



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

30

2. Council Meeting Date:

August 11, 2016

TO: **MAYOR AND COUNCIL**

3. Date Prepared: July 25, 2016

THROUGH: **CITY MANAGER**

4. Requesting Department: Management Services

5. SUBJECT: Purchase of Annual Maintenance for the Tax Mantra System

6. RECOMMENDATION: Staff recommends City Council approve the sole source purchase of annual maintenance for the Tax Mantra system, from Tata Consultancy Services, Ltd., in the amount of \$184,743.

7. BACKGROUND/DISCUSSION: The Tax Mantra system is the City's transaction privilege (sales) tax (TPT) 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, until the State of Arizona is ready to begin collection of TPT on the City's behalf based on Arizona Revised Statute.

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 until the system is upgraded or discontinued.

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 1st of subsequent years, with each year following as an annual renewal with a 10% increase in the maintenance agreement cost. The associated costs for this year's maintenance of \$184,743 reflects this mandatory 10% annual increase over last year's cost of \$167,948. 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. The term of the agreement will be August 1, 2016, through July 31, 2017.

9. FINANCIAL IMPLICATIONS:

Cost: \$184,743

Fund Source:

<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Cost Center:</u>	<u>Account Name:</u>	<u>Amount:</u>
101.1240.0000.5419	General Fund	Tax and License	Other Equip Repair & Maintenance	\$184,743

10. PROPOSED MOTION: Move City Council approve the sole source purchase of annual maintenance for the Tax Mantra system, from Tata Consultancy Services, Ltd., in the amount of \$184,743.

ATTACHMENTS: Maintenance Agreement

APPROVALS

11. Requesting Department

Matt Dunbar
Revenue and Tax Manager

13. Department Head

Dawn Lang
Management Services Director

12. Procurement Officer

Carolee Stees, CPPB

14. City Manager

Marsha Reed

Tax Mantra® AMC- Chandler

Change Control Form

Change Request #: 053		Priority: High		Request Date: 20-Jun-2016	
TCS Contract Reference: B-2006-34849					
Requested By: Matthew Dunbar				Date Required By: TBD	
Summary Description: This change request is for extension of Tax Mantra AMC Support for City of Chandler for the period 01-Aug-2016 to 31-Jul-2017.					
Detailed Description: The current Tax Mantra AMC for City of Chandler is due to expire on 31-Jul-2016. This RCR is for the extension of Tax Mantra AMC contract from 01-Aug-2016 till 31-Jul-2017. The Support Plan for the extended term is attached as Annexure 1.					
Assumptions: This Change Request is made pursuant to the agreement dated May 28, 2004					
Estimates Valid Till Date: 31-Jul-2016		Evaluation Completed: Yes		Estimated Duration: TBD	
Estimated Cost: USD 184,742.80		Planned Delivery Date: NA			
Actions Required to Implement:					
Resource Assignment:			Project Plan / Project Schedule Updated:		
Other Impacted Projects	Assessor	Change Deliverables to	Change to Milestones Payment terms 100% on start of AMC period	Implications (cost, effort, time, etc)	
Change Approval	Tata Consultancy Services Ltd.		City of Chandler		
	Signature		Signature <i>Matthew Dunbar</i>		
	Name and Title		Name and Title <i>Matthew Dunbar</i>		
	Date		Date <i>07-18-2016</i>		

Annexure 1

Support Plan for Annual Maintenance Contract

1. Introduction

This document presents the standard support services for maintenance of Tax Mantra® software during the Annual Maintenance Contract (AMC).

2. Tax Mantra® Support

The support center is headed by the Tax Mantra® Support Manager, who reports to the Tax Mantra® Program Manager.

3. Definition of Terms

Annual Maintenance: This refers to the analysis and resolution of Incidents (as defined below) reported during the maintenance phase of the application. The Incidents can be of the following types; (a) Defect, (b) Query, (c) Help Request or (d) Enhancements. All Incidents are communicated by the Customer's single point contact through Tax Mantra® Connect, web enabled incident management tool or to the email provided for communication.

