

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: March 16, 2009

Reviewed by: BP

SUBJECT: Purchase of Financial Management System and Maintenance Agreement

REPORT BY: Charlie Adams, Finance and Administrative Services Director

STAFF RECOMMENDATION

That Council authorize the City Administrator to execute agreements with Tyler Technologies for the purchase, installation and maintenance of Tyler-Incode Financial Management System, for 1) All-inclusive cost of software, installation, and initial training in all applications purchased, not to exceed \$110,000; and 2) The annual maintenance fee for the first year not to exceed \$20,000, with guaranteed renewal for a period of at least five years, with specified caps on any fee increase.

DISCUSSION

The financial management system currently use by the City is a combination of Multiple Operations Manager (MOM) accounting software provided by Corbin Willis Systems, and MOM Online report writer and query software provided by Simpler Systems.

The City has used MOM for over 15 years, and while there have been numerous upgrades and revisions to the software over this period, the basic system remains based on outdated technology and does not provide many of the features provided by state-of-the-art systems, nor does it operate as efficiently as systems based upon current operating software. Also, MOM is not user friendly in that it has limited menus and requires keystroke commands, much like the DOS operating systems developed in the 1970's.

In order to produce real-time information for managers and to eliminate the need to produce voluminous monthly paper reports, the City acquired a supplemental program, MOM Online. Use of this program has allowed the City to extend the life of MOM, but the market for this program has shrunk to where the provider has advised us that they will not continue support of the program indefinitely, and that they will not produce an updated version of MOM Online.

It has been the objectives of the City's Finance Department for two years to integrate capital projects accounting and reporting into the basic financial accounting system, and to install electronic time reporting for payroll. Attempts to accomplish these objectives with the MOM system have failed due to functional limitations of the system and lack of

cooperation by the provider, Corbin Willis Systems, to develop and install the desired features.

ANALYSIS

When the operating budgets for fiscal years 2007-08 and 2008-09 were developed, it was anticipated that new financial software would be purchased at a cost of \$150,000. The search for a financial management system was begun early in the current fiscal year. Letters of interest were sent to 11 system vendors, detail requirements were provided to 7 vendors who's initial responses indicated a high probability that their systems would meet our needs. Three providers (Tyler, Springbrook, Microsoft Dynamics) were invited to our office to demonstrate their systems to a panel composed of personnel from Finance, Recreation, Public Works and Information Technology.

Two vendors, Tyler and Springbrook, were asked to present price proposals. While the pricing policies differ between the two vendors and there are different features in the two systems, the quoted prices were within \$11,000 (10%) of each other, with Tyler having the lower price. The maintenance fees were comparable for both vendors. Final prices must be negotiated as final decisions are made as to which features to purchase. It is likely that the price advantage of Tyler will increase in a final pricing of all software and services.

Tyler provided a list of all of their clients utilizing Incode, with contact names, phone numbers and addresses. We selected five clients that were similar to Albany, and made telephone inquiries as to their experiences and degree of satisfaction with Incode and Tyler. Four of the clients responded that they were very satisfied with both the product and the services, and that they would select Incode and Tyler again if they were making a selection at this time. One client expressed some dissatisfaction with the product and stated they would not select Incode if they were making a selection at this time. However, the evaluation of the Tyler technical staff remained favorable.

SUSTAINABILITY

Not applicable

FINANCIAL IMPACT

The purchase will be made from the Equipment Reserve, and sufficient funds are on hand for this transaction, while leaving sufficient funds for the needed acquisition of a replacement telephone system as planned in conjunction with the Civic Center project. In addition to the cost of the financial management system, computer hardware and operating software upgrades will be required at a cost of approximately \$10,000. These computer costs will also be paid from the Equipment Reserve Fund, and there will be no General Fund impact from this purchase.