



CITY COUNCIL MEETING

AGENDA SECTION	ITEMS FOR CONSIDERATION
MEETING DATE	APRIL 14, 2021

ITEM:	Resolution 2021-39 Award Purchase of ERP System and Amend 2021 Budget		
DEPARTMENT:	Finance	BY/DATE:	Joseph Kloiber, Finance Director/ April 6, 2021
CITY STRATEGY: <i>(please indicate areas that apply by adding a bold "X" in front of the selected text below)</i>			
<input type="checkbox"/> Safe Community		<input type="checkbox"/> Diverse, Welcoming "Small-Town" Feel	
<input type="checkbox"/> Economic Strength		<input type="checkbox"/> Excellent Housing/Neighborhoods	
<input type="checkbox"/> Equity and Affordability		<input checked="" type="checkbox"/> Strong Infrastructure/Public Services	
<input type="checkbox"/> Opportunities for Play and Learning		<input type="checkbox"/> Engaged, Multi-Generational, Multi-Cultural Population	

BACKGROUND:

As discussed at the April 5, 2021 work session, city staff has selected a comprehensive software package to recommend as a replacement for the primary finance and human resources software that the City has used for decades. For years, this upgrade has been a goal of staff and prior city councils. It is a huge undertaking, both in terms of initial cost and in terms of the time commitment.

As reference, we note that this type of software package with separate-but-related modules for several functions of a business is frequently referred to as an **Enterprise Resource Planning (ERP)** system. In the case of a municipality, an ERP system typically includes modules for budgeting, vendor payments, capital assets, cashing, utility billing including customer web portal, payroll and human resources including employee web portal. These modules are included in the vendor proposals requested by staff. ERP systems may also include modules for property-related services like building permits and code enforcement. Since the City of Columbia Heights already has modern software for most of its property-related services, those modules were excluded from the proposals requested by staff, other than certain features for special assessments.

With the assistance of an independent external consultant, staff reviewed seven different ERP systems. Based on all the factors considered, staff recommends that the city council award purchase of this software system to BS&A, a Michigan company. The planning and implementation process would begin approximately May 1st and the go-live date would be October 1st.

Paired with the proposed award of the purchase will be a resolution to establish a project budget in Capital Equipment Fund 431 for \$300,000 for the initial acquisition and implementation. Ongoing annual software support costs of the system are \$23,000. The annual costs will be paid from the finance and administration operating budgets, and are comparable to the annual costs of the existing system.

The following MN jurisdictions have been using BS&A since the year shown:

Prior Lake	2014	Shoreview	2017	Brainerd	2020
Hutchinson	2015	Alexandria	2018	Forest Lake	2020
New Brighton	2016	Three Rivers	2018	Robbinsdale	2020
Victoria	2016	Dayton	2018	Moorhead	2021
		Delano	2019	Wyoming	2021

RECOMMENDED MOTION(S):

MOTION: Move to waive the reading of Resolution 2021-39, there being ample copies available to the public.

MOTION: Move to adopt Resolution 2021-39, being a resolution amending the 2021 budget to appropriate \$300,000 of fund balance in governmental equipment fund 431 for the purchase and implementation of an ERP software system and related expenditures, and to authorize the city manager to enter into the related agreement with BS&A software company.

ATTACHMENT(S):

Resolution 2021-39

Proposal from BS&A