

STAFF REPORT FOR CALENDAR ITEM NO.: 7.2
FOR THE MEETING OF: April 11, 2013

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Authorize the Executive Director to execute a renewal agreement for software maintenance for the LOGOS financial system from New World Systems (“New World”), with a term of five years for an amount of \$110,062.

EXPLANATION:

In February 2008, the TJPA Board approved an agreement in the amount of \$294,515 for implementation, a perpetual license and a five year software maintenance term for LOGOS, a governmental accounting software product from New World that was subsequently configured to provide a full range of financial system functionality for the TJPA. LOGOS replaced the TJPA’s former in-house Excel-based accounting system. TJPA went “live” on LOGOS as of July 1, 2008.

New World issues software updates no less than twice annually, and provides customer support via both telephone and email to resolve system issues as they arise. These updates and support are necessary to ensure the continued functionality of the financial system and TJPA’s ability to process transactions in a timely manner and produce accurate financial reports. The annual maintenance costs are shown below:

| Period Covered | Cost |
|---|------------------|
| June 1 – June 30, 2013 (rounds out fiscal year) | \$1,512 |
| July 1, 2013 – June 30, 2014 | \$18,140 |
| July 1, 2014 – June 30, 2015 | \$19,770 |
| July 1, 2015 – June 30, 2016 | \$21,550 |
| July 1, 2016 – June 30, 2017 | \$23,490 |
| July 1, 2017 – June 30, 2018 | \$25,600 |
| TOTAL | \$110,062 |

TJPA staff believes these costs are fair, reasonable, and necessary, and is satisfied with the current software. To solicit and attempt to implement a different financial system would be disruptive to the finance function and costly; a new system could not be procured for less than the proposed maintenance renewal amount and would have its own ongoing maintenance costs in any case.

RECOMMENDATION:

Staff recommends that the Board of Directors authorize the Executive Director to a renewal agreement for software maintenance for the LOGOS financial system from New World Systems (“New World”), with a term of five years for an amount of \$110,062.

ENCLOSURES:

1. Resolution
2. Agreement

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, In Fall 2007, the Transbay Joint Powers Authority (TJPA) conducted a procurement for an integrated financial system; and

WHEREAS, A Selection Committee found the proposal submitted by New World Systems to be responsive to the Request for Proposals and staff negotiated a contract for the acquisition of LOGOS, New World Systems' governmental accounting financial software product; and

WHEREAS, On February 21, 2008, the TJPA Board authorized the Executive Director to enter into an agreement with New World Systems for purchase and implementation of the LOGOS software with a perpetual license and a software maintenance term of five years, and a total amount not to exceed \$294,515; and

WHEREAS, The current maintenance term expires May 31, 2013; and

WHEREAS, TJPA staff is satisfied with the functionality of the LOGOS system and the ongoing support provided by New World Systems; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes the Executive Director to execute a renewal agreement for continued software maintenance for the LOGOS system with a term of five years for an amount of \$110,062.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of April 11, 2013.

Secretary, Transbay Joint Powers Authority

NEW WORLD SYSTEMS CORPORATION
STANDARD SOFTWARE MAINTENANCE AGREEMENT

This Standard Software Maintenance Agreement (SSMA) between **New World** Systems Corporation (New World) and **Transbay Joint Powers Authority, CA** (TJPA) (**Customer**) sets forth the standard software maintenance support services provided by **New World**.

1. Service Period

This SSMA shall remain in effect for a period of five (5) years and one (1) month from (start date) 6/1/13 to (end date) 6/30/18.

2. Services Include

The following services or features are available under this SSMA:

- (a) Upgrades, including new releases, to the Licensed Standard Software (prior releases of Licensed Standard Software application packages are supported no longer than nine (9) months after a new release is announced by **New World**).
- (b) Temporary fixes to Licensed Standard Software (see paragraph 6 below). Software fixes will be delivered electronically.
- (c) Revisions to Licensed Documentation. Documentation will be delivered electronically.
- (d) Reasonable telephone support for Licensed Standard Software on Monday through Friday from 8:00 a.m. to 8:00 p.m. (Eastern Time Zone).
- (e) Invitation to and participation in user group meetings.

Items a, b, and c above will be provided to **Customer** by electronic means.

Additional support services are available as requested by **Customer** using the then-current hourly rates or applicable fees.

