



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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Legislative File No: 2012-0259

TO: Mayor and City Council Members
FROM: Bob Grace, Director of MIS (Ext. 2477)
DATE: July 3, 2012
SUBJECT: JDE Financial System Support Services

REQUEST:

City Council is requested to authorize a contract/purchase order for JDE Financial System Support Services through December 31, 2014 to Rimini Street, Las Vegas, Nevada, in the amount of \$72,000.00.

REASON FOR PURCHASE:

Normally, this support contract is presented for approval in November, but in order to take advantage of a recent opportunity, I felt it in the best interest of the city to bring this forward now. Rimini Street is offering their customers a 10% discount for a multi-year prepay support contract. Currently we prepay for support on a yearly basis. By prepaying for an additional year the 10% savings would apply to both years (2013 and 2014), thus saving the city \$8,000. Additionally, should the city continue using Rimini Street as our service and support provider, the 2015 contract will include one month of free support.

This is a support contract that provides for various types of support. One is phone support in which all system users can call Rimini Street for phone/email assistance regarding a problem, procedure or simple question. This gives us the ability to download individual program corrections, and receive tax and regulatory updates. In 2010, the City moved away from Oracle support to a third party vendor; this was something that had been contemplated since the implementation of our JDEdwards financial software.

2010 was the first year of a potential ten year contract with Rimini Street. We entered into the contract to stop the escalation of support fees, cut our support costs by more than half and agreed to a fixed annual fee for a ten year time frame. By moving to this third-party vendor a conscious decision was made to forgo expensive future upgrades to our financial system during these lean times.

The support received over the past three years has been excellent. Rimini Street has exceeded support expectations and the approval of this contract will allow us to continue our business relationship.

PROCESS:

Vendor Name and Address:

Rimini Street, Inc.
7251 West Lake Mead Blvd, Ste 300
Las Vegas, Nevada 89128

Reason for Selection:

Best Value; Qualified and Experienced Consultants

Method of Purchase:

Contract/Purchase Order

BUDGET:

This purchase was anticipated and identified in the projected 2013-2014 MIS department budget as follows:

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Software Maintenance	636.934000	JD Edwards Financial	2013 Projected: \$40,000.00	\$36,000.00	\$4,000.00
Software Maintenance	636.934000	JD Edwards Financial	2014 Projected: \$40,000.00	\$36,000.00	\$4,000.00

RECOMMENDATION:

It is recommended that the Rochester Hills City Council authorize a contract/purchase order for the JDE Financial System Support Services through December 31, 2014 to Rimini Street, Las Vegas, Nevada, in the amount of \$72,000.00.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		