THE CITY OF LAKE ELMO

STAFF REPORT

DATE: March 4, 2025

REGULAR

TO:	**Mayor & Council**
FROM:	**Clarissa Hadler, Finance Director**
	Nina Kraemer, Finance Coordinator
AGENDA ITEM:	**New Financial Software**
REVIEWED BY:	**Nicole Miller, City Administrator**

CORE STRATEGIES:

☐ Vibrant, inclusive, connected community   ☒ Efficient, reliable, innovative services

☐ Responsive, transparent, adaptive governance   ☒ Balanced Finances now and future

☐ Managed Growth   ☐ Resilient Infrastructure

BACKGROUND:

This item was tabled at the Feb. 18 Council meeting so that additional review and negotiation of the contract could take place.

City Attorney Sonsalla reviewed the contract and made some added requests. I also made some additional changes based on Lakeville's contract language. BS&A accepted a number of the revisions, but mostly the "easy" ones.

Of note are the following;

- BS&A did not accept our proposed changes to the annual increases. For context, the difference between a 4% increase and a 5% increase is less than $500. While disappointing, we are confident that the difference in this cost is outweighed by the improvements this software will make on our financial systems.
- They also rejected our indemnification and limitation of liability language, which the Council had inquired about.

I requested that the City's Auditor, Ryan Schmidt, speak to the benefits of integrated software. His response follows;

> "Having fully integrated software platforms is crucial for ensuring accurate accounting and financial reporting. When these systems are properly integrated into a single centralized system, it greatly reduces the likelihood of errors that we often come across in situations where manual data entry is involved. It also allows for more streamlined accounting processes, quicker financial reporting, and ultimately better decision-making by eliminating the need to manually input data across multiple systems. So, in the long run, there are generally both time & cost savings realized as a result of having a fully integrated and functional system in place for your various accounting & business processes."

Last month's memo goes into detail about the areas of the organization that will see increases in processes and efficiency. That, in turn, increases our capacity, which allows us to maintain the same level of finance staff even as the city continues to grow.

RECOMMENDED MOTION
1. Approve the contract to purchase BS&A software and authorize Finance Director to enter into related service contracts for purchase of integration and process development.

ATTACHMENTS
1) Revised Contract
2) Feb. 18 Council memo

BS&A
CUSTOMER ORDER FORM

This Customer Order Form (this "**Order**") is entered into as of the "**Effective Date**" identified below between BS&A Software, LLC, a Delaware limited liability company with offices located at 14965 Abbey Lane, Bath, MI 48808 ("**BS&A**") and the "**Customer**" identified below. Capitalized terms used but not defined in this Order have the meanings given them elsewhere in the Agreement (as defined below). BS&A and Customer may be referred to herein collectively as the "**Parties**" or individually as a "**Party**". The Parties hereby agree as follows:

Customer Name: City of Lake Elmo, Washington County MN	**Sponsor Contact**:
Billing Address:	**Sponsor Phone**:
Accounts Payable Email:	**Sponsor Email**:

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Platform and Fee Information

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Effective Date:	
Platform Description: Those modules and feature packs of BS&A's proprietary hosted enterprise resource planning service for managing local government functions that are identified in the Pricing Sheet. "**Usage Limitations**": ☐ *Number of Authorized Users*: ☐ *Other*:	
"**Initial Subscription Period**": [One (1) year]	**Subscription Fees**: $44,855 payable [annually].
Professional Services (if any): $105,920	**Service Fees (if any)**:
Other Customer Terms:	

The Customer Agreement (the "**Agreement**"), made and entered into as of the Effective Date between BS&A and Customer, includes and incorporates: (i) the above Order; (ii) any Orders previously or subsequently entered into by the Parties; and (iii) the Customer Terms and Conditions, which are attached to this Order (the "**Terms and Conditions**"); (iv) the Pricing Sheet attached to this Order (the "**Pricing Sheet**"); and (v) any Statements of Work (each an "**SOW**") entered into by the parties, a form of which is attached to this Order .

BS&A SOFTWARE, LLC	**CITY OF LAKE ELMO, WASHINGTON COUNTY, MN**
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT A

CUSTOMER TERMS AND CONDITIONS

The Parties agree as follows:

1.   Definitions.

        1.1   "**Authorized User**" means Customer's employees, consultants, contractors, and agents: (i) who are authorized by Customer to access and use the Platform under this Agreement; and (ii) for whom access to the Platform has been purchased hereunder.

