



ITEM #24
BOMA
05/11/2010

MEMORANDUM

April 15, 2010

TO: Board of Mayor and Aldermen
FROM: Assistant City Administrator Russ Truell
SUBJECT: Consideration of Utility Billing Software Purchase

Purpose

The purpose of this memo is to provide information on a proposal from Infor/Hansen to provide Utility Billing and Cashiering software to replace Dataquest software in the Customer Service area of the Revenue Management Department (Recorder's Office.)

Background

Throughout our City Departments, new software has been introduced or replaced over the last decade. A major step was undertaken in 2002-2003 with the addition of Hansen asset management software. Integrating with our Graphical Information System (GIS), it is now used in virtually every department to keep track of assets like water meters, pipe and street sections, inventories of auto parts and sign materials, park assets, building structures, etc. It is composed of numerous integrated modules that allow tracking of all types of permits, inspection records, customer service requests, and a variety of essential data. It is the basis of our Dynamic Portal feature on the City's website that allows citizens to register requests and complaints without calling City staff.

The one major module that has not been purchased is Utility Billing. Three years ago, funds were budgeted for purchase of Utility Billing; but the money was reallocated to purchase additional licenses for modules already in use in order to expand the use of the asset and permitting software to more users within the City staff.

Utility billing (as well as property tax maintenance) is still conducted on Dataquest software that was originally written and developed in the 1970's and modified over the many years to keep with changes in business practices. In addition to being character-oriented and menu driven, it has been subject to reliability concerns because of the old servers on which it runs and the proprietary database on which the data is stored. The Dataquest product requires more time to retrieve and research records and is generations behind in its user interface. As more and more new employees enter our system, many are unfamiliar with the structure and cumbersome look up features of the software. Database records, due to their proprietary nature, cannot be shared readily with our Microsoft Dynamics financial software, our Visionaire Police software, or Firehouse emergency services software.



Since the State of Tennessee has taken over the business tax collection process, much of the unique advantage that Dataquest once held has been neutralized. Movement to a modern, SQL based product which integrates with our existing Hansen asset management programs and permitting programs would be a tremendous improvement in processing speed and data handling. Additionally, cashiering features in the Infor/Hansen billing software would allow staff to send monthly bills electronically, allowing us to reduce mailing and processing costs.

Financial Impact

There is an initial purchase price of \$217,500 for the software license. There is an additional recurring annual charge of \$43,000 for the maintenance agreement that covers all upgrades to the software and technical support. This annual charge is customary for all proprietary software. There would also be costs for consulting services during the implementation phase of the project, and substantial staff time and effort involved in the set up, testing, and roll out of the final product.

In order to entice the City to purchase the software, a lease/purchase arrangement has been proposed that would spread the cost of the software and maintenance charges over a three year period with no interest charges. Because the Billing and cashiering module is almost entirely focused on invoicing and collection of water, wastewater, storm water and solid waste bills, it is recommended that those budgets share the cost of the software purchase and maintenance as part of their ongoing operational costs. In that regard, no General Fund money would be involved in this purchase (except to the extent that the General Fund subsidizing a portion of the Solid Waste budget.)

Options

Purchase the Utility Billing/Cashiering software or continue with the existing product for another year.

Recommendation

This is the last missing link in connecting the permitting and processing of financial transactions with the assets and addresses of the City and the City's customers. Staff recommends purchase and implementation at the earliest possible date.



ORDER FORM

As it relates to the Component Systems specified herein, this Order Form is subject to the terms of the software license agreement between Hansen Information Technologies, an Infor company ("Infor") and City of Franklin ("Licensee") with an effective date of _____ (the "License Agreement"). As it relates to Support for the Component Systems, this Order Form is subject to the applicable terms of the License Agreement (to the extent it concerns Support) or, if Support is the subject of a separate Support agreement related to the License Agreement, the terms of such Support Agreement (the "Support Agreement"). The License Agreement and related Support Agreement (if any) are referred to herein as the "Agreement". All terms of the Agreement are incorporated herein by reference. Capitalized terms not defined in this Order Form are defined in the Agreement. In the event of a conflict, the terms of this Order Form control over the terms of the Agreement.

