



## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** April 22, 2024

**AGENDA ITEM:** Consider approving a public sector (master) agreement with Oracle NetSuite for Government for the joint purchase of an ERP cloud-based services and software system and authorize the Mayor to sign necessary agreements.

**PREPARED BY:** Barb Baird

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### **BACKGROUND:**

The City currently uses Municipal Software (Harris Local Government) for accounting software. The City has had this software for over twenty five years and it is COBOL based and very antiquated.

March 2022 the joint ERP replacement team defined steps necessary to move forward. Barb Baird, City Finance Director and Jean Lane, Business Services Manager recommended hiring an external consultant for professional services to guide and assist the City/GRPU ERP team and in April 2022 a contract was approved with the Government Finance Officers Association (GFOA) for professional services for three tasks (1) project planning and management; (2) process analysis/plan of action; and (3) RFP development. GFOA's contract in 2023 assists with the final two tasks (4) system and vendor selection; and (5) contract negotiations.

A joint RFP was released January 6, 2023, and four vendors responded to the RFP. City and GRPU identified important functional themes for the ERP software as: (1) transparency in customer interactions; (2) self-service portals for customers (employees); (3) interface with retained City & GRPU software (Golf Course, utility billing, Laserfiche, AMI, GIS, etc.); (4) automation of critical processes; (5) easy to use, and (6) increased reliability of data.

The joint ERP team received 10 vendor responses, in October 2023, to the RFP. After additional review two vendors were asked to respond to a full RFP process including demonstrations, discovery, and reference checks. Both vendors use Oracle NetSuite as their core financial software. After the evaluation stage, the core ERP team recommended Oracle NetSuite for Government as the vendor for both the City and GRPU.

Upon further financial review and identified efficiencies in operations it was recommended by the joint ERP sponsors to purchase one cloud-based subscription license from Oracle with the City as the parent and GRPU as the child. The City Council will be considering approval of a public service (master) agreement and a five-year cloud service subscription agreement.

For a parent-child license relationship to be effective the ERP joint sponsors determined a written agreement was needed to clearly identify roles and responsibilities. The first step of this written agreement is a MOU to commit to the development of this written agreement between the City and GRPU within six months. The MOU is a separate agenda item for your consideration.

The cost of this ERP project for the City is \$374,214. One-time costs to convert data, develop reports, system processes configured, training, testing, cutover, and stabilization of production and travel cost \$294,808 plus \$79,406 for five-years subscription fees. First year costs are \$268,008 for implementation plus \$26,800 for the City share of the year-one single license fee.

The method of funding the ERP software project will be equipment certificates (debt) issued, later in 2024, jointly for the City and GRPU costs.

**RECOMMENDATION:**

Make a motion to approve a public sector (master) agreement with Oracle NetSuite for Government for the joint purchase of an ERP cloud-based services and software system and authorize the Mayor to sign necessary agreements.