        1.2   "**BS&A IP**" means the Platform and any and all intellectual property provided to Customer or any Authorized User in connection with the foregoing. For the avoidance of doubt, BS&A IP includes Usage Data and any information, data, or other content derived from BS&A's provision of the Platform but does not include Customer Data.

        1.3   "**Business Contact Data**" means Personal Information that relates to BS&A's relationship with Customer, including, by way of example and without limitation, the names and contact information of Authorized Users and any other data BS&A collects for the purpose of managing its relationship with Customer, identity verification, or as otherwise required by applicable laws, rules, or regulations.

        1.4   "**Customer Data**" means information, data, and other content, in any form or medium, that is submitted, posted, or otherwise transmitted by or on behalf of Customer or an Authorized User through the Platform, including Business Contact Data; provided that, for purposes of clarity, Customer Data as defined herein does <u>not</u> include Business Contact Data or Usage Data.

        1.5   "**Documentation**" means Company's end user documentation relating to the Platform, including any user guides.

        1.6   "**Harmful Code**" means any software, hardware, or other technology, device, or means, including any virus, worm, malware, or other malicious computer code, the purpose or effect of which is to permit unauthorized access to, or to destroy, disrupt, disable, distort, or otherwise harm or impede in any manner any (i) computer, software, firmware, hardware, system, or network; or (ii) any application or function of any of the foregoing or the security, integrity, confidentiality, or use of any data processed thereby.

        1.7   "**Order**" means: (i) a purchase order, order form, or other ordering document entered into by the Parties that incorporates this Agreement by reference; or (ii) if Customer registered for the Platform through BS&A's online ordering process, the results of such online ordering process.

        1.8   "**Personal Information**" means any information that, individually or in combination, does or can identify a specific individual or by or from which a specific individual may be identified, contacted, or located, including without limitation all data considered "personal data", "personally identifiable information", or something similar under applicable laws, rules, or regulations relating to data privacy.

        1.9   "**Platform**" 'has the meaning set forth on the Order.

        1.10   "**Professional Services**" means training, migration, implementation, integration, or other professional services that are memorialized in writing in a Statement of Work and provided to Customer in connection with its use of the Platform hereunder.

        1.11   "**Statement of Work**" or "**SOW**" means a written statement of work for Professional Services executed by both Parties that incorporates this Agreement by reference.

        1.12   "**Subscription Period**" means the time period identified on the Order during which Customer's Authorized Users may access and use the Platform.

        1.13   "**Third-Party Products**" means any third-party products provided with, integrated with, or incorporated into the Platform.

        1.14   "**Usage Data**" means usage data collected and processed by BS&A in connection with Customer's use of the Platform, including without limitation test configuration metadata, activity logs, and data used to optimize and maintain performance of the Platform, and to investigate and prevent system abuse. For purposes of clarity, Customer Data is not Usage Data and Usage Data does not contain Personal Information or any other Customer Data.

1.15 "**Usage Limitations**" means the usage limitations set forth in this Agreement and the Order, including without limitation any limitations on the number of Authorized Users (if any), and the applicable product, pricing, and support tiers agreed-upon by the Parties.

2. <u>Access and Use</u>.

2.1 <u>Provision of Access</u>. Subject to and conditioned on Customer's compliance with the terms and conditions of this Agreement, including without limitation the Usage Limitations, Customer may, solely through its Authorized Users, access and use the Platform during the Subscription Period on a non-exclusive, non-transferable (except in compliance with <u>Section 15.9</u>), and non-sublicensable basis. Such use is limited to Customer's internal business purposes and the features and functionalities specified in the Order. Each Authorized User must have its own unique account on the Platform and Authorized Users may not share their account credentials with one another or any third party. Customer will be responsible for all of the acts and omissions of its Authorized Users in connection with this Agreement and for all use of Authorized Users' accounts.

2.2 <u>Documentation License</u>. Subject to and conditioned on Customer's compliance with the terms and conditions of this Agreement, Company hereby grants to Customer a non-exclusive, non-transferable (except in compliance with <u>Section 15.9</u>), and non-sublicensable license to use the Documentation during the Subscription Period solely for Customer's internal business purposes in connection with its use of the Platform.

