City Council – Action Request Form

Date: October 25, 2013

To: The City Manager

From: Dennis Newman, Chief Information Officer

Council Action Requested:

Approval to Enter into a Three Year Agreement with SumTotal Systems to Provide Software Subscriptions and Maintenance Services

Software from SumTotal Systems, formally known as Cyborg, is used by the City to manage the payroll process and to support Human Resources needs. Cyborg was deployed in 1996 and has since gone through many upgrades in order to satisfy modifications in tax laws, federal and state regulations, be compatible with evolving computer platforms, and meet the changing needs of the City. New software is provided by SumTotal at regular intervals under the terms of an annual maintenance contract.

Through discussions with SumTotal on ways to reduce our cost of services, they have agreed to limit annual increases to 3% for annual software subscriptions and maintenance services based upon a three year commitment. Historical increases have been in the range of 5% to 8% per year.

The following table shows the cost of a one year renewal of maintenance services compared to purchasing the services with a three year commitment. Total savings from a three year commitment would be $25,204.

Committee Action:

Committee	Finance 11/18/13	**Action**	Approval
For	Unanimous	**Against**	

Remarks:

APPROVED

Annual Renewal vs. Three Year Renewal Agreement

	Annual Renewal*	3 Year Commitment
Year 1	$173,979	$169,291
Year 2	$182,677	$174,370
Year 3	$191,811	$179,602
Total	$548,467	$523,263
Difference	$25,204	

*Assumes a 5% annual increase.

It is very unlikely that the City would not renew SumTotal's subscription service and software maintenance for the next three years. If the City were to consider an alternative software provider for Payroll or Human Resources, it would take between 18 months and two years to procure and implement the solution. Given that there are no plans at this time to start a replacement process, there is every reason to expect that we will use SumTotal's software for three more years.

It is recommended that the City enters into a three year agreement with SumTotal Systems for subscription service and software maintenance at a total cost not to exceed $523,263.