Customer End User: Customer personnel, identified as users of Tax Mantra®.

Customer Support Person (First Level Support): The Customer will designate a single point of contact with a good understanding of the product and the Customer's business processes, as internal contact for Customer end users, for requesting and receiving services and related information, including the responses to incidents and their resolution.

Customer Contact Person (Second Level Support): The Customer will also designate a second level support contact, who will take escalations from the Customer's First Level Support Person for evaluation and possible communication of Service Requests, with appropriate classification and details to TCS via Tax Mantra® Connect tool during AMC.

Defects: Defects are problems or deficiencies in Tax Mantra®. Depending on their nature these defects are classified into one of the following severities:

Definition	Description	Examples
Severity 1	<ul style="list-style-type: none"> • The software problem either stops or severely limits operations and no practical workaround is available • Error affecting business severely • Totally misleading functionality in the system • Fatal errors – causes programs to abort or stop functioning 	<ul style="list-style-type: none"> • Tax Mantra® Servers are not starting. • Unable to enter payments in the system. • Unable to process business applications (new registrations) in the system. • System crashes and continues to crash • Software is not operational • A critical user function is unavailable

Definition	Description	Examples
		<ul style="list-style-type: none"> Other critical (high impact) function is not available (returns, statements at a critical date)
Severity 2	<ul style="list-style-type: none"> The software problem either stops or severely limits operations and a practical workaround is available. Error causing significant rework Fatal errors that do not cause program to abort or stop functioning, but result in erroneous outputs, turning it unusable 	<ul style="list-style-type: none"> Penalty and interest is not booking correctly on accounts Daily batch programs scheduled during the night did not get completed Batch program unable to generate Tax Returns, Account Statements Important user function is unavailable, operations continue, but restricted Data has been corrupted Other function is not available (daily batch, or returns, statements prior to a critical date)
Severity 3	<ul style="list-style-type: none"> The software problem adversely affects operations, is not a Severity 1 or 2 problem and a practical workaround is available. Error causing moderate or low rework Leads to ambiguities in the system / misinterpretation Non-fatal errors which could impact the program functioning, or just be cosmetic mistakes 	<ul style="list-style-type: none"> Incorrect error message being shown Any spelling mistakes Issues pertaining to a specific account due to some data related issues Minor user function is unavailable Other function is not available (monthly interface that can be postponed)
Severity 4	<ul style="list-style-type: none"> Suggestion towards improvement 	<ul style="list-style-type: none"> Minor improvement in existing functionality. For example, the batch program that creates tax return needs tax period as input.

Enhancements: Enhancements are Customer requested 'changes reported through Tax Mantra® Connect or through an appropriate channel set up by the Customer for incorporating requested modifications to the product to enhance or upgrade its current functionality. Requested Enhancements must be evaluated and reviewed following the Change Control process and shall be mutually agreed upon in writing by TCS and the Customer. Enhancements can be released separately or included with a Maintenance Release, based on client need, availability of client technical resources and TCS work schedules. Enhancements to existing functionalities can also be introduced by TCS.

Help Requests: Help Requests are requests from Customer to analyze or resolve any operational issues.

Incidents: Any issues or problems with the Tax Mantra® application is an incident. Incident can be of the following types; (a) Defect, (b) Query, (c) Help Request or (d) Enhancements.

Maintenance Release: Maintenance Release is defined as a group of software components/ scripts accompanied with a release note. Maintenance Release will contain software updates to address incidents reported to the TCS support team. The Maintenance Release note will list all the defects & enhancements that the release will address and specify the method to apply the release in production/ test environment and the scenarios to test fixes to the defects & enhancements.

Product: The Tax Mantra® Licensed Software as per the Software License Agreement with the Customer.