2.3 <u>Use Restrictions</u>. Customer shall not use the Platform for any purposes beyond the scope of the access granted in this Agreement. Customer shall not at any time, directly or indirectly, and shall not permit any Authorized Users to: (i) copy, modify, or create derivative works of any BS&A IP, whether in whole or in part; (ii) rent, lease, lend, sell, license, sublicense, assign, distribute, publish, transfer, or otherwise make available the Platform or Documentation to any third party; (iii) reverse engineer, disassemble, decompile, decode, adapt, or otherwise attempt to derive or gain access to any software component of the Platform, in whole or in part; (iv) remove any proprietary notices from any BS&A IP; (v) use any BS&A IP in any manner or for any purpose that infringes, misappropriates, or otherwise violates any intellectual property right or other right of any person, or that violates any applicable law; (vi) access or use any BS&A IP for purposes of competitive analysis of BS&A or the Platform, the development, provision, or use of a competing software service or product, or any other purpose that is to BS&A's detriment or commercial disadvantage; (vii) bypass or breach any security device or protection used by the Platform or access or use the Platform other than by an Authorized User through the use of valid access credentials; (viii) input, upload, transmit, or otherwise provide to or through the Platform any information or materials, including Customer Data, that are unlawful or injurious or that infringe or otherwise violate any third party's intellectual property or other rights, or that contain, transmit, or activate any Harmful Code; or (ix) use any BS&A IP for any activity where use or failure of the BS&A IP could lead to death, personal injury, or environmental damage, including life support systems, emergency services, nuclear facilities, autonomous vehicles, or air traffic control.

2.4 <u>Reservation of Rights</u>. BS&A reserves all rights not expressly granted to Customer in this Agreement. Except for the limited rights and licenses expressly granted under this Agreement, nothing in this Agreement grants, by implication, waiver, estoppel, or otherwise, to Customer or any third party any intellectual property rights or other right, title, or interest in or to the BS&A IP.

2.5 <u>Suspension</u>. Notwithstanding anything to the contrary in this Agreement, BS&A may temporarily suspend Customer's and any Authorized User's access to any portion or all of the Platform if: (i) BS&A reasonably determines that (a) there is a threat or attack on any of the BS&A IP; (b) Customer's or any Authorized User's use of the BS&A IP disrupts or poses a security risk to the BS&A IP or to any other customer or vendor of BS&A; (c) Customer, or any Authorized User, is using the BS&A IP for fraudulent or illegal activities; (d) subject to applicable law, Customer has ceased to continue its business in the ordinary course, made an assignment for the benefit of creditors or similar disposition of its assets, or become the subject of any bankruptcy, reorganization, liquidation, dissolution, or similar proceeding; (e) BS&A's provision of the Platform to Customer or any Authorized User is prohibited by applicable law; or (f) any Customer Data submitted, posted, or otherwise transmitted by or on behalf of Customer or an Authorized User through the Platform may infringe or otherwise violate any third party's intellectual property or other rights; (ii) any vendor of BS&A has suspended or terminated BS&A's access to or use of any Third-Party Products required to enable Customer to access the Platform; or (iii) in accordance with <u>Section 7.1</u> (any such suspension described in subclauses (i), (ii), or (iii), a "**Service Suspension**"). BS&A shall use commercially reasonable efforts to provide written notice of any Service Suspension to Customer and to provide updates regarding resumption of access to the Platform following any Service Suspension. BS&A shall use commercially reasonable efforts to resume providing access to the Platform as soon as reasonably possible after the event giving rise to the Service Suspension is cured. BS&A will have no liability for any damage, liabilities, losses (including any

loss of data or profits), or any other consequences that Customer or any Authorized User may incur as a result of a Service Suspension.

2.6   Business Contact Data and Usage Data. Notwithstanding anything to the contrary in this Agreement, BS&A may process Business Contact Data: (i) to manage BS&A's relationship with Customer; (ii) to carry out BS&A's core business operations, such as, by way of example and without limitation, accounting, audits, tax preparation and for filing and compliance purposes; (iii) to monitor, investigate, prevent and detect fraud, security incidents and other misuse of the Platform, and to prevent harm to BS&A, Customer, and BS&A's other customers; (iv) for identity verification purposes; and (v) to comply with applicable laws, rules, and regulations relating to the processing and retention of Personal Information to which BS&A may be subject. BS&A may process Usage Data for any lawful purpose, including to monitor, maintain, and optimize the Platform. '

3.   Customer Responsibilities.

3.1   General. Customer is responsible and liable for all uses of the Platform and Documentation resulting from access provided by Customer, directly or indirectly, whether such access or use is permitted by or in violation of this Agreement. Without limiting the generality of the foregoing, Customer is responsible for all acts and omissions of Authorized Users, and any act or omission by an Authorized User that would constitute a breach of this Agreement if taken by Customer will be deemed a breach of this Agreement by Customer. Customer shall use reasonable efforts to make all Authorized Users aware of this Agreement's provisions as applicable to such Authorized User's use of the Platform and shall cause Authorized Users to comply with such provisions.

