

ITEM # 21
DATE: 06/22/21

COUNCIL ACTION FORM

SUBJECT: REQUEST TO WAIVE FORMAL BIDDING REQUIREMENTS AND AUTHORIZE PURCHASE OF FINANCIAL SOFTWARE HOSTING AND MAINTENANCE FROM CENTRALSQUARE

BACKGROUND:

CentralSquare is the City's software vendor for the integrated financial, payroll, utility billing, and parking citation management applications. For the past two decades, the City has contracted with the vendor on an annual basis for maintenance services.

The approved FY 2021/2022 budget includes \$161,000 to implement CentralSquare software and related hardware maintenance.

Item	Budget
IBM iSeries Hardware (5-year lifetime, annualized)	\$15,500
IBM Hardware Support and Maintenance	\$4,500
IBM Software Support and Maintenance	\$3,500
Network backup Solution	\$1,500
CentralSquare Software	\$95,000
Other Supporting Software	\$10,500
City wages specifically related to on-premise hosting	\$30,500
Total	\$161,000

The above table shows the substantial amount of current cost is devoted to on-premise hosting of this solution (the first four lines show a budgeted total of \$25,000 per year and the last line shows wages of \$30,500 per year). Twenty years ago, a substantial amount of City IT expertise was directed at the IBM OS solutions (IBM mainframe computer, then IBM iSeries computer). However, IBM OS solutions are now a much smaller fraction of the total servers implemented by the City: approximately 90% servers are Windows-based servers compared to the single IBM iSeries server (Linux/Unix servers are the remaining percentage).

CentralSquare is offering a CentralSquare Solutions Agreement, a Software-As-A-Service (SaaS) agreement to host and provide software services to the City of Ames. This agreement would allow the City to leverage CentralSquare's skills in managing the supporting hardware and software to implement CentralSquare software.

Item	Cost
CentralSquare Software	\$97,265.25
CentralSquare Hosting	\$26,145.70
CentralSquare Hosting – Startup Fee	\$10,000.00
Total	\$133,410.95

Included in this agreement is 24-hour programming support, software upgrades on all applications throughout the year, and eligibility to take part in the annual CentralSquare Users' Group meeting where software enhancements are requested and formalized for the next year.

As noted in the first table, budgeted wages of \$30,500 are specifically dedicated to on-premise hosting of the IBM iSeries server using part-time employees. If Council approves this action, these employees will continue during the 3-month transition. Our intent is to then re-evaluate IT services and consider applying all or part of this savings to improving service related to our growing Windows applications instead of IBM iSeries applications. Any changes will be included as part of the FY 2022-23 budget process.

CentralSquare is the sole SaaS provider for CentralSquare software applications. They have indicated that a migration to this SaaS solution will be a 3-month time frame.

ALTERNATIVES:

1. Waive formal bidding requirements and authorize City staff to enter into FY 2021/2022 software maintenance contracts and SaaS hosting with CentralSquare at a cost of \$133,410.95.
2. Do not authorize continuing software maintenance contracts and SaaS hosting with CentralSquare.

MANAGER’S RECOMMENDED ACTION:

CentralSquare is the sole provider for SaaS and maintenance services for the integrated financial, payroll, and utility billing. This agreement allows the City to better implement and support critical management software for the City.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby waiving formal bidding requirements and authorizing City staff to enter into FY2021/2022 software maintenance contracts with CentralSquare at a cost of \$133,410.95.