Queries: These are requests from the Customer Contact Person for clarifications, help or advice on Tax Mantra® usage and functionality. These can be resolved by discussions and may not require software changes.

Tax Mantra® Connect: Tax Mantra® Connect is the proprietary tool from TCS that is accessible over internet that helps agencies to connect with the Tax Mantra® support team and provides capability to log incidents (Defects, Queries, Operational Issues and Enhancements) and track the progress of the logged incidents.

TCS Support Team: Staff assigned by TCS to receive and respond to all incidents and provides responses, analysis and resolution.

4. Description of Maintenance Services

1. During the AMC support duration, TCS Support staff will be available by email or phone during TCS's working hours, excluding Indian Holidays. The TCS Tax Mantra® Support e-mail ID is taxmantra.support@tcs.com.
2. TCS will respond to queries within 24 hours for at least 90% of the queries. TCS will make every effort to respond to the queries as early as possible basis. E-mail will follow advice/solution communicated over telephone.
3. From the time of initial contact, Severity 1 problems will be resolved within 2-4 business days. Business days will be based on TCS schedule of holidays approved in January each year for offshore support. All onsite support will be as per business days based on City of Chandler Holiday schedule.
4. In case it is determined that diagnosis is not possible from TCS's premises or the support time frame is missed, then the contingency procedures described in Section 5.5 will be invoked.
5. A Severity Level 1 defect will be downgraded to a Severity Level 2 defect as soon as a practical temporary program fix or a practical operational work-around is provided for the problem reported.
6. TCS will release the Maintenance Upgrades and program fixes to the County on a mutually agreed to schedule.
7. Response & Analysis to Severity 2 problems will be provided within 20 business days.
8. Enhancements, fixes to Severity 2, 3 and 4 problems and permanent resolutions to any temporary corrections will be provided in the subsequent Maintenance Upgrades.
9. The Customer Support Person is responsible for testing the fix and providing formal sign-off of the Maintenance Upgrade within 30 days of receiving the upgrade.
10. During the term of this AMC, TCS will maintain Tax Mantra® by providing software updates through Maintenance Releases to the Client. All software updates provided to Client by TCS pursuant to the terms of this AMC shall be subject to the terms and

conditions of the Software License Agreement between the parties. Software updates will be provided on an as-available basis and include the items listed below:

- Incidents resolution
- Enhancements to Tax Mantra® provided by TCS to keep current with product services or as TCS makes enhancements;
- Performance enhancements to existing Tax Mantra®

Software updates do not include:

- Platform extensions including product extensions to (a) different hardware platforms; (b) different windowing system platforms; (c) different operating system platforms; and
 - New components or a new business process added in Tax Mantra®
 - Any enhancement that conflicts with the existing Tax Mantra® functionality, underlying framework or is not feasible based on the technical architecture of the current City of Chandler Tax Mantra® will not be taken up by TCS. The Tax Mantra® support services are limited to the currently deployed product in the City.
 - All other current or prospective TCS Tax Mantra® products are not covered
11. TCS will provide support services for previous releases for a minimum period of six (6) months following the general availability of a new release. After this time, TCS shall have no further responsibility for supporting and maintaining the prior releases.
12. TCS assumes no responsibility for the correctness of, performance of, or any resulting incompatibilities with, current or future releases of Tax Mantra® if the Client has made changes to the system hardware/software configuration to Tax Mantra® which changes affect the performance of Tax Mantra® and were made without prior notification and written approval by TCS. TCS assumes no responsibility for the operation or performance of any Client-written or third-party application.

4.1 Services Not Included

Maintenance Services do not include any of the following:

1. Custom programming services. These customizations will be catered separately through Change Requests.
2. on-site support, including installation of hardware or software
3. support of any software other than Tax Mantra®
4. training
5. hardware and related supplies
6. Any other services not specifically covered under the scope of this AMC.

