COUNCIL MEETING
December 15, 2009

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the City Council:

SUBJECT: Communications & Information Technology - Approve the purchase of annual software maintenance and support for City-wide financial system.

Expenditure: $57,476.00

RECOMMENDATION

Recommendation of the Information Technology Director that City Council approve the purchase of annual software maintenance and support for the City-wide financial system from New World Systems of Troy, Michigan, in the amount of $57,476.00.

Funding

Funding is available in the Communications and Information Technology operating budget for FY 2009-2010.

BACKGROUND / ANALYSIS

City Council authorized the purchase of a new City-wide financial system on June 13, 2006, from New World Systems. New World Systems provides a financial software suite consisting of General Ledger, Budget Management, Budget Preparation, Accounts Payable, Revenue/Cash Receipting and several other financial management applications. The City completed the installation of New World on July 1, 2007. The current annual software maintenance and support agreement with New World Systems terminates on December 31, 2009.

The annual software maintenance and support agreement covers the period of January 1, 2010, through December 31, 2010. The 2010 cost for software maintenance and support for existing software is $49,210.00 per Exhibit C of our current contract C2006-085. In addition to this contract amount, the City will add software support for

Business Licensing, $5,066.00, and Business Analytics, $3,200.00. The total 2010 New World Systems software and maintenance support expenditure is $57,476.00.

New World's maintenance and support provide the City with fixes, upgrades, support and participation in user group meetings. The services provided under maintenance and support is proprietary to New World; therefore, the City cannot receive updates and enhancements from any other source. Services provided under maintenance are critical to keeping the system performing with minimal interruptions. Due to the critical nature of New World Systems being the City's financial software, it is recommended that the City Council approve the purchase of annual software maintenance and support from New World Systems.

Respectfully submitted,

RICHARD SHIGAKI
Information Technology Director

CONCUR:

LeRoy J. Jackson
City Manager

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