

City Council – Action Request Form

Date: February 13, 2024

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Ben Rowe, Assistant City Manager
Thomas Kureczka, Chief Information Officer

Council Action Requested:

Resolution Approving the Renewal of a Contract with Mitchell Humphrey for Software Maintenance and Support Services for the City’s Financial Management Software

Strategic Focus Area: Service Excellence

Strategic Objective: Ensure Service Delivery Efficiency and Effectiveness

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

A \$1.55 million enterprise financial technology solution was approved by City Council in 2001 to support the City’s core financial system needs. The City of Winston-Salem’s Finance Department utilizes Mitchell Humphrey’s Financial Management Software (FMS) solution which includes software licensing, computer hardware, and professional services. FMS software components include fund accounting, general ledger, budgeting, accounts receivable, accounts payable, fixed assets, purchasing, inquiries, and reporting capabilities.

Several applications within the organization interface with FMS, including Laserfiche document management; Agilepoint workflows for purchase orders, requests for checks, and purchase card reconciliations; FICS mortgage servicing software; FIS Open; Cayenta Utility Billing; iNovah Revenue system; Cityworks AMS/PLL (work orders, permits, and inspections); and the MASS Group warehouse solution.

Committee Action:

Committee	<u>FC – 2/13/24</u>	Action	<u>Approval</u>
For	<u>Unanimous</u>	Against	<u></u>

Remarks:

The terms of the original agreement with Mitchell Humphrey require payment of an annual maintenance fee for technical support, software updates, security patches, and account management. This support is required to ensure that the Mitchell Humphrey software will support new government and tax reporting requirements, operate on new hardware, be compatible with changes in the network and computer server systems, and remain compatible with other software applications that interface with it. Since 2021, the annual increase in maintenance fees averaged 3.3, which is relatively low when compared to renewal trends in the software industry. The total proposed price to renew the annual maintenance agreement with Mitchell Humphrey for the period of April 1, 2024 to March 31, 2025 is \$173,100.

The following table shows the costs for renewals of software licenses and maintenance for the last four years and the proposed renewal amounts for the next four years.

Renewal Year	Time Period	Cost	Percentage Increase
2020	4/1/2020 – 3/31/2021	\$150,850	--
2021	4/1/2021 – 3/31/2022	\$155,375	2.95%
2022	4/1/2022 – 3/31/2023	\$160,035	2.95%
2023	4/1/2023 – 3/31/2024	\$166,435	3.92%
Four-Year Total		\$632,695	
2024	4/1/2024 – 3/31/2025	\$173,100	4.0%
2025	4/1/2025 – 3/31/2026	\$181,755	5.0%
2026	4/1/2026 – 3/31/2027	\$190,843	5.0%
2027	4/1/2027– 3/31/2028	\$200,385	5.0%
Four-Year Total		\$746,083	

Mitchell Humphrey does not partner with any reseller agencies to provide license renewal options and there are no M/WBE or local vendor options available.

Approval is requested to renew the software licenses and maintenance agreement with Mitchell Humphrey. Funding is available in the approved FY23-24 Information Systems operating budget for the April 2024 renewal and funding for future renewals will be included in the annual budget process. It is further requested that authorization be granted to renew for three consecutive years at the renewal amounts specified.

Exhibit A includes workforce demographics for Mitchell Humphrey.