5. TCS Support Process

The following section documents the support process for the duration of the AMC:

5.1 Incident Reporting

The Customer End User facing a problem will report it to the Customer Support Person (First Level Contact). The Customer Support Person will analyze the problem and provide an assessment to the end user.

The problem resolution may need one or a combination of the following:

- a. If the problem is diagnosed as due to incorrect operations, the Customer Support Person will advise correct operations of the product.
- b. The Customer Contact Person will take escalations from the Customer's Support Person for evaluation and possible communication of Service Requests, with appropriate classification and details to TCS via Tax Mantra® Connect.
- c. An agreed to (Customer and TCS) work-around to minimize the impact or bypass the problem will be provided with a follow through solution to enhance the process to remove the work-around and regain the efficiency lost due to the work-around.
- d. A correction to a corrupted or erroneous data file on account of an error in the product, also referred to as a data patch. Though a data-patch may be an acceptable solution, at the time, a thorough analysis will be conducted to fully integrate the "patch" into the overall solution so as to minimize unintended side-effects.
- e. The Customer Contact Person may invoke the contingency procedures in Section 5.5 based on his/her assessment of the problem situation.
- f. The Customer Support Person will categorize the problem/Incident as a Query, Defect, Help Request or Enhancement and assign a priority to the incident, mutually agreed upon by TCS, with the advice and consent of the Customer Contact Person.

5.2 Maintenance Release Process

The Maintenance Releases will be decided by TCS, and their release dates will be communicated to the Customer.

1. All Maintenance Releases will be released to the Customer Contact Person.
2. A Maintenance Release Notification Form containing list of software updates in the Maintenance Release along with installation instructions, will accompany each Maintenance Release.
3. The release along with Maintenance Release Notification Form will be sent electronically via FTP.
4. The Customer Contact Person will have to verify that s/he has received the correct version.
5. Installation of Maintenance Release is the Client's responsibility. Customer will deploy the software updates in their test and production environments, and may request in writing additional services for installation, training, etc. from TCS, if required on a time and materials basis, plus expenses.

5.3 Change Control Process

All requested product Enhancements by Customer will be handled through a change control procedure as per the following steps:

1. All requested Enhancements will be documented on the Change Control provided under section 8.
2. TCS will analyze and perform impact assessment and document the same in the form of a cost and schedule impact where applicable and provide the same for the Customer's approval, which shall not be unreasonably withheld or delayed. A Change Control form will be accompanied by TCS's understanding of the changes requested by the Customer.
3. On receiving approval from the Customer, TCS will initiate the implementation of the Enhancement with the Customer as per the understanding document attached with the Change Control form.
4. TCS assumes that the Customer will provide adequate test scenarios and test cases for testing the Enhancements requested to the product as per the Change Control process.
5. Release procedure for the requested Enhancements would be the same as documented in Section 5.2 Release Process.

5.4 Escalation Process

TCS will initiate the following escalation procedures and notify the Customer in the event a service request for a Severity Level 1 defects exceeds its Response / Analysis time limit.

Escalation	Time exceeding the limits defined for Severity 1 defects	Action
A	Over 48 hours	TCS Support Person will contact the TCS Product Support Manager.
B	Over 96 hours	The TCS Product Support Manager will call all TCS Support staff with knowledge of the Product to assist. Tax Mantra® Program Manager will be informed.
C	Over 144 hours in case problem was reported just before weekend	The Customer will be informed. Travel process will be initiated to dispatch an expert from offsite location to Customer location. The per-incident cost will be charged to the Customer. This will be communicated before initiation of the travel.

Actual resolution of the problem will involve appropriate analysis, change impact and schedule impact for implementing the changes to fix the problem.

5.5 Contingency Procedure

In case it is determined that diagnosis is not possible from TCS's premises, or the support time frame is missed, then the Customer Support Person will be informed about the same. After due consultation with the Customer Support Person, an appropriate expert may be dispatched by TCS to the site as soon as possible. The costs for per incident on-site support will be communicated by TCS to the Customer and paid for by the Customer.

