
City of Kelowna
MEMORANDUM

DATE: February 28, 2007

FILE: 1335-01

TO: City Manager

FROM: Financial Systems and Investments Manager

RE: Financial Information Systems Replacement Vendor Recommendation

RECOMMENDATION:

THAT Council approve the selection of Agresso Corporation for the supply of an integrated financial system to include the full suite of Agresso modules listed in Appendix 'A' as part of Financials, Project, Procurement, Human Resources/Payroll, Information Management Tools, Planning Tools and Canadian Localization;

AND THAT Council authorize the Mayor and City Clerk to enter into three agreements with Agresso Corporation namely; the Software License Agreement; the End User Maintenance Agreement; and the Software Implementation Agreement based on the terms negotiated and set forth in Appendix "A";

AND FURTHER THAT Council approves an amendment to the 2007 Financial Plan to include an expenditure of \$1,716,750 with \$850,000 funded from the Financial/Major Systems Reserve and the remainder short term borrowed and financed from savings on current debt servicing over a five year period.

BACKGROUND AND COMMENTS:

In the fall of 2004 the Financial Information Systems Replacement Project Charter was approved. Over the past two years the Project Team has worked through the selection steps identified in the Charter and is pleased to present their final recommendation to Council.

In 2005, on-site reference visits were conducted to research pre-qualified software products and vendors that had met the City of Kelowna's Request for Information criteria. Then the Project Team reviewed the results of these research visits in order to ascertain the software vendors that would come to Kelowna to demonstrate their products to our staff. Based on the feedback received from staff attendees and considering the suitability to the City of Kelowna's software needs, the short list was narrowed to three potential vendors. In the summer of 2006 these three vendors were provided with detailed scripts (the City of Kelowna's required business processes), to follow in their three day in-depth software demonstrations. The outcome of these three day demonstrations left the City with two possible candidates to provide the necessary software solution. In October, the Project Team met with the final two vendors to clarify outstanding concerns and this resulted in one preferred vendor and software solution.

The Project Team is confident that they have found a software solution that is fully integrated and that meets the City's objectives.

Agresso is the preferred software solution. Agresso is a leading international producer of business software with over 2000 employees worldwide. They are a local government focused company with more than half of their business done in this sector and their support and development is managed through their Canadian head office located in Victoria, B.C. The software is fully integrated with Human Resources, Payroll and Financials. Current local governments using the Agresso software product in B.C. are Whistler, Port Moody, and Langley. Some of the software features are; employee self-service; online access to match actual capital project expenditures and progress to budget; individual users can configure their screens for their daily tasks; multi-level user reporting and easy access to information.

In December of 2006 the Project Team received approval from their Executive Sponsors to bring the project results to Council seeking Councils endorsement to begin negotiation with the vendor. After this approval in January, the negotiation team contacted the preferred vendor and worked toward a satisfactory arrangement for both parties. On behalf of the Project Team, I am pleased to present this final recommendation to you today.

Genelle Davidson

Approved for inclusion



Paul Macklem, CMA
Director of Financial Services

FINANCIAL INFORMATION SYSTEMS REPLACEMENT PROJECT AGRESSO CORPORATION KEY CONTRACT TERMS

1. **Software License Agreement**

- Unlimited number of users
- Full Suite of Agresso Modules including;
 - Financials**
 - General Ledger, Accounts Payable, Accounts Receivable, Fixed Assets, Cash Accounting, Contract Accounting, Bank Reconciliation, Loans and Savings Management, Sales Orders, Utility Invoicing, Workflow Financials
 - Project**
 - Time/Project, Project Invoicing, Project Estimates and Tracking, Commitment Accounting (Project), Web Timesheet and Expenses, Project Manager's Toolbox, Project Tool Integration, Workflow Project
 - Procurement**
 - Purchasing, Workflow Procurement, Inventory Management, Stock Rental
 - Human Resources/Payroll**
 - Payroll, Position register (Payroll), Human Resources, Absence, Expense Ledger, Web Travel Expense Entry, Training Administration, Workflow Human Resources
 - Information Management Tools**
 - Reporting and Analysis Suite, IntellAgent Professional Edition, Flexi Fields, Web Reporting
 - Planning Tools**
 - ABW Planner, Budgeting and Financial Plan, Resource Planning, Resource Deployment
 - System Administration Tools**
 - Canadian Localization

2. **End User Maintenance Agreement**

- Year 1, No annual maintenance fee
- Year 2, March 1, 2008 to February 28, 2009 as per Agreement
- Year 3 and subsequent years, Annual Maintenance Agreement plus published Canadian Consumer Price Index

3. **Software Implementation Agreement**

- Travel and Living Expenses as per Agreement
- 403 days as per Agreement, to a specified maximum to complete services including technical, implementation, super user training, project management, report building and customization, and go live support.
- Agresso Consultant rates will be fixed as per Agreement
- A 10% holdback will occur for 1 year, post go live

4. **Other**

- Agresso will provide a 20% Performance Bond or Letter of Credit to be released at go live
- Applicable taxes will be added to costs where required

