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**FINANCE & RECORDS****MEMO**

To: Gregg Mandsager, City Administrator  
From: Nancy A. Lueck, Finance Director  
Date: December 17, 2012  
Re: Request to Approve Financial Software Agreement with Springbrook Software

**Introduction and Background:**

The City has been using the ACS financial software since the early 1990's. This software runs on an IBM AS/400 system and is used for all financial operations including general ledger, payroll, accounts payable, accounts receivable, and purchasing. The City is looking at replacing and enhancing this system with a new software system. A staff committee consisting of the Finance Director, Accounting Supervisor, IT Manager, and HR Manager met with vendors and/or had demonstrations of several governmental financial software systems during the past year. This committee is recommending the City enter into an agreement with Springbrook Software to replace the City's current system. This recommendation was reviewed with City Council at their December 13 In Depth Meeting.

**Springbrook Software Pricing**

The pricing quote from Springbrook details the individual software applications, their license fees; training, implementation, and consulting fees; and project management fees. These fees total to \$132,320. This fee includes data conversion costs from our current software. In reviewing the agreement provisions it was noted that travel time and travel expenses for both the Business Process Study and software implementation will be in addition to the fee noted previously. We are currently awaiting estimated amounts for those costs. The annual software maintenance costs for the calendar year 2013 have been waived except for \$2,500. This will allow the City to continue the current ACS software maintenance until the conversion of the core systems are complete without incurring "double" costs for software maintenance. For the period from January – June, 2014 the software maintenance costs will be \$10,340. In the first full fiscal year FY 2014/2015 the annual maintenance costs will be \$21,404. This is similar to the annual amount currently being paid to ACS.

The City has \$140,000 budgeted for a new software system. In addition to the \$132,320 for the software, the City will need to acquire some additional computer hardware estimated at \$10,066. The hardware needed includes server hardware (\$4,282), operating system (\$570), SQL database (\$4,631), and backup software (\$583). The currently estimated total cost will exceed the \$140,000 by \$2,386 plus the travel time and expenses for Springbrook personnel during the Business Process Study and software implementation. We have requested an estimate for the time and travel expenses to include in the updated project budget.

**"I remember Muscatine for its sunsets. I have never seen any  
on either side of the ocean that equaled them" — Mark Twain**

**Timeline for Software Implementation**

The general project timeline for software implementation will be as follows:

June – September, 2013	Project Kickoff including Business Process Study, Data Conversion, Software Installation, etc.
September- December, 2013	Phase I – Core systems of G/L, A/P, A/R, Cash Receipts, Purchase Orders, implemented with a “Go Live” date by December 31, 2013
January – Early April, 2014	Phase II – Ancillary systems implementation including Decentralized Time-Entry, Purchase Order and other Workflows, Human Resources, Project/Grant Management, Fixed Assets, and Dashboard

**Recommendation to Enter into Agreement with Springbrook Software**

City staff has reviewed agreements with Springbrook and is recommending their approval by City Council subject to any language modifications requested by City staff or recommended by the City’s insurance agent or attorney.

Please include this request to enter into the agreement with Springbrook Software on the agenda for the December 20, 2012 Council meeting. In addition to approval of the agreement, it is requested that City Council authorize issuance of a check to Springbrook Software for \$87,972.50 as the initial payment required by this agreement. This amount has been included on the bills for approval list for Thursday’s meeting, but the check will be held until the agreement is finalized. If you have any questions or need additional information, please contact me.