6. Dependencies for Support

The functioning of the service is dependent on the following:

1. The Customer should provide FTP access to the TCS team; this will be a controlled access area.
2. It is highly recommended that the Customer provide a VPN access to TCS team for verification of the installation of new changes where applicable and required; this will be a controlled access area.
3. The version of the software on which the incident is reported must be a currently supported version by TCS.
4. All incidents should be formally reported by the Customer via the Tax Mantra® Connect tool.

7. Responsibilities of the Customer Support Operation

The responsibilities of the Customer are as given below:

1. The Customer Support Person will advise end users on the correct operation of the product and try to resolve problems locally, taking advice from TCS Support Person, as and when required.
2. The Customer Contact Person will categorize the problem as Severity 1, 2, 3 or 4 with mutual agreement with TCS.
3. The Customer will ensure that only personnel properly trained in operation and usage of the software will utilize the product and that sufficient computer time and suitable personnel are made available to implement the corrections suggested by TCS.
4. Whenever a problem is reported to TCS, the Customer should have attempted all possible local corrective actions. All supporting information (e.g. screen shots, functional scenario, applicable data, etc.) should be made available to TCS.
5. The Customer will reproduce the identified error or malfunction in the unaltered Software and provide a scenario for the same under which the malfunction occurred in case the error requires more details or description for further analysis or reproduction.
6. Providing upon TCS's request, a "memory dump" or "database dump" and such additional data including necessary parts of the software and program dumps and associated files in machine-readable or interpreted form deemed necessary or desirable by TCS to reproduce the environment in which such licensed Software operated.
7. The Customer will ensure that the reporting of the problem is always done through Tax Mantra® Connect, including the incident severity.
8. The Customer will be responsible for installation and testing of Maintenance Releases, Emergency Releases and Product Upgrades and providing TCS with a formal sign-off within the mutually agreed time.
9. The Customer Support Operation will provide necessary and sufficient access to the TCS Support Team to diagnose the problem in the production environment. While giving

data access, the Customer will ensure TCS Support staffs are made aware of agency data access and security regulations, including Confidential Information as described in the MSA.

10. The Customer Support Operation will ensure that no software components of the software are altered or amended other than through agreed release control procedures.
11. The Customer Support Staff should always provide the Tax Mantra® Connect Id of the incident in question, whenever correspondence is necessary on the progress/details of an incident.
12. The Customer Support Staff will formally log and track all local changes made by the Customer to the released version of Tax Mantra®.
13. The Customer Support Operation will undertake the proper supervision, control and management of its use of software including but not limited to: (1) assuring proper computer system configuration, software installation, verification, audit controls, and operating methods; and (2) ensuring proper procedures for the security of data, accuracy of inputs and outputs, and back-up plans, including restart and recovery in the event of hardware or software error or malfunction.
14. Whenever on-site support is required, the Customer Support Staff will provide the TCS Support Person necessary hardware equipment, software environment, data, and work space, for enabling the TCS Support Person to carry out necessary activities / tasks.
15. The Customer Support Operation will make best possible efforts to help TCS to ensure the accuracy of changes by providing test plans and data.

The Customer will be responsible for moving the changes to the production environment after appropriate testing through the Customer's established testing and verification procedure.

8. Change Order Form

Change Control Form

Change Request #: Contract #:		Priority:	Request Date:	
Requested By:			Date	Required By:
Summary Description:				
Detailed Description:				
Assumptions:				
Payment terms:				
Estimates Valid Till Date:		Evaluation Completed:	Estimated Duration:	
Estimated Cost:				
Actions Required to Implement:				
Preferred Course of Action:				
Resource Assignment:		Project Plan / Project Schedule Updated:		
Other Impacted Projects	Assessor	Change to Deliverables	Change to Milestones	Implications (cost, effort, time, etc)

Change Approval	Tata America International Corporation Signature Name and Title Date	City of Chandler Signature Name and Title Date
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