3. Maintenance for Modified Licensed Standard Software and Custom Software

Customer is advised that if it requests or makes changes or modifications to the Licensed Standard Software, these changes or modifications (no matter who makes them) make the modified Licensed Standard Software more difficult to maintain. If **New World agrees to provide maintenance support for Custom Software or Licensed Standard Software modified at **Customer's** request, then the additional **New World** maintenance or support services provided shall be billed at the then-current hourly fees plus reasonable expenses.**

4. Billing

Maintenance costs will be billed annually as detailed on the following page. If taxes are imposed, they are the responsibility of the **Customer** and will be remitted to **New World** upon being invoiced.

5. Additions of Software to Maintenance Agreement

Additional Licensed Standard Software licensed from **New World** will be added to the SSMA per the terms of the contract adding the software. Maintenance costs for the additional software will be billed to **Customer** on a pro rata basis for the remainder of the current maintenance year and on a full year basis thereafter.

6. Requests for Software Correction on Licensed Standard Software

At any time during the SSMA period, if **Customer** believes that the Licensed Standard Software does not conform to the current specifications set forth in the user manuals, **Customer** must notify **New World** in writing that there is a claimed defect and specify which feature and/or report **Customer** believes to be defective. Before any notice is sent to **New World**, it must be reviewed and approved by the **Customer Liaison**. Documented examples of the claimed defect must accompany each notice. **New World** will review the documented notice and when a feature or report does not conform to the published specifications, **New World** will provide software correction service at no charge. A non-warranty request is handled as a billable Request for Service (RFS).

The no charge software correction service does not apply to any of the following:

- (a) situations where the Licensed Standard Software has been changed by anyone other than **New World** personnel;
- (b) situations where **Customer's** use or operations error causes incorrect information or reports to be generated; and;
- (c) requests that go beyond the scope of the specifications set forth in the current User Manuals.

7. Maintenance Costs for Licensed Standard Software Packages Covered for .NET Server

New World agrees to provide software maintenance at the costs listed below for the following **New World** Standard Software packages licensed by the **Customer**:

| <u>Application Package</u> | <u>Number of Modules</u> |
|---|--------------------------|
| 1. Logos® Financial Management Suite | 10 |
| 2. Logos® Business Analytics | 1 |

**ANNUAL
MAINTENANCE COST: See Below**

| <u>Period Covered</u> | <u>Annual Amount</u> | <u>Billing Date</u> |
|-----------------------|----------------------|---------------------|
| 6/1/2013 to 6/30/2013 | \$1,512 | 5/15/2013 |
| 7/1/2013 to 6/30/2014 | \$18,140 | 6/15/2013 |
| 7/1/2014 to 6/30/2015 | \$19,770 | 6/15/2014 |
| 7/1/2015 to 6/30/2016 | \$21,550 | 6/15/2015 |
| 7/1/2016 to 6/30/2017 | \$23,490 | 6/15/2016 |
| 7/1/2017 to 6/30/2018 | \$25,600 | 6/15/2017 |

Note: Unless extended by **New World**, the above costs are available for 90 days after submission of the costs to **Customer**. After 90 days, **New World** may change the costs.

ALL INVOICES ARE DUE FIFTEEN (15) DAYS FROM BILLING DATE.

8. Terms and Conditions

This Agreement is covered by the Terms and Conditions specified in the Licensing Agreement(s) for the software contained herein.

ACCEPTED BY:

ACCEPTED BY:

Customer: Transbay Joint Powers Authority, CA (TJPA)

New World Systems Corporation

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

By signing above, each of us agrees to the terms and conditions of this Agreement and as incorporated herein. Each individual signing represents that (s)he has the requisite authority to execute this Agreement on behalf of the organization for which (s)he represents and that all the necessary formalities have been met. If the individual is not so authorized then (s)he assumes personal liability for compliance under this Agreement.

Transbay Joint Powers Authority, CA (TJPA)

Licensed Application Software

At February, 2013

1. Logos® Financial Management Suite

- Financial Management Base Suite .NET
- Purchasing Base .NET
- Project Accounting .NET
- Contract Accounting .NET
- Investment Tracking .NET
- Government (GASB) Reporting .NET
- Financial Management Report Writer .NET
- Misc. Billing & Receivables .NET
- Debt Service .NET
- Bank Reconciliation .NET

2. Logos® Business Analytics

- Business Analytics - Financial Mgt .NET