3.2   Third-Party Products. BS&A may from time to time make Third-Party Products available to Customer or BS&A may allow for certain Third-Party Products to be integrated with the Platform to allow for the transmission of Customer Data from such Third-Party Products into the Platform. For purposes of this Agreement, such Third-Party Products are subject to their own terms and conditions. BS&A is not responsible for the operation of any Third-Party Products and makes no representations or warranties of any kind with respect to Third-Party Products or their respective providers. If Customer does not agree to abide by the applicable terms for any such Third-Party Products, then Customer should not install or use such Third-Party Products. By authorizing BS&A to transmit Customer Data from Third-Party Products into the Platform, Customer represents and warrants to BS&A that it has all right, power, and authority to provide such authorization.

3.3   Customer Control and Responsibility. Customer has and will retain sole responsibility for: (i) all Customer Data, including its content and use; (ii) all information, instructions, and materials provided by or on behalf of Customer or any Authorized User in connection with the Platform; (iii) Customer's information technology infrastructure, including computers, software, databases, electronic systems (including database management systems), and networks, whether operated directly by Customer or through the use of third-party platforms or service providers ("**Customer Systems**"); (iv) the security and use of Customer's and its Authorized Users' access credentials; and (v) all access to and use of the Platform directly or indirectly by or through the Customer Systems or its or its Authorized Users' access credentials, with or without Customer's knowledge or consent, including all results obtained from, and all conclusions, decisions, and actions based on, such access or use. For purposes of clarity, Customer Systems do not include BS&A's information technology infrastructure, including computers, software, databases, electronic systems (including database management systems, and networks operated directly by BS&A and its third-party service providers.

4.   Support. Subject to and conditioned on Customer's compliance with the terms and conditions of this Agreement, including payment of applicable Fees, BS&A will use commercially reasonable efforts to provide Customer with basic customer support via BS&A's standard support channels during BS&A's normal business hours.

5.   Professional Services. BS&A will perform Professional Services as described in an Order or Statement of Work. Customer will provide BS&A all reasonable cooperation required for BS&A to perform the Professional Services, including without limitation timely access to any reasonably required Customer materials, information, or personnel. Subject to any limitations identified in an Order or Statement of Work, Customer will reimburse BS&A's reasonable travel and lodging expenses incurred in providing Professional Services. To the extent the Professional Services result in any work product of any kind or character ("**Work Product**"), all such Work Product will remain owned solely and exclusively by BS&A and, to the extent any such Work Product consists of enhancements, improvements, or other modifications to the Platform, such Work Product may be used by Customer solely in connection with Customer's authorized use of the Platform under this Agreement.

6.   Insurance. During the Subscription Period, BS&A shall procure and maintain appropriate insurance policies with

coverage limits that are commensurate with industry standards and sufficient to protect against potential risks associated with this Agreement. The insurance policies shall be obtained from reputable and financially sound insurance providers, and BS&A agrees to provide proof of such insurance upon request by Customer. Insurance coverage shall be no less than (i) Professional Liability Insurance in the minimum amount of $2,000,000 per claim/$42,000,000 annual aggregate; (ii) Commercial General Liability Insurance in the minimum amount of $2,000,000 per claim; and (iii) Cyber Liability Insurance in the minimum amount of $2,000,000 per claim/$42,000,000 annual aggregate. Such Cyber Liability Insurance policy shall include, but not be limited to, coverage for costs related to data breach response, and for third-party claims arising from loss of data, privacy breaches, regulatory fines, and other damages resulting from unauthorized access, cyber-attacks, malware, ransomware, or similar incidents attributable to BS&A's negligence.

