

ITEM #:	<u>18</u>
DATE:	<u>11-12-24</u>
DEPT:	<u>FIN</u>

COUNCIL ACTION FORM

SUBJECT: **FINANCIAL SOFTWARE AGREEMENT WITH CENTRALSQUARE**

BACKGROUND:

CentralSquare Technologies, LLC is the City's software vendor for integrated financial, payroll, and utility billing. For the past two decades, the City has contracted with the vendor for software licenses and support.

In July 2021, the Council approved migrating Central Square NaviLine to a Software-as-a-Service (SaaS) agreement with Central Square. This allowed the City to retire its IBM iSeries server and reduce personnel costs that supported this server. On December 5, 2021, the City completed this transition to SaaS. The original contract and renewal approved by City Council expires December 5, 2024.

Staff has received a proposal for a renewal of SaaS services for Central Square software in the amount of \$152,845.87. The renewal period is for a single year, December 6, 2024 to December 5, 2025. This proposed contract is an increase of \$10,540.40 (7.4%) over the expiring contract amount. The operating budget for Information Technology for FY 2023/24 allocates \$152,267 for Central Squares software. The \$578.87 budget shortfall is expected to be covered by savings within the IT operational budget.

CentralSquare Technologies, LLC is the sole provider of the Central Square NaviLine software. Transitioning to a different software provider would result in a significant cost increase. Therefore, staff is requesting that the Council waive the Purchasing Policies and Procedures requirement for competitive bids and award a contract directly to CentralSquare Technologies, LLC for this service.

ALTERNATIVES:

1. Waive the requirement to solicit formal bids and award a contract to CentralSquare Technologies, LLC, a CentralSquare Company of Lake Mary, FL in the amount of \$152,845.87 for CentralSquare NaviLine software.
2. Do not approve the contract and refer this item back to staff for further information.

CITY MANAGER'S RECOMMENDED ACTION:

CentralSquare is the sole provider for the integrated financial, payroll, and utility billing software used by the City. The City's experience within this contract has been positive and mission-critical accounting processes continue to be completed. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as stated above.