

PURCHASING & LICENSING COMMITTEE

13-0046R

RESOLUTION AUTHORIZING A RENEWAL OF A SOFTWARE MAINTENANCE AGREEMENT FOR A PERIOD OF FIVE YEARS WITH NEW WORLD SYSTEMS CORPORATION FOR AN ANNUAL AMOUNT NOT TO EXCEED \$169,925.79 IN 2013, AND INCREASING BY 5% ANNUALLY THEREAFTER UNTIL 2017.

CITY PROPOSAL:

RESOLVED, that city officials are hereby authorized to enter into a renewal of a software maintenance agreement for a period of five years with New World Systems Corporation, said agreement to be substantially in the form of Public Document No. _____ on file in the office of the city clerk, for an annual amount not to exceed \$169,925.79 in year 2013, \$178,422.03 in year 2014, \$187,343.03 in year 2015, \$196,710.08 in year 2016, and \$206,545.48 in year 2017 with a total contract amount not to exceed \$938,946.41; said annual amount of \$169,925.79 (including sales tax) in year 2013 to be paid from the following accounts:

\$123,205.50	General Fund 110, Dept./Agency 125 (Finance), Div. 1214 (Auditor), Obj. 5309 (Technology Services);
\$12,147.28	Water Fund 510, Dept./Agency 500 (Public Works & Utilities), Div. 1915 (Utility General Expense), Obj. 5201 (Computer Supplies/Software);
\$18,220.91	Gas Fund 520, Dept./Agency 500 (Public Works & Utilities), Div. 1915 (Utility General Expense), Obj. 5201 (Computer Supplies/Software);
\$10,745.67	Sewer Fund 530, Dept./Agency 500 (Public Works & Utilities), Div. 1915 (Utility General Expense), Obj. 5201 (Computer Supplies/Software); and

\$5,606.43 Stormwater 535, Dept./Agency 500 (Public Works & Utilities),
Div. 1915 (Utility General Expense), Obj. 5201 (Computer
Supplies/Software).

Approved:



Department Director

Purchasing Agent  _____

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

FIN/PRCH PS:DS:1e 01/16/2013

STATEMENT OF PURPOSE: This resolution authorizes a renewal of a software maintenance agreement for a period of five years for six application packages with New World Systems for an annual amount not to exceed \$169,925.79 in year 2013; with increases of 5% per year after the first year. This agreement provides for software upgrades, new releases and fixes; telephone and online support; license documentation revisions; and 80 hours of on-site training and support annually.

These application packages are central to city operations by providing a comprehensive automated system in the following areas:

- ▶ Financial Management
- ▶ Payroll and Human Resources
- ▶ Utility Billing and Management
- ▶ Community Development
- ▶ Business Reporting and Analytics
- ▶ eSuite System for personnel and payroll support for employees

The City of Duluth has had a contract with New World Systems Corporation since 2004 and budgets annually for this expense.

Requisition No. 13-0077

NEW WORLD SYSTEMS CORPORATION
STANDARD SOFTWARE MAINTENANCE AGREEMENT

This Standard Software Maintenance Agreement (SSMA) between **New World** Systems Corporation (New World) and **Duluth, MN (Customer)** sets forth the standard software maintenance support services provided by **New World**.

1. Service Period

This SSMA shall remain in effect for a period of five (5) years from (start date) 1/1/13 to (end date) 12/31/17.

2. Services Include

The following services or features are available under this SSMA:

- (a) Upgrades, including new releases, to the Licensed Standard Software (prior releases of Licensed Standard Software application packages are supported no longer than nine (9) months after a new release is announced by **New World**).
- (b) Temporary fixes to Licensed Standard Software (see paragraph 6 below).
- (c) Revisions to Licensed Documentation.
- (d) Reasonable telephone support for Licensed Standard Software on Monday through Friday from 8:00 a.m. to 8:00 p.m. (Eastern Time Zone).
- (e) Invitation to and participation in user group meetings.

Items a, b, and c above will be provided to **Customer** by electronic means.

Additional support services are available as requested by **Customer** using the then-current hourly rates or applicable fees.

3. Maintenance for Modified Licensed Standard Software and Custom Software

Customer is advised that if it requests or makes changes or modifications to the Licensed Standard Software, these changes or modifications (no matter who makes them) make the modified Licensed Standard Software more difficult to maintain. If **New World** agrees to provide maintenance support for Custom Software or Licensed Standard Software modified at **Customer's** request, then the additional **New World** maintenance or support services provided shall be billed at the then-current hourly fees plus reasonable expenses.

4. Billing

Maintenance costs will be billed annually as detailed on the following page. If taxes are imposed, they are the responsibility of the **Customer** and will be remitted to **New World** upon being invoiced.

5. Additions of Software to Maintenance Agreement

Additional Licensed Standard Software licensed from **New World** will be added to the SSMA per the terms of the contract adding the software. Maintenance costs for the additional software will be billed to **Customer** on a pro rata basis for the remainder of the current maintenance year and on a full year basis thereafter.