## Licensed Products and Services

Application/Products	Application License Fees	Training, Imp. & Consulting	Project Management
<b>Finance Suite (GL, AP, ACH, Bank Rec, Bdg)</b>	<b>\$28,000</b>	<b>\$9,000</b>	<b>\$2,000</b>
Extended Budgeting & Forecasting	Included	\$1,500	\$500
Standard Federal/State Reporting	Included	\$1,500	\$500
Query Rptg Mgr & Interactive EXCEL Integration thru VRI	Included		
AP Electronic Check Signature	Included		
<b>Purchase Orders</b>	<b>\$5,500</b>	<b>\$1,500</b>	<b>\$500</b>
<b>Payroll</b>	<b>\$15,000</b>	<b>\$9,000</b>	<b>\$2,500</b>
Decentralized Time Entry	Included	\$1,500	\$500
PR Electronic Check Signature	Included		
<b>Human Resources</b>	<b>\$13,000</b>	<b>\$6,000</b>	<b>\$2,000</b>
<b>Project/Grant Accounting</b>	<b>\$5,500</b>	<b>\$5,000</b>	<b>\$1,500</b>
<b>Fixed Assets</b>	<b>\$8,000</b>	<b>\$1,000</b>	<b>\$500</b>
<b>Miscellaneous Accounts Receivable</b>	<b>\$5,500</b>	<b>\$1,500</b>	<b>\$500</b>
<b>Central Cash Management/Point Of Sale</b> <i>(Assumes training will be held in central location)</i>	<b>\$8,000</b>	<b>\$1,500</b>	<b>\$500</b>
<b>Dashboard</b>	<b>\$5,500</b>	<b>\$1,500</b>	<b>\$1,500</b>
Query Report Writer in each major module	Included	Included	
Document Attachment & Cataloging	Included	Included	
Integrated Report Archival	Included	Included	
<b>Sub-Total</b>	<b>\$94,000</b>	<b>\$40,500</b>	<b>\$13,000</b>
<b>Application Server Tier Licenses - "Heavy" Users</b>	<b>\$7,500</b>		
<b>Access Agent - Up to 100 "Casual" Users</b>	<b>\$2,500</b>		
<b>Business Process Study</b>	<b>\$7,200</b>		
<b>Springbrook Conversion Budget - See Detail on next Page</b>	<b>\$13,900</b>		
<b>Sub-Total Other</b>	<b>\$31,100</b>		
<b>Total List Price of Project</b>	<b>\$178,600</b>		
<b>"Showcase" Discount on Lic, Trng, BPS, Proj Mgt</b>	<b>-\$30,940</b>		
<b>Add'l Discount - If Deposit received by Dec. 31, 2012</b>	<b>-\$15,340</b>		
<b>Sub-Total Discount</b>	<b>-\$46,280</b>		
<b>Total Estimated Project Costs</b>	<b>\$132,320</b>		

Service quotes are fixed bids and will NOT be increased unless agreed upon by both parties if there are scope changes.

\*Springbrook shall make available experienced Consulting staff, having conducted at least 3 other implementations. Scheduling of preferred staff is subject to existing scheduling availability.

## Conversion Services- Detail

*The amount on this page appears as a summarized amount on the previous page*

Application to be converted	Conversion Estimate
Chart of Accounts	\$4,800
GL Transaction Balances*	\$4,800
Accounts Payable Vendor Master	\$3,600
Payroll Masters - Employee Data (Does not include History)	\$4,800
Fixed Asset Masters	\$1,200
Experience with ACS Waite Park Conversions - Discount	-\$5,300
Assist City Staff with "Pulling" summarized data	\$2,400
Assist City Staff with "Pulling" summarized data (credit)	-\$2,400
<b>Total Conversion Costs - (This is a not to exceed amount)</b>	<b>\$13,900</b>

\* Note: Conversion to include chart of accounts, the current year's budget, current YTD balance (as of a specific date designated by the client), and the two previous year's ending balance.

#### Cost of Data Conversion:

An estimated cost of your data conversion has been provided in this quote. This estimate assumes the following:

- Data is provided in the standard Springbrook data templates
- Includes up to three separate data conversion processes for Utility Billing (if applicable)
- Includes one data conversion processes for all other applications

We will need to review an actual sample of your data to confirm this estimate. Certain factors may cause the cost to exceed the amount quoted. See section below titled "Not Included in Estimate".

