

## Legislation Text

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**File #:** BILL NO. 18-92, **Version:** 1

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An ordinance approving the multi-year support commitment for the Lawson Enterprise Resource Planning System by and between Infor (US) Inc. (formerly Lawson Software Americas, Inc.) and the City of Lee's Summit, Missouri in the amount of \$541,689.29 and authorizing the City Manager to execute the same by and on behalf of the City. (F&BC 6-4-18)

Issue/Request:

An ordinance approving the multi-year support commitment for the Lawson Enterprise Resource Planning System by and between Infor (US) Inc. (formerly Lawson Software Americas, Inc.) and the City of Lee's Summit, Missouri in the amount of \$541,689.29 and authorizing the City Manager to execute the same by and on behalf of the City.

Key Issues:

The City currently utilizes the Lawson Enterprise Resource Planning system for Finance, Procurement, Human Resources, Payroll, and Budgeting services. This system was installed in 2011-2012 with associated software maintenance. The vendor, Infor, continues to upgrade the system in order to provide additional features, improvement, and product fixes.

The City has been able to negotiate an annual escalation percentage cap with Infor. The Annual Escalation Percentage increase of 3% is included in the annual payment amounts set forth in the addendum and are in effect for FY19, FY20, and FY21. The contract terms do include a stipulation that the agreement is subject to an annual appropriation by the Licensee's City Council.

The rate increase without the multi-year commitment would be 6%.

The multi-year contract will save the City approximately \$30,000 over the three year life of the agreement.

The total will be paid over three years, with annual payments as outlined below:

2018: \$175,305.31

2019: \$180,484.72

2020: \$185,899.26

Proposed City Council Motion:

I move for second reading of An ordinance approving the multi-year support commitment for the Lawson Enterprise Resource Planning System by and between Infor (US) Inc. (formerly Lawson Software Americas, Inc.) and the City of Lee's Summit, Missouri in the amount of \$541,689.29 and authorizing the City Manager to execute the same by and on behalf of the City.

I move for adoption of An ordinance approving the multi-year support commitment for the Lawson Enterprise Resource Planning System by and between Infor (US) Inc. (formerly Lawson Software Americas, Inc.) and the City of Lee's Summit, Missouri in the amount of \$541,689.29 and authorizing the City Manager to execute the same by and on behalf of the City.

Background:

The City currently utilizes the Lawson Enterprise Resource Planning system for Finance, Procurement, Human Resources, Payroll, and Budgeting services. This system was installed in 2011-2012 with associated software maintenance. The vendor, Infor, continues to upgrade the system in order to provide additional features, improvement, and product fixes. Infor allowed the City's current version to be supported for a period of 4 years before moving into a one year extended support agreement. The system was upgraded during calendar year 2017.

Product maintenance allows the City to receive annual updates to the system which include bug-fixes, enhancements, and updates to be compliant with current law. The maintenance contract also allows the City to contact Infor in the event of a problem with the system for support. It provides staff with the necessary resources to address problems when they are encountered.

Product support fees are due annually in August.

Impact/Analysis:

Without this agreement in place, the annual increase will be 6% each year which is an additional \$30,000 above the multi-year committment agreement. If the City does not acquire any support from Infor, any product issues found needing assistance from the software provider will not be addressed nor would application upgrades be available. The impacts on the entire organization would be significant, as all departments interact with the ERP system for Procurement, Payroll, and financial activities.

Stephen Marsh, Chief Technology Officer

Recommendation: Staff recommends that the Committee recommend approval to the City Council of AN ORDINANCE APPROVING THE MULTI-YEAR SUPPORT COMMITMENT FOR THE LAWSON ENTERPRISE RESOURCE PLANNING SYSTEM BY AND BETWEEN INFOR (US) INC. (FORMERLY LAWSON SOFTWARE AMERICAS, INC.) AND THE CITY OF LEE'S SUMMIT, MISSOURI IN THE AMOUNT OF \$541,689.29 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE SAME BY AND ON BEHALF OF THE CITY.

Committee Recommendation: Motion by Councilmember Carlyle, seconded by Councilmember Lopez, this Ordinance was recommended for approval to the City Council - Regular Session due back on 6/21/2018. The vote was unanimous.