

A G E N D A

**RCA - Purchasing**

Austin City Council

Item ID:

5712

Meeting Date:

May 12, 2011

Department:

Purchasing

Subject

Authorize award, negotiation, and execution of Amendment No. 2 to a contract with CGI TECHNOLOGIES AND SOLUTIONS, INC., Fairfax, VA, for a software upgrade for the Advantage 3 financial management system in an amount not to exceed \$244,000.00 and to add five 12-month extension options for maintenance and special support services in amounts not to exceed \$1,280,749.69 for the first extension option; \$1,312,437.18 for the second extension option, \$1,353,059.04 for the third extension option, \$1,395,711.98 for the fourth extension option, and \$1,440,497.58 for the fifth extension option, for a total revised contract amount not to exceed \$12,287,855.47.

Amount and Source of Funding

Funding in the amount of \$244,000 is available in the Fiscal Year 2010-2011 Capital Budget of the Financial and Administrative Services Department, Controller's Office. Funding for the extension options is contingent upon available funding in future budgets.

Fiscal Note

A fiscal note is attached.

Purchasing Language:

Contract Amendment

Prior Council Action:

September 27, 2007 – Approved 60-month contract

For More Information:

Mick Osborne, Specialist Sr. Buyer/974-2995

Boards and Commission Action:**MBE / WBE:**

This contract was awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract.

Related Items:**Additional Backup Information**

This proposed Amendment No. 2 will allow for an upgrade to the City's financial system of record, Advantage 3, from version 3.6.0.3 to version 3.8 and provide for five additional years of software maintenance for years 2012 through 2017. This system upgrade will provide updated processes to meet new IRS 1099 reporting requirements effective in January 2012 and will allow the City to take advantage of new features and functionality that assure good internal controls or improve existing business processes.

City subject matter experts, through meetings with the vendor, have identified several features in the upgraded purchasing module that improve oversight of master agreements and related contracts, add functionality for inventory users, and overall improve the user interface with the new version of the application.

The vendor will be providing training for City staff on the new application functionality, assistance with resolution of

functionality configuration issues, resolution of software bugs, and planning of the cutover process. The vendor has identified a team that will be assigned specifically to this effort to ensure consistency throughout the upgrade.

This upgrade is also being done to ensure that the City remains in compliance with the terms of our maintenance agreement which requires the City to be no more than three releases back from the vendor's current production release (version 3.9).

In addition to maintenance and support, the five extension options include spending authorization of \$500,000 annually for special support services to meet needs outside the normal scope of software maintenance. Past examples include support for the financial system interface to Austin Energy's Maximo implementation, assisting the City team with implementing an earlier upgrade (from 3.6.0.1 to 3.6.0.3), and providing software patches that are City of Austin specific.

Contract Summary		
Description	Action	Amount
Original Contract	60-month contract for maintenance and support for the Advantage 3 financial management system	\$ 5,694,211.00
Amendment No. 1	Negotiated reduction in maintenance and support cost	(\$432,811.00)
Proposed Amendment No. 2	System upgrade and add three 12-month extension options	
	Upgrade	\$ 244,000.00
	Five extension options, 2012 - 2017	\$ 6,782,455.47
Total Revised Contract Amount		\$12,287,855.47