In the event the capitalized terms in this Order Form differ from the terminology used in the Agreement, references herein to: "Component Systems" means the software products that are being licensed (and may be referred to in the Agreement as Products, Software Products, Software, Programs or Licensed Programs); "Support" means Infor's current standard maintenance and support services (and may be referred to in the Agreement as Maintenance and Support, Annual Support, Support Services, On-Going Support or One Point Support); "Order Form" means a mutually agreed upon ordering document (and may be referred to in the Agreement as Schedule, Supplement or Supplemental Schedule); "User Restriction" means the license restriction applicable to the Component System in addition to any license restrictions in the Agreement; "Annual Escalation Percentage Cap" means the maximum percentage increase in the annual Support Fee on an annual basis. In addition, based on the applicable Agreement, listed Component Systems herein owned by a third party may also be referred to in the Agreement as "Additional Software" or "Third Party Software".

Effective date of this Order Form: _____ (the "Order Form Date")

I. Component Systems

	Part # (if applicable)	Component System Upgrade from Hansen 7 to Hansen 8	User Restriction*		Support Add-on**
			Quantity	Type	
1	H8CS	Hansen 8 - Customer Service	40	Concurrent Seats	
2	H8AF	Hansen 8 - Fleet	13	Concurrent Users	
3	H8AP	Hansen 8 - Plant	13	Concurrent Users	
4	H8APC	Hansen 8 - Parks	4	Concurrent Users	
5	H8AS	Hansen 8 - Sewer	6	Concurrent Users	
6	H8AT	Hansen 8 - Storm	5	Concurrent Users	
7	H8AE	Hansen 8 - Street	7	Concurrent Users	
8	H8AW	Hansen 8 - Water	12	Concurrent Users	
9	H8WM	Hansen 8 - Work Management	60	Concurrent Users	
10	H8AIC	Hansen 8 - Inventory Control	60	Concurrent Users	
11	H8PO	Hansen 8 - Purchasing	60	Concurrent Users	
12	H8GGS	Hansen 8 - GeoAdministrator	2	Concurrent Users	
13	H8MD	Hansen 8 - Map Drawer	1	Server	
14	HDYP-CS	Hansen 8 - Dynamic Portal - Customer Service	1	Server	
15	H8CDR	Hansen 8 - CDR Bundle	23	Concurrent Users	
16	H8CM	Hansen 8 - Cashiering	4	Concurrent Users	
17	HDYP-P	Hansen 8 - Dynamic Portal - Permit	1	Server	
			Total License Fee: Good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by Infor		

	Part # (if applicable)	New Component System	User Restriction*		Support Add-on**
			Quantity	Type	
1	H8CIS	Hansen 8 - CIS Billing	1	Server	
2	H8AWMM	Hansen 8 - Water Meter Management	1	Server	
3	H8SWMM	Hansen 8 - Solid Waste Container Management	1	Server	
4	HDYP-UB	Hansen 8 - Dynamic Portal - Billing	1	Server	
5	H8BWS	Hansen 8 - Billing Web Services	1	Server	
6	H8CWS	Hansen 8 - CDR Web Services	1	Server	
7	H8AWS	Hansen 8 - Asset Web Services	1	Server	
8	H8CC	Hansen 8 - Call Center	1	Concurrent User	
			Total License Fee: \$217,500.00		

If specified in the User Restriction field:

"Named Users" allows access to the Component System up to the stated maximum number of individual named users, irrespective as to whether any such user is actively logged on to the Component Systems at a given point in time; "Concurrent Users" allows access to the Component System up to the stated maximum number of individual concurrent users who are simultaneously logged on to the Component System at any given point in time, irrespective as to whether or not any such user is actually using resources related to the Component System. The Licensee agrees to assign to each Named or Concurrent User a unique identification profile, it being agreed that to the extent Licensee uses generic user profiles as a means to access the Component System, each separate log-on accessing the Component System will be counted as a separate user.

