



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

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Legislative File No: 2013-0218 Ver 2

TO: Mayor and City Council Members
FROM: Keith Sawdon, Finance Director, Ext 2535
DATE: November 11, 2013
SUBJECT: Financial Software System Upgrade

REQUEST:

We are requesting City Council's approval to issue a Purchase Requisition for Phase I, the upgrade of the City's JDE financial software system, and the establishment of a project budget.

REASON FOR PURCHASE:

City Council may recall that in 2010 the City made a practical and financial decision to not update our financial system and to move to a third party for support of our JD Edwards (JDE) financial software package in order to better control and reduce our support fees and mandatory software upgrades. That decision was made knowing that we would have to either up-grade or replace the financial application at some point in the future. During the last four years we have saved an estimated \$671,000.

We recently learned that Microsoft will no longer be supporting the server operating system that the JDE software resides on (Microsoft will end support for Windows Server 2003 in July 2015 and SQL 2005 in April 2016). With Microsoft discontinuing support for that operating system, the City will no longer be receiving security updates starting in 2015. Lack of security updates is not a position the City wants to be in.

We explored many options to avoid this unacceptable position in 2015 and decided to upgrade our 8.1 version of JDE to the newest version of JDE (9.1) which is supported by newer versions of Microsoft's server operating systems. On June 10, 2013, City Council did authorize the issuing of a Request for Proposal related to the financial software upgrade.

On August 22nd, we received three proposals for the financial software upgrade. The evaluation committee has reviewed the proposals based on the criteria established in the RFP. Based on their individual reviews the committee is recommending the selection of Denovo as the firm having the best value for the City.

Here are some of the reasons used in reaching the Denovo recommendation: Provided the lowest overall pricing, only Platinum Partner with Oracle (highest level, others were gold) to submit a proposal giving them more favorable software pricing, extensive local government experience (has done over 325 JDE projects for over 200 public sector customers), strong project management and turnkey services identified, project manager located in Livonia, Michigan, recently acquired AMX the City's former JDE consulting firm thus providing their firm with knowledge of City's current system, have completed hundreds of JDE upgrade projects including several to 9.1, showed a proven implementation methodology and was the only proposer that responded to all components of our Scope of Work contained in the RFP.

Due to the size and complexity of the project we have divided the project into two phases. Phase I will be the JDE upgrade which duplicates and enhances the system currently in place. Phase II will be the replacement of the AS400 payment receipting system.

We decided to separate the two software products because additional time and effort is needed for the payment receipting product. That decision was based on the complexity of the many payment options offered to our customers and the need for those payments options to integrate with the payment receipting product. In addition, there are related banking and third party processors currently used for those payment options and we need to determine what role they may or may not play with any new payment receipting product. Our goal is to take more time on that selection and will be issuing a separate RFP so many payment receipting solutions can be reviewed before making a purchase decision. A recommended Phase II vendor will be brought forward after the RFP process has been completed.

PROCESS:

Vendor Name and Address:

Denovo Ventures LLC
 6328 Monarch Park Place
 Niwot, CO 80503

Reason for Selection:

Best value to the City

Method of Purchase:

Purchase Order

BUDGET:

Funds are included in the FY 2014 Adopted MIS Budget

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
MIS	636.980000	Office Equipment and Furniture	\$1,500,000	\$1,300,000	\$200,000

RECOMMENDATION:

We are recommending the selection of Denovo to assist us with Phase I, the upgrade of our JD Edwards financial software, to be started and completed in FY2014. We are recommending a total project budget of \$1.3 million for both Phase I and II covering hardware, software, implementation, maintenance and \$100,000 (8.3%) for contingency.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process:		

Supervisor of Procurement		
Mayor		
City Council Liaison		

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