7. Fees and Taxes.

7.1   Fees. The Platform may be provided for a fee or other charge. Customer shall pay BS&A the fees ("**Fees**") identified in the Order without offset or deduction at the cadence identified in the Order (e.g., monthly or annually). BS&A may increase the Fees annually, provided that BS&A will provide Customer at least thirty (30) days' notice of such increase prior to the end of the then-current Term. The amount of the Fee increase will be in BS&A's sole discretion, provided that Customer agrees that the increase may be at least the greater of: (i) five percent (5%); or (ii) the annual increase in the relevant Consumer Price Index for all Urban Consumers published by the Bureau of Labor Statistics for the then-current calendar year, in each case as compared to the Fees applicable during then-current Term, as applicable. Fees paid by Customer are non-refundable. Customer shall make all payments hereunder in US dollars by ACH or via another reasonable method chosen by BS&A, to such account as BS&A may specify in writing from time to time, or by another mutually agreed-upon payment method. If Customer pays via invoice, Customer will pay the invoiced amount within thirty (30) calendar days of the invoice date. If Customer fails to make any payment when due, and Customer has not notified BS&A in writing within twenty (20) days after the payment becoming due and payable that the payment is subject to a good faith dispute, without limiting BS&A's other rights and remedies, and to the fullest extent permissible under applicable law: (i) BS&A may charge interest on the undisputed past due amount at the rate of 1.5% per month, calculated daily and compounded monthly or, if lower, the highest rate permitted under applicable law; (ii) Customer shall reimburse BS&A for all reasonable costs incurred by BS&A in collecting any late payments or interest, including attorneys' fees, court costs, and collection agency fees; and (iii) if such failure continues for ten (10) days or more, BS&A may suspend Customer's and its Authorized Users' access to all or any part of the Platform until such amounts are paid in full.

7.2   Taxes. All Fees and other amounts payable by Customer under this Agreement are exclusive of taxes and similar assessments. Customer is responsible for all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, or local governmental or regulatory authority on any amounts payable by Customer hereunder, other than any taxes imposed on BS&A's income.

8. Confidential Information.

8.1   Definition. From time to time during the Subscription Period, either Party may disclose or make available to the other Party information about its business affairs, products, confidential intellectual property, trade secrets, third-party confidential information, and other sensitive or proprietary information, whether orally or in written, electronic, or other form or media that: (i) is marked, designated or otherwise identified as "confidential" or something similar at the time of disclosure or within a reasonable period of time thereafter; or (ii) would be considered confidential by a reasonable person given the nature of the information or the circumstances of its disclosure (collectively, "**Confidential Information**"). Except for Personal Information, Confidential Information does not include information that, at the time of disclosure is: (a) in the public domain; (b) known to the receiving Party at the time of disclosure; (c) rightfully obtained by the receiving Party on a non-confidential basis from a third party; (d) independently developed by the receiving Party without use of, reference to, or reliance upon the disclosing Party's Confidential Information; or (e) data that is public under Minnesota Statutes Chapter 13 (the Minnesota Government Data Practices Act), or other applicable law.

8.2   Duty. The receiving Party shall not disclose the disclosing Party's Confidential Information to any person or entity, except to the receiving Party's employees, contractors, and agents who have a need to know the Confidential Information for the receiving Party to exercise its rights or perform its obligations hereunder ("**Representatives**"). The receiving Party will be responsible for all the acts and omissions of its Representatives as they relate to Confidential Information hereunder. Notwithstanding the foregoing, each Party may disclose Confidential Information to the limited extent required (i) in order to comply with the order of a court or other governmental body, or as otherwise necessary to comply with applicable law, provided that the Party making the disclosure pursuant to the order shall first have given written notice to the other Party and made a reasonable effort to obtain a protective order; or (ii) to establish a Party's

> **Commented [CS1]:** I would add a part (e) for "data that is public under the Minnesota Government Data Practices Act, or other law."

rights under this Agreement, including to make required court filings. Further, notwithstanding the foregoing, each Party may disclose the terms and existence of this Agreement to its actual or potential investors, debtholders, acquirers, or merger partners under customary confidentiality terms.

8.3   Return of Materials; Effects of Termination/Expiration. On the expiration or termination of the Agreement, the receiving Party shall promptly return to the disclosing Party all copies, whether in written, electronic, or other form or media, of the disclosing Party's Confidential Information, or destroy all such copies and certify in writing to the disclosing Party that such Confidential Information has been destroyed. Each Party's obligations of non-use and non-disclosure with regard to Confidential Information are effective as of the Effective Date and will expire three (3) years from the date of termination or expiration of this Agreement; provided, however, with respect to any Confidential Information that constitutes a trade secret (as determined under applicable law), such obligations of non-disclosure will survive the termination or expiration of this Agreement for as long as such Confidential Information remains subject to trade secret protection under applicable law.