** Selected option in addition to standard Support.

II. Support services

Annual Support Fee for Upgraded License and New License : \$131,538.58

Annual Escalation Percentage Cap: 6% or the then-current year-over-year increase in the Consumer Price Index (CPI-U), whichever is greater.

Initial Term of Support: 5/27/2010 through 7/31/2011

Fee for Initial Term of Support*: \$142,588.19**

Other Fees:

Total Amount Due (before applicable taxes): \$360,088.19

Payment is due within 15 days of Order Form Date.
All amounts are in US Dollars unless otherwise specified.

Currency: United States Dollars

Equipment (on which Component Systems will be installed):

Computer Platform _____ Model: _____
Operating System _____ DBMS: _____
Location: Same as delivery
Serial Number: _____

Licensee Account ID: 372268

Sales Rep ID: _____
Sales Rep Name: Garrett Sizer

Delivery Address: City Hall
109 3rd Avenue South
Franklin, TN 37064
- Contact Name: Fred Banner
Director CIO/IT
- Contact Title: Municipal Information Technology
- Contact Phone: 615-550-6613
- Contact email: fredb@franklin-gov.com

Financing Company Invoice Address (if applicable): EBA, Inc.
8370 Hurakan Creek Crossing
Cumming, GA 30028
- Contact Name: Gerald Misurek
- Contact Title: President
- Contact Phone: 770.205.6055
- Contact email: gmisurek@ebainc.com

Delivery is FOB Shipping Point.

Licensee confirms that Financing Company shall pay on Licensee's behalf the Total Amount Due specified above and directs Infor to issue an invoice to Financing Company for such payment. Licensee confirms that it shall remain responsible for all fees due hereunder and agrees that if the Financing Company does not remit full payment of the Total Amount Due within fifteen (15) days of the date of invoice, then Licensee shall remit full payment of such amount to Infor without delay. Failure of Financing Company to pay all, or any portion of the Total Amount Due in no way relieves Licensee of its obligation to pay all amounts due. Invoices for all applicable taxes and for Support Fees due for any renewal period of Support shall be sent directly to Licensee and shall be paid by Licensee within fifteen (15) days of the date of invoice.

For: **Hansen Information Technologies**

Signature

Typed or Printed Name

Title

Date

For: **City of Franklin**

(Legal Name of LICENSEE)

Signature

Typed or Printed Name

Title

Date

City of Franklin Proposed Payment Schedule

License fees \$217,500
 Support \$142,588 (14 months)
 total \$360,088

Compound Period: Monthly

Nominal Annual Rate: 0.000 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	05/27/2010	360,088.00	1		
2 Payment	10/01/2010	32,735.27	11	Quarterly	04/01/2013

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	05/27/2010				360,088.00
1	10/01/2010	32,735.27	0.00	32,735.27	327,352.73
2010 Totals		32,735.27	0.00	32,735.27	
2	01/01/2011	32,735.27	0.00	32,735.27	294,617.46
3	04/01/2011	32,735.27	0.00	32,735.27	261,882.19
4	07/01/2011	32,735.27	0.00	32,735.27	229,146.92
5	10/01/2011	32,735.27	0.00	32,735.27	196,411.65
2011 Totals		130,941.08	0.00	130,941.08	
6	01/01/2012	32,735.27	0.00	32,735.27	163,676.38
7	04/01/2012	32,735.27	0.00	32,735.27	130,941.11
8	07/01/2012	32,735.27	0.00	32,735.27	98,205.84
9	10/01/2012	32,735.27	0.00	32,735.27	65,470.57
2012 Totals		130,941.08	0.00	130,941.08	
10	01/01/2013	32,735.27	0.00	32,735.27	32,735.30
11	04/01/2013	32,735.27	0.03-	32,735.30	0.00
2013 Totals		65,470.54	0.03-	65,470.57	
Grand Totals		360,087.97	0.03-	360,088.00	