



# GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

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**AGENDA DATE:** October 9, 2024

**AGENDA ITEM:** Review and discuss the ERP IT definitive agreement between City and GRPU

**PREPARED BY:** Jean Lane, Business Services Manager

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## **BACKGROUND:**

As we've discussed throughout the project, the joint ERP sponsors recommended the City of Grand Rapids and Grand Rapids Public Utilities Commission enter into a Memorandum of Understanding (MOU) agreeing to have focused discussions on establishing written definitive roles and responsibilities in conjunction with the jointly purchased Oracle software and services. This MOU (attached) was approved by both the City of Grand Rapids and GRPU in April 2024.

Since then, the City finance team took the lead in financing the joint ERP software purchase, and the GRPU finance team took the lead in developing the draft definitive agreement.

The agreement will have an eight-year term which is the same as the equipment certificates purchased by the City to fund the ERP software project. There will be an automatic term renewal of four years to allow time for the City and GRPU to continue with the joint ERP software or dissolve the joint software and each party seek software or licenses separately.

It is important for both parties to reach the full term of this agreement, as there is debt connected to this agreement. Therefore, there will be identified financial consequences if either party opts out of the agreement.

The Oracle – NetSuite for Government software was purchased with one license held by the City as the parent and the GRPU as the child. As such, the entities agree the City of Grand Rapids will be the Information Technology (IT) administrator of the joint ERP software.

The IT Administrator will be responsible for:

- Application support and maintenance
- Management of updates and enhancements
- Backup and recovery
- Security Administration

- High availability, disaster recovery, and business continuity
- Database Management
- Network configuration and monitoring
- Operations and service delivery management
- Help desk/support
- Technology infrastructure services
- Reporting/Performance measurement
- Working closely with GRPU IT staff to maintain a functioning connection between ERP software – Oracle NetSuite for Government and utility billing SpryPoint.

Key rights and duties of each party will include:

- Quality service from IT Administrator
- Follow processes established by IT Administrator
- Communicate clearly and respond timely
- Clearly communicate the severity of the issue

The IT definitive agreement is currently being finalized with legal counsel and will be brought to the October City Council and Regular Commission meetings for consideration of approval.

**RECOMMENDATION:**

Review and discussion.