6. Requests for Software Correction on Licensed Standard Software

At any time during the SSMA period, if **Customer** believes that the Licensed Standard Software does not conform to the current specifications set forth in the user manuals, **Customer** must notify **New World** in writing that there is a claimed defect and specify which feature and/or report **Customer** believes to be defective. Before any notice is sent to **New World**, it must be reviewed and approved by the **Customer** Liaison. Documented examples of the claimed defect must accompany each notice. **New World** will review the documented notice and when a feature or report does not conform to the published specifications, **New World** will provide software correction service at no charge. A non-warranty request is handled as a billable Request for Service (RFS).

The no charge software correction service does not apply to any of the following:

- (a) situations where the Licensed Standard Software has been changed by anyone other than **New World** personnel;
- (b) situations where **Customer's** use or operations error causes incorrect information or reports to be generated; and;
- (c) requests that go beyond the scope of the specifications set forth in the current User Manuals.

7. Maintenance Costs for Licensed Standard Software Packages Covered for .NET Server

New World agrees to provide software maintenance at the costs listed below for the following **New World** Standard Software packages licensed by the **Customer**:

<u>Application Package</u>	<u>Number of Modules</u>
1. Logos ® Financial Management Suite	12
2. Logos ® Payroll & Human Resources Suite	8
3. Logos ® Utility Management Suite	6
4. Logos ® Community Development Suite	4
5. Logos ® Business Analytics	3
6. Logos ® eSuite	5

**ANNUAL
MAINTENANCE COST: See Below**

<u>Period Covered</u>	<u>Annual Amount</u>	<u>Billing Date</u>
1/1/2013 to 12/31/2013	\$167,621 *Note 1	12/15/2012
1/1/2014 to 12/31/2014	\$176,002 *Note 1	12/15/2013
1/1/2015 to 12/31/2015	\$184,802 *Note 1	12/15/2014
1/1/2016 to 12/31/2016	\$194,042 *Note 1	12/15/2015
1/1/2017 to 12/31/2017	\$203,744 *Note 1	12/15/2016

*Note 1: Includes up to 80 hours of on-site training and/or support including travel and living expenses for up to 10 days and 8 nights.

Note: Unless extended by **New World**, the above costs are available for 90 days after submission of the costs to **Customer**. After 90 days, **New World** may change the costs.

ALL INVOICES ARE DUE FIFTEEN (15) DAYS FROM BILLING DATE.

8. Non-funding Provision

In the event **Customer** does not appropriate funds to complete payments due under this SSMA, the amount due for the fiscal year not appropriated shall be terminated; provided, however, the **Customer** shall have given **New World** written notice ninety (90) days prior to the anniversary date on which they are exercising the non-funding provision, and further provided that any other payments due to **New World** are fully paid, and further provided that **New World**'s obligations and services under this SSMA shall also be terminated. Without **Customer**'s fulfillment of the above provisions, **Customer**'s obligation to pay **New World** the annual SSMA payments remains in effect through the expiration date of this SSMA **Agreement**.

9. Terms and Conditions

This Agreement is covered by the Terms and Conditions specified in the Licensing Agreement(s) for the software contained herein.

ACCEPTED BY:

Customer: Duluth, MN

ACCEPTED BY:

New World Systems Corporation

Name: _____ Title: _____

Name: _____

Name: _____ Title: _____

Title: _____

Name: _____ Title: _____

Date: _____

Name: _____ Title: _____

Date: _____

By signing above, each of us agrees to the terms and conditions of this Agreement and as incorporated herein. Each individual signing represents that (s)he has the requisite authority to execute this Agreement on behalf of the organization for which (s)he represents and that all the necessary formalities have been met. If the individual is not so authorized then (s)he assumes personal liability for compliance under this Agreement.

Duluth, MN

Licensed Application Software

At December, 2012

1. **Logos® Financial Management Suite**
 - Financial Management Base Suite .NET
 - Purchasing Base .NET
 - Bid and Quote Management .NET
 - Add'l FM Standard Users .NET
 - Project Accounting .NET
 - Requisition Processing .NET
 - Contract Accounting .NET
 - Government (GASB) Reporting .NET
 - Asset Management .NET
 - Misc. Billing & Receivables .NET
 - PC Cash Register Interface .NET
 - Bank Reconciliation .NET
2. **Logos® Payroll & Human Resources Suite**
 - Human Resources Mgt. Base Suite .NET
 - Benefits Administration .NET
 - Applicant Tracking .NET
 - Add'l HR Standard Users .NET
 - Position Control .NET
 - Position Budgeting .NET
 - Employee Event Tracking .Net
 - COBRA Billing Administration .NET
3. **Logos® Utility Management Suite**
 - Combined Multi-Service .NET
 - Meter Inventory .NET
 - Service Order Processing .NET
 - Add'l Utility Standard Users .NET
 - Utility Mgt. Report Writer .NET
 - Automatic Meter Read Interface .NET
4. **Logos® Community Development Suite**
 - Business Licensing .NET
 - Municipal Inspections .NET
 - Parcel Management .NET
 - Animal Licensing .NET
5. **Logos® Business Analytics**
 - Business Analytics - Financial Mgt .NET
 - Business Analytics - HR .NET
 - Business Analytics - Utilities .NET
6. **Logos® eSuite**
 - eSuite Base
 - ePersonal
 - eRecruit
 - eLicense
 - eUtilities