9.   Data Security and Processing of Personal Information.

9.1   Customer Data. Customer hereby grants to BS&A a non-exclusive, royalty-free, worldwide license to reproduce, distribute, and otherwise use and display the Customer Data and perform all acts with respect to the Customer Data as may be necessary for BS&A to provide the Platform and otherwise perform its obligations hereunder. Customer may export the Customer Data at any time through the features and functionalities made available via the Platform. For the avoidance of doubt, aggregated, de-identified, and anonymized portions, sets, or other combinations of Customer Data that do not contain personally identifying elements of Customer's identity or of any Authorized Users are Usage Data and not Customer Data.

9.2   Security Measures. BS&A will implement and maintain commercially reasonable administrative, physical, and technical safeguards designed to protect Customer Data (including Personal Information provided as part of Business Contact Data) from unauthorized access, use, alteration, or disclosure.

9.3   Processing of Personal Information. BS&A's rights and obligations with respect to Personal Information that it collects directly from individuals (if any) are set forth in BS&A's Privacy Policy (as amended from time to time in accordance with its terms). Personal Information processed by BS&A on behalf of Customer is considered Customer Data and is governed by the terms of this Agreement.

10.   Intellectual Property Ownership; Feedback.

10.1   BS&A IP. Customer acknowledges that, as between Customer and BS&A, BS&A owns all right, title, and interest, including all intellectual property rights, in and to the BS&A IP and, with respect to Third-Party Products, the applicable third-party providers own all right, title, and interest, including all intellectual property rights, in and to the Third-Party Products.

10.2   Usage Data. Customer acknowledges that, as between BS&A and Customer, BS&A owns all right, title, and interest, including all intellectual property rights, in and to the Usage Data.

10.3   Customer Data Ownership and Data Transition. BS&A acknowledges that, as between BS&A and Customer, Customer owns all right, title, and interest, including all intellectual property rights, in and to the Customer Data, including all Business Contact Data. In the event the Agreement is terminated for any reason, or upon expiration, and in addition to all other rights to property set forth, BS&A shall;

a) incur no further financial obligations for materials, services, or facilities under the agreement without prior written approval of the Customer;

b) terminate all purchase orders or procurements and any subcontractors and cease all work, except as customer may direct, for orderly completion and transition; and

c) make available to the Customer, at no cost, all Customer data stored within the system, stored on BS&A's servers, or within the BS&A's customer, within fifteen (15) days of termination or Customer request.

In the event the Agreement is terminated for any reason, or upon expiration, and in addition to all other rights to property set forth, the Customer shall retain ownership of all data, ~~work products,~~ and documentation, created pursuant to the resulting Agreement.

10.4   Feedback. If Customer or any of its employees or contractors sends or transmits any communications or materials to BS&A by mail, email, telephone, or otherwise, suggesting or recommending changes to the BS&A IP, including without limitation, new features or functionality relating thereto, or any comments, questions, suggestions, or the like ("**Feedback**"), BS&A is free to use such Feedback irrespective of any other obligation or limitation between the Parties governing such Feedback.

11.   Mutual Warranties; Disclaimer of Other Warranties.

11.1   Mutual Warranties. Each party hereby represents and warrants to the other that: (i) it has the full right, power, and authority to enter into, execute, and perform its obligations under this Agreement without any conflict with or violation of any other obligations to which it may be subject; and (ii) this Agreement is binding on such party in accordance with its terms.

11.2   Disclaimer of Other Warranties. THE BS&A IP IS PROVIDED "AS IS" AND BS&A HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE. BS&A SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE, OR TRADE PRACTICE. BS&A MAKES NO WARRANTY OF ANY KIND THAT THE BS&A IP, OR ANY PRODUCTS OR RESULTS OF THE USE THEREOF, WILL MEET CUSTOMER'S OR ANY OTHER PERSON'S REQUIREMENTS, OPERATE WITHOUT INTERRUPTION, ACHIEVE ANY INTENDED RESULT, BE COMPATIBLE OR WORK WITH ANY SOFTWARE, SYSTEM OR OTHER PLATFORM, OR BE SECURE, ACCURATE, COMPLETE, FREE OF HARMFUL CODE, OR ERROR FREE.

