

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: April, 23, 2009
TO: Board of Commissioners
FROM: Bruce A. Warner, Executive Director
SUBJECT: Report Number 09-44
Lawson Software Maintenance Agreement Amendment

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

Adopt Resolution No. 6693

ACTION SUMMARY

This action will authorize the Executive Director to amend the current Software Maintenance contract #205040 with Lawson Software America's, Inc. for an additional amount of \$507,267 for a contract total of \$926,409.

In order to continue to implement our ERP decision per our Project Management Office timeline, we will need to renew our annual maintenance on all current Lawson modules owned and operated by PDC.

Existing annual maintenance on PDC's current products totals \$129,189. We have recently purchased five new modules to be implemented in ERP Phase II during fiscal year 2009-10 which increases our annual maintenance to \$169,089.

PUBLIC BENEFIT

Continuing the software maintenance adds a higher level of data integrity and more effective stewardship of public dollars.

This action will support the following PDC goals:

- Sustainability and Social Equity
- Healthy Neighborhoods
- A Vibrant Central City
- Strong Economic Growth and Competitive Region
- Effective Stewardship over our Resources and Operations, and Employee Investment

PUBLIC PARTICIPATION AND FEEDBACK

Feedback was provided through the budgeting process.

COMPLIANCE WITH ADOPTED PLANS AND POLICIES

This amendment supports the following Key Outcome in the PDC Strategic Plan:

Our business policies, processes, and systems infrastructure ensure efficient and effective service delivery and decision making

FINANCIAL IMPACT

The Lawson software maintenance budget has been approved for this fiscal year and is included in the requested budget for FY 2009-10. Future budgets will contain requests to continue the software maintenance agreement. The software maintenance costs will be frozen for a three year period with this agreement. The software maintenance agreement requires annual budget approval for any ongoing maintenance.

RISK ASSESSMENT

Maintenance coverage provides PDC with access to product upgrades, software updates and corrections, access to support engineers, *How-to* assistance, remote diagnosis, priority case queuing and 24/7 telephone critical case support. Failure to renew the Lawson maintenance agreement would increase PDC's risk of inadequate support needed for business-critical processes.

WORK LOAD IMPACT

There will be no initial impact to staff workload. However, there would be significant staff impact without the software maintenance.

ALTERNATIVE ACTIONS

There are no cost-effective alternatives to renewing this maintenance on an annual basis. If PDC were to not maintain its Lawson system we would be subject to the loss of data integrity and an interruption to business operations in the areas of Finance, Procurement, Payroll and Human Resources.

CONCURRENCE

The updated software maintenance contract was discussed and approved by the Project Management Office Steering Committee.

BACKGROUND

The Commission approved the purchase and installation of the Lawson Software Suites in 1999. In July 2000, PDC implemented Lawson software components for General Ledger, Accounts Payable, Cash Ledger, Projects & Activities, Procurement, Payroll and Human Resources, enterprise-wide. As part of this Software and License agreement, post implementation support was included in the License contract #200252 for an initial 3 years. This was amended for an additional 2 years in 2003. In 2005, the Software Support Agreement was transferred to a separate contract #205040 which has subsequently been amended each year to accommodate the annual maintenance renewal fees. PDC has purchased the Lawson Business Intelligence, Process Flow Integrator, Budgeting and Planning, Time Management and Billing/Revenue modules this fiscal year through a separate Lawson agreement.

ATTACHMENTS:

- A. Lawson Software Maintenance Price Details

SKU	PRODUCT DESCRIPTION	DM	SUPPORT CATEGORY	SITE	USERS	BEGIN DATE	END DATE	AMOUNT
DMS	DISTRIBUTION MGMT SYSTEM GROUP	S	A	1		6/1/2009	5/31/2010	11,076.06
FPS	FINANCIALS PROCESS SUITE	S	A	1		6/1/2009	5/31/2010	37,184.03
HPS	HUMAN RESOURCE PROCESS SUITE	S	A	1		6/1/2009	5/31/2010	39,689.46
LSF	LAWSON SYSTEM FOUNDATION	E	A	1	4	6/1/2009	5/31/2010	10,400.00
MNC	NET EXPRESS	S	A	1	1	6/1/2009	5/31/2010	744.75
MNC	NET EXPRESS	S	A	92	1	6/1/2009	5/31/2010	744.75
MXN	NET EXPRESS	S	A	1	30	6/1/2009	5/31/2010	785.01
MXN	NET EXPRESS	S	A	92	10	6/1/2009	5/31/2010	261.67
MXN	NET EXPRESS	S	A	1	10	6/1/2009	5/31/2010	245.70
MOA	MICROSOFT OFFICE ADD INS	S	B	1	999	6/1/2009	5/31/2010	5,862.68
PFP	PROCESSFLOW PROFESSIONAL	S	B	1	12	6/1/2009	5/31/2010	16,907.95
RQ	REQUISITIONS	S	A	1	10	6/1/2009	5/31/2010	2,835.00
SHR	EMPLOYEE & MANAGER SERVICE CNT	S	A	1	100	6/1/2009	5/31/2010	2,452.07
TIME	TIME MANAGEMENT	S			500	6/1/2009	5/31/2010	6,000.00
MRB	BILLING/REV	S			10	6/1/2009	5/31/2010	8,400.00
LBINF	LAWSON BUSINESS INTELLIGENCE	S			10	6/1/2009	5/31/2010	6,000.00
LBP	LAWSON BUDGETING & PLANNING	S				6/1/2009	5/31/2010	6,000.00
PFI	PROCESS FLOW INTEGRATOR	S				6/1/2009	5/31/2010	13,500.00

Total*	\$169,089.13
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