

Legislation Text

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CC MEETING: November 21, 2023

DATE: November 13, 2023

TO: Erin Rinehart, City Manager

FROM: Melissa Everett, Finance Director
Chrystal Davis, Assistant City Manager

Consider **Authorizing The City Manager To Enter Into An Agreement With MHC Software Services Through A Cooperative Purchasing Agreement With SHI Government Solutions In An Amount Not To Exceed \$41,250 For The First Year, And A Five Year Total Contract Amount Not To Exceed \$179,260.**

BACKGROUND:

Currently, the city’s Enterprise Resource Planning (ERP) software is part of a three-city agreement, paid for via the North Central Texas Council of Governments (NCTCOG) which includes a secondary software MHC Software Solutions. As part of the upgrade to the new ERP system, Infor Cloud Suite Financial and Supply Chain Management, the city will sunset the three-city agreement. Finance is responsible for each disbursement that the City processes, which includes employee pay and vendor payments. In order to process the direct deposits, automated clearinghouse (ACH) payments, and printing of weekly checks, the city utilizes a third-party system, MHC.

The Finance Department is requesting permission to continue services with MHC via a new 5-year agreement, which includes an annual 4% escalator. The contract includes a one-time expenditure of \$10,000 which upgrades the current MHC to ensure a successful implementation of the new ERP, plus a secondary planned upgrade in the spring to transfer to the cloud. MHC will be procured through the Omnia Partners cooperative agreement via the SHI Government Solutions contract number: 2018011-02.

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.