



City of Trinidad, Colorado
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CITY OF TRINIDAD
TRINIDAD, COLORADO

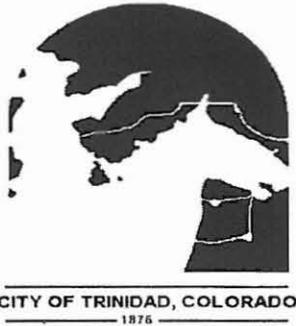
S P E C I A L M E E T I N G

There will be a Special Meeting of the City Council of
the City of Trinidad, Colorado, on Monday, June 30, 2014,
at 5:30 p.m. in the
Council Chambers at City Hall

The following item is on file for consideration of City Council:

- 1) Consideration of finance software acquisition

Individuals with disabilities needing auxiliary aid(s) may request assistance by contacting Audra Garrett, City Clerk, 135 N. Animas Street, Phone (719) 846-9843, or FAX (719) 846-4140. At least a 48 hour advance notice prior to the scheduled meeting would be appreciated so that arrangements can be made to locate the requested auxiliary aid(s).



COUNCIL COMMUNICATION

CITY COUNCIL MEETING: June 30, 2014
PREPARED BY: Lonny Medina, Finance Director
DEPT. HEAD SIGNATURE: *Lonny Medina*
OF ATTACHMENTS: 1

SUBJECT: Subscription agreement for new financial software.

PRESENTER: Lonny Medina, Finance Director

RECOMMENDED CITY COUNCIL ACTION: Approve Subscription agreement for the purchase of new financial software.

SUMMARY STATEMENT: The City's current Financial Software system was first purchased in the 1980's. Though updates have been made over the years the system is still based on old technology and is outdated with severe limitations. We ask that Council approve the purchase of modern financial software.

EXPENDITURE REQUIRED: Hosted by vendor – Subscription services of \$51,883 per year for 5 years plus an additional \$118,350 in 2015 for setup and conversion costs.

SOURCE OF FUNDS: General Fund and Enterprise Fund budget appropriations.

POLICY ISSUE: N/A

ALTERNATIVE: Purchase of new AS400 servers to continue with outdated financial software.

BACKGROUND INFORMATION:

- Current financial software is based on very old technology.
- Current IBM AS400 servers that house the current financial software have surpassed their useful life. IBM will not support these servers anymore and we cannot currently update our financial software on these servers. Servers could possibly fail at any time.
- "Hosted" software means the vendor will "Host" our Financial Information on their servers (Cloud computing) through internet connections. We would no longer have need for financial software servers and all IT back-ups, upgrades, maintenance and the City's data would be handled by the vendor at the vendor's site. A Hosted system will be updated regularly for technological changes and therefore the software should not become obsolete. Another big cost savings would be that offsite departments are not required to be networked by wire or VPN to the City's servers.
- Onsite software would require the purchase of software licenses and servers, additional work and maintenance by the IT department and networking equipment to offsite departments.
- For 2014 we budgeted a total of \$50,000 for new software. \$10,000 each out of the General, Power, Water, Gas & Sewer Funds.



City of Trinidad, Colorado

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MEMORANDUM

To: Mayor Reorda, Members of City Council

From: Les Downs

Re: The Proposed City Operating/Financial Software System, and the Process of Selection therefore

Date: June 27, 2014

With respect to the issues that were raised last night at the special meeting convened for this purpose, it is my considered opinion that this project did not, nor should it now, need to be put out for bid, or subject to requests for proposal. Let me share with you the reasons why:

First of all, this is a major operating software system that we are seeking, and the emphasis was to find a system that would fit our needs. It would have been highly impracticable---if not impossible---to have sent out our specifications or needs to various providers and have them give us a bid for what we were seeking. Rather, we needed to find someone who could tailor a system to our needs. And that is what Mr. Medina did in seeking a company that we could retain/hire to do precisely that.

Please understand that the provider that we are seeking has to tailor a system for us that would handle such things as utility billing, municipal court docket and caseload management, business licenses, meter reading, payroll, etc., to name a few.

Legally, the Trinidad Code of Ordinances, section 7-52, says that we must avail ourselves of a formal bid process if we are purchasing "goods" in an amount in excess of \$30,000.00. Clearly an argument can be made that this isn't for a purchase of goods, but rather of services. So that would be one factor that would distinguish this situation from a normal purchase of goods that would require an RFP.

More to the point, however, is section 7-53, TCO, which provides additional exceptions to the above stated rule. And that is, "(1) The provisions of this Article do not apply to the purchase of goods when: (a) a good is available from only one source of supply, or when standardization or compatibility is the overriding consideration." Mr. Medina clearly was looking for the system that is most compatible with what we needed as a municipality.

So you all know, Mr. Medina considered at least four companies for this software: Sunguard, Tyler, A.D.G., and Casselle. He looked at these four companies due to the fact that they perform and undertake this specific type of work, and provide software for the size and scope of this project. He opined that Tyler was *most compatible* with what our software needs are as a City, based on all the myriad tasks this software would be needed for and required to do.

Clearly only a large company could provide this service, and it was---due to the unique nature of what we are seeking---appropriate for us to find the company that best suited our needs. Tyler, with their "Off the Shelf" Program, was deemed best for tailoring a program to our specific needs.

I am, therefore, of the legal opinion that the actions taken by Mr. Medina in not seeking bids or requests for proposal with respect to this project were appropriate, and comported with the Trinidad Code of Ordinances and did not in any way violate the City Charter.