

FINANCIAL IMPLICATIONS:

The total cost of the agreement is \$41,250 for the first year and a total contract amount not to exceed \$179,260 over five years. The software is budgeted in Finance Administration 146001 and the ERP implementation budget 854105.

The annual costs are established at:

Year 1: \$31,250 plus a \$10,000 one-time upgrade

Year 2: \$32,500

Year 3: \$33,800

Year 4: \$35,152

Year 5: \$36,558

IMPACT ON COMMUNITY SUSTAINABILITY:

The continued use and upgrade of MHC maintains the city's focus on leveraging enhanced technologies and ensures proper fiduciary care.

STAFF RECOMMENDATION/ACTION DESIRED:

Staff recommends authorizing the city manager to enter into an agreement with MHC Software Services via SHI Government Solutions in an amount not to exceed \$41,250 for the first year and a total amount not to exceed \$179,260 over five years.