



Legislation Text

File #: 17-0993, **Version:** 1

TO: Honorable Mayor & Members of the North Port Commission

FROM: Peter D. Lear, CPA, CGMA, Interim City Manager

TITLE: SunGard Public Sector, LLC. ERP Hosting Five-Year Service Agreement for FY17 \$22,030.02 (includes one-time startup cost); FY18 \$203,881.50; FY19 \$220,871.50; FY20 \$220,871.50; and FY21 \$220,871.50.

Recommended Action

Approve agreement with Ramundsen Public Sector, LLC as successors in interest to SunGard Public Sector, LLC. ERP Hosting Five-Year Service Agreement for FY17 \$22,030.02 (includes one-time startup cost); FY18 \$203,881.50; FY19 \$220,871.50; FY20 \$220,871.50; and FY21 \$220,871.50.

Background Information

The City utilizes products and services from SunGard Public Sector in support of a variety of enterprise applications used throughout City departments. SunGard is one of our primary technology providers; therefore, it is recommended that the City execute a five-year agreement with SunGard to host the SunGard systems and applications in their Cloud facilities.

Currently the physical servers and associated equipment that support the SunGard applications are located within City facilities. These systems require specific technical expertise to support, maintain and update. The City also incurs periodic replacement costs and the five SunGard application servers are all due for replacement during the next five years; this expenditure will exceed \$118,000. The SunGard equipment that is currently located at the Police department is not affected by this agreement, and would continue to be housed and maintained in the Police department.

With this agreement, SunGard would assume hosting of the applications currently utilized by the City, provide maintenance and technical support of their equipment and applications in their hosted environment. The SunGard applications would be provided in a "Software as a service" model, and the SunGard utilization will be completely transparent to City staff, and staff will continue to have access to all aspects of the SunGard applications that they currently utilize. Disaster recovery options are provided by SunGard with this agreement, and these options would allow the City to have geographic flexibility in accessing the systems.

There is a termination clause (paragraph six) in the agreement that requires a 120-day notification, which allows the City to exit the agreement. The City would be able to have its data returned in a format that could be used with other systems.

In summary, this agreement would allow the City to reduce or eliminate support and management of these systems, allowing key staff to refocus some of their efforts on important City initiatives, such as business process improvements and additional projects. This strategy has become more prevalent in the last 5-10 years, with advances in technology, bandwidth, and service offerings. The IT division contacted several nationwide reference accounts and these agencies were satisfied with this offering from SunGard's hosting team. The references contacted are attached entitled, "SunGard Hosting References".

During the process in which the IT Division of General Services was evaluating the hosting agreement, Ramundsen Public Sector, LLC became the successors in interest to SunGard Public Sector LLC. Attached is the document from the Florida Division of Corporations for Ramundsen. The ASP Hosting Agreement is in the name of Ramundsen Public Sector, LLC as successors in interest.

The hosting agreement has been reviewed by the City Legal department, and is correct as to form.

Strategic Plan

Financially Responsible City Providing Quality Municipal Services

Financial Impact

The proposed SunGard agreement lists the five-year cost schedule in exhibit 1, section A. In the first year of implementation there is a prorated annual hosting cost of \$12,030.02 along with a one-time start-up fee of \$10,000. The proration occurs because the City has paid the FY17 SunGard maintenance fees as detailed in Commission agenda item 16-0639 on 12/13/16, and the hosting project would start in mid-fiscal year. The portion of fees in agenda item 16-0639 that apply to the proration is \$166,514.37.

In year two the cost is \$203,881.50, and in years three through five the annual cost is \$220,871.30. These costs would be budgeted and paid out of account 001-0710-516-54-00. Listed below is a matrix depicting the typical costs that the City incurs on a recurring basis. The second column lists annual costs currently paid to SunGard that would become part of the annual hosting fee. The third column lists non-SunGard annual costs that would be eliminated by the hosting option.

In future years, if the City chooses to add additional SunGard products, the City would incur one-time costs for the purchase and the subsequent maintenance costs would be built into the hosting costs in the years following the purchase. The non-cloud based option (as currently in place) annual cost estimate is \$190,544.37 in maintenance expenses, plus \$118,000 for hardware replacements over a five-year period, for a total five-year investment of \$1,070,721.85. The five-year cost estimate is \$1,059,475.84, reflecting a potential reduction of \$11,246.01.

Product/Service	Annual SunGard Costs included in hosting fee	Annual Non-SunGard Costs eliminated by hosting
Blended Web Learning	\$8,300.00	
NoMax System Recovery	\$31,685.30	
NaviLine Yearly Maintenance	\$126,529.07	
AS/400 Consultant support		\$2,000.00
IBM hardware and software maintenance		\$18,040.00
BSAFE system security application		\$3,990.00
Iron Mountain		\$5,750.00
Total	\$166,514.37	\$29,780.00

Procurement

Please see the attached SunGard hosting services agreement, in which the access fees and associated costs are detailed in exhibit 1 "Access and Service Fees".

Attachments:

1. SunGard ASP Hosting Agreement
2. SunGard Sole Source Form
3. North Port Sole Source Letter 101216
4. Sungard Hosting References
5. SunGard Hosting Overview
6. Florida Department of State Division of Corporations - SunGard
7. Florida Division of Corporations Document Ramundsen Public Sector LLC

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