



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

31

2. Council Meeting Date:

July 28, 2011

TO: MAYOR & COUNCIL

3. Date Prepared: July 5, 2011

THROUGH: CITY MANAGER

4. Requesting Department: Management Services

5. SUBJECT: Approval of the sole source purchase of annual maintenance for the Tax Mantra system from Tata Consultancy Services, Ltd. in an amount not to exceed \$120,173.

6. RECOMMENDATION: Recommend approval of the sole source purchase of annual maintenance for the Tax Mantra system from Tata Consultancy Services, Ltd. in an amount not to exceed \$120,173.

7. HISTORICAL BACKGROUND/DISCUSSION: The Tax Mantra system is the City's privilege (sales) tax collection and licensing software system, providing the administration and processing functionality necessary for collection of almost 50% of the City's General Fund revenues. This maintenance and support provides resolution of technical issues, software fixes, and system upgrades necessary to operate and keep this system current. The original five-year maintenance agreement ended July 31, 2010. Because the City's client-based version is approaching obsolescence, in light of the vendor's current web-based platform for this system, the vendor will not enter into long-term maintenance agreements. Therefore ongoing maintenance agreements will only be renewed on an annual basis. Estimating a 9% increase, costs for the next two annual renewals would be \$126,181 and \$138,800, respectively.

8. EVALUATION PROCESS: In May 2004, Council awarded the purchase of the Tax Mantra system from Tata Infotech Ltd., now known as Tata Consultancy Services, Ltd. The purchase included a five-year agreement for annual maintenance services to be automatically renewed every August 1 of subsequent years. Because the system is proprietary, the ongoing maintenance service is available only from Tata Consultancy Services. No other vendors are authorized to provide these maintenance services.

9. FINANCIAL IMPLICATIONS: Funds for this purchase are from the following account: 101.1240.0000.5419, General Fund, Tax & License, Other Equipment R&M, \$120,173.

10. PROPOSED MOTION: Move to approve the sole source purchase of annual maintenance for the Tax Mantra system from Tata Consultancy Services, Ltd. in an amount not to exceed \$120,173.

APPROVALS

11. Requesting Department

Lee Grafstrom
Lee Grafstrom, Tax Audit Supervisor

12. Department Head

Dennis Strachota
Dennis Strachota

13. Procurement Officer

Carolee Stees
Carolee Stees, CPPB

14. City Manager

Rich Dlugas
Rich Dlugas