September 7, 2006 and Budget Management Officer David Wodynski on September 11, 2006 .

City Council action on this matter is not time critical .

Savings that are expected to be achieved due to reducing the number of software modules under maintenance support (\$47,770) and by competitively bidding the maintenance support (\$20,000 net) will be reinvested into the financial systems program and will accrue to the General Services Fund (IS 385) in the Financial Management Citywide Department (XC) .

Approve recommendation.

MICHAEL A. KILLEBREW
NAME
DIRECTOR OF FINANCIAL MANAGEMENT
TITLE

APPROVED:

GERALD R. MILLER

CITY MANAGER