#### Not Included In Estimate:

There are a variety of factors that can influence the cost of a conversion and a variety of items that are not included in the standard cost estimate for your conversion. For example, your estimate will not include the following:

- Removal of data from your existing system (n/a - See Note Above)
- Consulting on removal of data from your existing system (n/a - See Note Above)
- Changes or modifications requested after the first conversion and different from the specifications we originally received.
- Changes in the format we receive the data in after the first conversion
- More than three conversions for UB or more than one conversion for any other module

#### Cost Factors:

In addition, the following items can increase the cost of your conversion:

- Mixed formats of data (a file containing tab delimited or comma delimited format.
- Problems with data integrity
- Data manipulation not for the purpose of the conversion, but for the purpose of supplying you with information you did not previously have access to.
- Changes in the file format after the first conversion
- Changes requested to the data after the second conversion
- No file or incorrect file layouts

No cost of fees in excess of those set forth in the Schedule of Fees will be incurred by the Licensee without prior acceptance of Licensee as indicated on a signed work order

## Maintenance Fees

Application/Products	Maintenance	Subscription
Finance Suite	\$6,160	
Purchase Orders	\$1,210	
Payroll	\$3,300	
Human Resources	\$2,860	
Project/Grant Accounting	\$1,210	
Fixed Assets	\$1,760	
Misc. Accounts Receivable	\$1,210	
Central Cash Management	\$1,760	
Dashboard	\$1,210	
Enhanced Maintenance (1 Inter-version upgrade/year)		\$875
<b>Sub- Total Software</b>	<b>\$20,680</b>	<b>\$875</b>
<b>Credit: 1st Year Maintenance Costs Waived</b>	<b>-\$20,680</b>	<b>-\$875</b>
<b>Sub-Total Software less Credits</b>	<b>\$0</b>	<b>\$0</b>
Application Server Tier Licenses - "Heavy" Users	\$1,875	\$0
Access Agent - Up to 100 "Casual" Users	\$625	\$0
<b>Sub-Total System Software</b>	<b>\$2,500</b>	<b>\$0</b>
<b>Total Maint. for 1/1/2013 thru 12/31/2013</b>	<b>\$2,500</b>	<b>\$0</b>
<b>Total 2nd Year Maintenance Costs (This amt prorated for 1/1/14-6/30/14)</b>	<b>\$20,680</b>	<b>\$875</b>
<b>Total 3rd Year Maintenance Costs (7/1/14 - 6/30/15)</b>	<b>\$21,404</b>	<b>\$906</b>
<b>Total 4th Year Maintenance Costs (7/1/15 - 6/30/16)</b>	<b>\$22,153</b>	<b>\$937</b>
<b>Total 5th Year Maintenance Costs (7/1/16 - 6/30/17)</b>	<b>\$22,928</b>	<b>\$970</b>

## Maintenance Enhanced Terms:

- Only V7 Products currently on maintenance are eligible for V7 Inter-version upgrades.
- All Springbrook Products must be upgraded simultaneously, and will be upgraded to the most current generally available release.
- Included in this V7 Inter-version is remote training services designed to address changes to functionality, set-ups or enhancements as they pertain to Licensee's current product utilization from the most recent GA release to the next. New modules, applications or other implementations will require custom quotes.
- Enhanced features will become a permanent part of your maintenance record and are subject to the terms and conditions of your maintenance agreement.
- Additional training services are billed at Springbrook's then current hourly rate. Onsite training is billed in eight hour blocks.
- Travel time and expenses are not included, and are subject to Springbrook Software's standard Travel Policy.

## Client Conference

Two Registration fees for the Springbrook 2014 Client Conference	No charge
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## Optional

## Products and Services

Application/Products	Application License Fees	Training, Imp. & Consulting	Project Management
HR On-Line Employee Self-Service**	No License Fees	\$1,000	\$500
HR On-Line Open Enrollment**	No License Fees	\$1,500	\$1,000
Inventory Control - (No Conversion)	\$6,000	\$2,000	\$1,000
Inventory Control - Credit (Used for Office Supplies Only)	-\$3,000	-\$500	-\$500
<b>Sub-Total</b>	<b>\$3,000</b>	<b>\$4,000</b>	<b>\$2,000</b>

## Maintenance and Subscription

Application/Products	Annual Maintenance	Annual Subscription
On-Line Employee Self Service**	\$0	\$2,000
HR On-Line Open Enrollment**	\$0	\$4,000
Inventory Control - (No Conversion)	\$1,320	
Inventory Control - Credit (Used for Office Supplies Only)	-\$660	
<b>Sub- Total Software</b>	<b>\$660</b>	<b>\$6,000</b>

\*Optional prices are valid through 6/30/2013. Fees shall not increase more than 5% 7/1/2013 through 6/30/2015. Optional products and require an addendum to Order Form.

