



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

45

2. Council Meeting Date:

July 26, 2012

TO: **MAYOR & COUNCIL**

3. Date Prepared: June 18, 2012

THROUGH: **CITY MANAGER**

4. Requesting Department: Management Services

5. **SUBJECT:** Sole source purchase of annual maintenance for the Tax Mantra system from Tata Consultancy Services, Ltd. in an amount not to exceed \$126,181.

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 \$126,181.

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 nearly 50% of the City's General Fund revenues. The original five-year maintenance agreement ended July 31, 2010. Because the City's client-based version is approaching obsolescence the vendor will not enter into a long-term maintenance agreement. Therefore ongoing maintenance agreements will only be renewed on an annual basis.

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 available in the following account: 101.1240.5419, General fund, Tax & License, Other Equipment R&M.

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 \$126,181.

APPROVALS

11. Requesting Department

Lee Grafstrom, Tax Audit Supervisor

12. Department Head

Dawn Lang, Management Services Director

13. Procurement Officer

Carolee Stees, CPPB

14. City Manager

Rich Dlugas