



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#21-0749

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: September 9, 2021

TITLE: **REVISED CP-3** - Motion Approving Amendment to Agreement for Enterprise Resource Planning (ERP) Software System Solution and Associated Professional Services, Addendum to Subscription License and Services Agreement, and Change Order No. 6 for Enterprise Resource Planning (ERP) Cloud Solution and Associated Professional Services - Infor (US), Inc. and Infor Public Sector, Inc. - \$10,273,400 - **(Commission Districts 1, 2, 3 and 4)**

Recommendation

Staff recommends the City Commission approve an Amendment to the Agreement for Enterprise Resource Planning (ERP) Software System Solution and Associated Professional Services, Addendum to Subscription License and Services Agreement, and Change Order No. 6, in substantially the forms attached (Infor Consulting Fixed Fee Services Work Order), for the upgrade of the on-premise Enterprise Resource Planning (ERP) solution to a cloud subscription solution and associated professional services in the amount of \$10,273,400 (\$1,200,000 in Fiscal Year 2021 Community Investment Plan and \$9,073,400 in subsequent fiscal years operating and capital budgets) and extend the contract term by an additional six (6) years. The amount represents \$3,000,000 for implementation services and \$7,273,400 for annual subscription fees through 2032.

Background

On September 7, 2016, the City Commission approved (CAM 16-0900) a ten (10) year Agreement for the purchase of an Enterprise Resource Planning (ERP) software system solution and associated professional services with Ciber, Inc. ("Ciber") (Implementer), and contract with Infor (US), Inc. (Infor); and authorized the City Manager to approve task orders as well as two, one-year renewal options, contingent upon appropriation of funds in the total amount of \$6,562,618.

On June 6, 2017, the City Commission approved (CAM 17-0512) Assumption of Contract and Consent to Assignment of ERP system implementer agreement from Ciber to Infor (US).

During project scoping and business analysis by staff and Infor, staff determined that changes to the original scope were necessary for the move to version 11, as well as additional data conversions and the Expense Management Module. As such, and in accordance with Section 2-177, Code of Ordinances of the City of Fort Lauderdale, staff administratively approved Change Orders 1-4. The cumulative total (\$655,162) of the first four change orders were less than the 10% as allowed by the Code.

On December 18, 2018, the City Commission approved (CAM 18-1312) Change Order No. 5 for additional consultant services costs totaling \$274,677.80 related to the building of interfaces between several software applications being used by departments and the new financial accounting system for the ERP.

An assessment of the project was conducted in June 2020, by a third-party consulting firm, Panorama Consulting Group. The consultant recommended to continue with Infor as a viable ERP software solution for the City. City staff then renegotiated with Infor and conducted a planning session to move the project forward.

Change Order No. 6 represents:

1. Upgrading the on-premise solution to a cloud-based solution for a cost of \$7,273,400 in Annual SaaS Subscription payments over the remaining 11-year period.
2. Increasing the implementation service costs for the cloud-based solution by \$3,000,000.

Exhibit **3.7**, the Amendment extends the Agreement for an additional six (6) years through October 31, 2032, with two one-year renewal options.

Migrating the on-premise solution to the cloud provides the City with a more hardened and secure data systems environment as it leverages Amazon Web Services (AWS) computing capabilities and security features available on the Infor cloud solution. These capabilities and features provide enhanced Cyber Security, business continuity, and Disaster Recovery competencies that will improve the systems lifecycle and user experience. Proposed cloud-based system will improve system's high availability mitigates downtimes associated with System Maintenance. The proposed cloud-based architecture also mitigates the need for the City to replace servers and additional staffing for managing routine upgrades and patches associated with an on-premise environment. Continuing with the on-premise solution would cost the City approximately \$23,916,854 over the same time period.

Additionally, some cybersecurity risks are transferred from the City to Infor. Exhibit 5 is an Addendum to the Subscription License and Services Agreement, which transfers cybersecurity and cyber insurance risks to Infor Public Sector, Inc.

Staff recommends the proprietary purchase for the upgrade of the on-premise solution to a cloud-based solution from Infor in the amount of \$10,273,400 over 11 years. In addition to the fees paid to Infor during the term of the Agreement, the project costs are anticipated to include \$1,200,000 paid to various service providers that will support the implementation process.

Anticipated service providers that will support implementation include the continued procurement of a Project Manager to represent the City's interests, the procurement of data conversion services, and data integration subject matter experts.

Total project costs and funding sources are detailed below:

		FUNDING SOURCES		
	ERP PROJECT COSTS	FY 2021 CIP	FUTURE OPERATING BUDGETS	FUTURE CAPITAL BUDGETS
SaaS	7,273,400.00		7,273,400.00	
Infor Implementation	3,000,000.00	1,200,000.00		1,800,000.00
	10,273,400.00	1,200,000.00	7,273,400.00	1,800,000.00
3rd Party Project Costs	1,200,000.00	1,200,000.00		
	\$ 11,473,400.00	\$ 2,400,000.00	\$ 7,273,400.00	\$ 1,800,000.00

Pursuant to Section 2-181(f)(3), Code of Ordinances of the City of Fort Lauderdale, Florida, the City may purchase proprietary items, as defined in Section 2-173, without competitive solicitation. As defined by the Code, a proprietary item is not readily available from more than one supplier, manufacturer, or person and is unique in nature without competitive solicitation.

Resource Impact

Funds for proposed change order in the total amount of \$1,200,000 are available in the FY2021 Community Investment Plan and the remainder of the contract obligation is contingent upon appropriation of funding in future year's operating and capital budgets.

Funds available as of July 27, 2021					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	PURCHASE AMOUNT
581-P11937.581-6599	Enterprise Resource Planning (ERP)	Capital Outlay / Construction	\$7,802,136	\$2,407,894	\$1,200,000
TOTAL AMOUNT ►					\$1,200,000

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2024* initiative, specifically advancing:

- Internal Support Focus Area
- Goal 8: Build a leading government organization that manages all resources wisely and sustainably.
- Objective: Maintain financial integrity through sound budgeting practices, prudent fiscal management, cost effective operations, and long-term planning

This item advances *the Fast Forward Fort Lauderdale 2035 Vision Plan: We Are United*.

Attachments

Exhibit 1 - Ciber Agreement for Professional Services - Executed

Exhibit 2 - Infor (US) Assumption of Contract and Consent to Assignment - Executed

Exhibit 3 - Infor Public Sector, Inc. Subscription License and Services Agreement - Executed

Exhibit 4 - Infor Public Sector, Inc. Addendum to Subscription License and Services Agreement

Exhibit 5 - Infor Public Sector, Inc. SaaS Order Form **(Change Order Number 6)**

Exhibit 6 - **~~Change Order No.6~~** - Infor (US) Consulting Fixed Fee Services Work Order

Exhibit 7 - Infor (US) Amendment to Agreement for Enterprise Resource Planning (ERP) Software System Solution and Associated Professional Services

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