



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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Legislative File No: 2023-0201

TO: Mayor and City Council Members
FROM: Rochelle Lyon, Director of Management Information Systems
DATE: May 8, 2023
SUBJECT: J.D. Edwards Enterprise One Financial System Managed Services

REQUEST:

City Council is requested to authorize a blanket purchase order/contract for Functional Support and Application Lifecycle Management support services for the City's J.D. Edwards Enterprise Resource Planning software system in the amount not-to-exceed \$813,000.00 for a three-year term to Denovo, Boulder, Colorado and further authorizes the Mayor to execute an agreement on behalf of the City.

REASON FOR PURCHASE:

At their March 16, 2020 meeting, City Council authorized award of a contract to Denovo for the upgrade of the City's financial system, along with providing a hosted software solution for the management of the City's J.D. Edwards Enterprise One Financial System. The City's Purchasing Division issued a Request for Proposal seeking a consultant to assist the City with their upgrade, along with the request of option pricing to provide a hosted software solution. After review of the RFP responses, including conducting interviews with Denovo, it was determined to be in the best interest of the City to transition to a hosted services solution after the upgrade in order to provide for a fully managed environment for the City's financial system. The contract included an initial term of three years with the option to renew for future years. Denovo has agreed to hold pricing and terms and extend the agreement for an additional three (3) years and it is recommended the City extend the agreement.

The City has been satisfied with the technical expertise and responsiveness of Denovo during this initial contract term and has found the managed services aspect of this agreement to be of benefit to the City by reducing costs to maintain in-house servers, better utilization of MIS staff resources to other systems within the City, and overall by having one resource for the support and maintenance of the City's financial system. The requested amount includes the monthly fees for a fully managed application hosting services which includes enhancement and functional support, application lifecycle management services, and additional contingency should any specialized services/projects be needed for specific departmental needs (e.g. changes with legal requirements where updates to reporting may be needed and require specific development services).

PROCESS:

Vendor Name and Address:

Denovo
6400 Lookout Road, Suite 101
Boulder, CO 80301

Reason for Selection:

Best Value/Contract Extension

Method of Purchase:

Contract/Blanket Purchase Order

BUDGET:

Funding is included in the FY 2023 Adopted Budget and the FY 2024-2025 Projected Budgets

Fund Name	Department Account No	Account No. Description	3-year Budget Amount	3-year Cost	Remaining Budget
MIS	636.801000	Professional Services	\$723,000	\$723,000	\$0
General Fund	171.801000	Professional Services	\$45,000	\$45,000	\$0
General Fund	201.801000	Professional Services	\$15,000	\$15,000	\$0
General Fund	233.801000	Professional Services	\$30,000	\$30,000	\$0
Total			\$813,000	\$813,000	\$0

RECOMMENDATION:

City Council is requested to authorize a blanket purchase order/contract for Functional Support and Application Lifecycle Management support services for the City's J.D. Edwards Enterprise Resource Planning software system in the amount not-to-exceed \$813,000.00 for a three-year term to Denovo, Boulder, Colorado and further authorizes the Mayor to execute an agreement on behalf of the City and further authorizes the Mayor to execute an agreement on behalf of the City.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Procurement Manager		
Mayor		
City Clerk		

Contract Reviewed by City Attorney Yes N/A