



Legislation Details (With Text)

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On agenda: 1/17/2017 **Final action:** 1/17/2017
Title: Resolution Authorizing INFOR Lawson SAAS Contract Renewal

Sponsors:

Indexes:

Code sections:

Attachments: 1. Infor-SaaS-Odr Form.pdf, 2. Addendum Infor-LicandServiceAgrmnt.pdf, 3. 17-0039 Infor Subscription.pdf

Date	Ver.	Action By	Action	Result
1/17/2017	1	City Council	adopt	Pass

Resolution Authorizing INFOR Lawson SAAS Contract Renewal

Department: Information Technology

Council District: n/a

Public Hearing: n/a

Advertising Date/By: n/a

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BACKGROUND:

On March 11, 2014 we moved our Enterprise Wide Infor ERP system to the Cloud. We were one of the first clients to deploy our unique ERP configuration and suite of software in this cloud subscription model. As more and more Infor ERP clients have moved to the cloud, the ability to support and maintain various custom client configurations has proven cumbersome. It has also been a challenge for the City of Greensboro IT team when testing upgrades and patches in our unique environment. In an effort to move toward a more standardized architecture, we have negotiated with Infor to move our ERP system to the new CloudSuite. This will provide a more stable and standardized architecture for our ERP system. It will also allow for automated update and patching processes which will save City staff time when system maintenance is required.

Infor will bear the cost to move us to the new CloudSuite, and the City will pay only the difference in the discounted cost of the additional licensed software modules. Infor is also providing us with the enhanced Disaster Recovery option at no additional fee. This new license order would also reduce the future subscription

fee escalation percentage from 5% to 2% with no increase for the first three years.

This is a 4 and ½ year contract for the updated subscription. We have purposely structured the contract this way to allow the City to reduce the payment in the current fiscal year so as to offset the increase in future years.

If the order is signed on January 31, the amount of the refund/offset to the City will be approximately \$83,574 $((\$802,754.6/365)*38 \text{ days: } 28 \text{ Days in Feb, } 10 \text{ Days in March})$. If The order form is not executed until March 1, then the amount of the refund/offset drops to about \$19,794, since the refund period would only be 9 days.

The City can save approximately \$60K in the FY17 budget by getting approval on January 17th. The first payment for the initial 6-month period would be reduced by a credit from \$448,767.12 to approximately \$366,426. The first full annual payment of \$900,000 would be due in July 2017 (FY18).

This is a proprietary system.

BUDGET IMPACT:

Fiscal Year	Current Contract Obligation	Proposed Contract Obligation	Budgetary Impact	Account
FY17	802,754.40	448,767.12	(353,987.28)	686100101.5415
FY18	841,492.85	900,000	58,507	686100101.5415
FY19	*883,568	900,000	16,432	686100101.5415
FY20	*927,746	900,000	(27,746)	686100101.5415
FY21	*974,134	918,000	(56,134)	686100101.5415
Contract Change	\$4,429,695.20	\$4,066,767.12	\$(362,928)	
Vendor Credit if executed by 1/31: (83,574)			(446,502)	

* Years FY19- FY21 would be up for negotiation and are currently scheduled at a 5% escalation rate. Budgeted escalation rates are shown above.

RECOMMENDATION / ACTION REQUESTED:

It is the recommendation of the IT department that this new order form be executed.