City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2013-0218

TO: Mayor and City Council Members

FROM: Keith Sawdon, Finance Director, Ext 2535

DATE: June 10, 2013

SUBJECT: Required update to the City's Financial Software

REQUEST:
We are requesting City Council's approval to issue a Request for Proposal (RFP) to upgrade the City's financial software.

BACKGROUND:
City Council may recall that in 2010 the city made a practical and financial decision 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. That move saved the City about $600,000.

We have recently learned that Microsoft will no longer be supporting the server operating system that the JDE software resides on. 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. The first option was to do nothing and allow security updates to discontinue starting in 2015. We don't believe this is a prudent option to consider.

We also looked at moving our current version of JDE (version 8.1) to a newer still supported Microsoft operating system. Unfortunately the 8.1 version of JDE does not operate on newer versions of Microsoft operating systems.

We also looked at a total replacement of the financial software package which most likely means a new provider. This option is possible but it would also be the most expensive option for the City to under take both in terms of implementation costs and user training. It would also take about one year to install, test, debug, test again and finally go into full production.

Finally, we looked at upgrading 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. This option solves the lack of security update support we are faced with the current server operating system and since it is somewhat the same software that the users are using on a daily basis now our training and startup timeline is shorted to a 4 to 6 month time frame. It also would be the least expensive of the options available to us.

<u>RECOMMENDATION:</u>
We are recommending to City Council that they allow the Purchasing Division of the Finance Department to issue a Request for Proposal to upgrade the City's JD Edwards financial software to version 9.1 to be under taken in FY2014.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		