\*\* HR online components subject to the terms and conditions of the Springbrook Software Subscription Services Addendum.

**Payment Schedule**

<b>Springbrook License Fees</b>	\$ 94,000.00	\$ 94,000.00	100% Due upon signing
<b>Showcase Discount on Licenses</b>	\$ (15,470.00)	\$ (15,470.00)	100% Applied at signing
<b>End of Year Signing Discount</b>	\$ (15,340.00)	\$ (15,340.00)	100% Applied at signing
<b>Third Party Licenses (5-Application Server)</b>	\$ 10,000.00	\$ 10,000.00	100% Due upon signing
 <b>Training and Consulting Fees</b>	 \$ 40,500.00	 \$ 10,125.00	 25% Due upon signing
		\$ 10,125.00	25% Due upon Acceptance of Statement of Work by Module
		\$ 10,125.00	25% Due upon Completion of Setup Phase by Module
		\$ 10,125.00	25% Due upon Go-Live Acceptance by Module
 <b>Project Management</b>	 \$ 13,000.00	 \$ 3,250.00	 25% Due upon signing
		\$ 3,250.00	25% Due upon Acceptance of Statement of Work by Module
		\$ 3,250.00	25% Due upon Completion of Setup Phase by Module
		\$ 3,250.00	25% Due upon Go-Live Acceptance by Module
 <b>Data Conversion</b>	 \$ 13,900.00	 \$ 3,475.00	 25% Due upon signing
		\$ 3,475.00	25% Due upon Acceptance of Statement of Work by Module
		\$ 3,475.00	25% Due upon Completion of Setup Phase by Module
		\$ 3,475.00	25% Due upon Go-Live Acceptance by Module
 <b>Business Process Study</b>	 \$ 7,200.00	 \$ 1,800.00	 25% Due upon signing
		\$ 1,800.00	25% Due upon Acceptance of Statement of Work by Module
		\$ 1,800.00	25% Due upon Completion of Setup Phase by Module
		\$ 1,800.00	25% Due upon Go-Live Acceptance by Module
 <b>Showcase Discount on Services</b>	 \$ (15,470.00)	 \$ (3,867.50)	 25% Applied at signing
		\$ (3,867.50)	25% Due upon Acceptance of Statement of Work by Module
		\$ (3,867.50)	25% Due upon Completion of Setup Phase by Module
		\$ (3,867.50)	25% Due upon Go-Live Acceptance by Module
 <b>Total Project Cost*</b>	 \$ 132,320.00	 \$ 87,972.50	 Total due upon signing

\*Total Project cost do not include Maintenance, Subscription or Travel Fees. Maintenance and Subscription Fees are due 12 months from contract execution and services go into effect immediately upon execution. Travel Fees are due upon completion, and will be billed in accordance with the Springbrook Software Travel Policy which is available upon request.

This Order Form shows applications Client has purchased and the amount charged for each, the cost for implementation services, and the accompanying current maintenance costs. By signing the Order Form, Client is agreeing to purchase these applications under the umbrella of the original master agreement and the associated addenda in addition to any terms described in this agreement to be executed between Client and Vendor and to the prices contained herein. Pricing is based on standard contract. Deviations from standard contract terms may result in modified prices. Order Form assumes all products to be implemented under the scope of a single project. Client caused project delays or requests to implement modules separately may require a change order and additional services fees. Training and Business Process Study (BPS) Estimates do not include travel time or travel expenses. \*\*Investment will vary based on number of users, servers and GB being backed up.

Vendor: Springbrook Software, Inc.

By: \_\_\_\_\_  
 Name (Print): Tim Rosener  
 Title: Vice President Implementations  
 Date: \_\_\_\_\_

Client:  
 By: \_\_\_\_\_  
 Name (Print): \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

AP Contact: \_\_\_\_\_  
 AP phone number: \_\_\_\_\_  
 Client Fiscal Year: \_\_\_\_\_