12.   Indemnification.

12.1   BS&A Indemnification.

(a)   BS&A shall indemnify, defend, and hold harmless Customer from and against any and all losses, damages, liabilities, costs (including reasonable attorneys' fees) ("**Losses**") incurred by Customer resulting from any third-party claim, suit, action, or proceeding ("**Third-Party Claim**") brought against Customer alleging that the Platform, or any use of the Platform in accordance with this Agreement, infringes or misappropriates such third party's US intellectual property rights; provided that Customer promptly notifies BS&A in writing of the claim, cooperates with BS&A, and allows BS&A sole authority to control the defense and settlement of such claim.

(b)   If such a claim is made or appears possible, Customer agrees to permit BS&A, at BS&A's sole discretion: to (i) modify or replace the Platform, or component or part thereof, to make it non-infringing; or (ii) obtain the right for Customer to continue use. If BS&A determines that neither alternative is reasonably commercially available, BS&A may terminate this Agreement, in its entirety or with respect to the affected component or part, effective immediately on written notice to Customer, and as Customer's sole and exclusive remedy therefor, BS&A will provide to Customer a prorated refund of prepaid, unused Fees attributable to the Platform (and not including any one-time Fees for Professional Services).

(c)   This Section 12.1 will not apply to the extent that the alleged infringement arises from: (i) use of the Platform in combination with data, software, hardware, equipment, or technology not provided by BS&A or authorized by BS&A in writing; (ii) modifications to the Platform not made by BS&A; (iii) Customer Data; or (iv) Third-Party Products.

12.2   Customer Indemnification. To the extent permitted under applicable laws, Customer shall indemnify, hold harmless, and, at BS&A's option, defend BS&A from and against any Losses resulting from any Third-Party Claim alleging that the Customer Data, or any use of the Customer Data in accordance with this Agreement, infringes or misappropriates such third party's intellectual property or other rights and any Third-Party Claims based on Customer's or any Authorized User's (i) negligence or willful misconduct; (ii) use of the Platform in a manner not authorized by this Agreement; or (iii) use of the Platform in combination with data, software, hardware, equipment or technology not provided by BS&A or authorized by BS&A in writing; in each case provided that Customer may not settle any Third-Party Claim against BS&A unless BS&A consents to such settlement, and further provided that BS&A will have the right, at its option, to defend itself against any such Third-Party Claim or to participate in the defense thereof by counsel of its own choice.

12.3   Sole Remedy. THIS SECTION 12.~~3~~1 SETS FORTH CUSTOMER'S SOLE REMEDIES AND BS&A'S SOLE LIABILITY AND OBLIGATION FOR ANY ACTUAL, THREATENED, OR ALLEGED CLAIMS THAT THE PLATFORM INFRINGE, MISAPPROPRIATE, OR OTHERWISE VIOLATE ANY INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY.

13.   Limitations of Liability. IN NO EVENT WILL EITHER PARTY BE LIABLE UNDER OR IN CONNECTION WITH THIS AGREEMENT UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE, FOR ANY: (i) CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, ENHANCED, OR PUNITIVE DAMAGES; (ii) INCREASED COSTS, DIMINUTION IN VALUE OR LOST BUSINESS, PRODUCTION, REVENUES, OR PROFITS; (iii) LOSS OF GOODWILL OR REPUTATION; (iv) USE, INABILITY TO USE, LOSS, INTERRUPTION, DELAY OR RECOVERY OF ANY DATA, OR BREACH OF DATA OR SYSTEM SECURITY; OR (v) COST OF REPLACEMENT GOODS OR SERVICES, IN EACH CASE REGARDLESS OF WHETHER BS&A WAS ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES OR SUCH LOSSES OR DAMAGES WERE OTHERWISE FORESEEABLE. IN NO EVENT WILL 'EITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE EXCEED THE TOTAL AMOUNTS PAID AND/OR PAYABLE TO BS&A UNDER THIS AGREEMENT IN THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE CLAIM. THE FOREGOING LIMITATIONS OF LIABILITY WILL NOT APPLY WITH RESPECT TO LIABILITIES ARISING FROM: (A) A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS UNDER SECTION 8; (B) A PARTY'S GROSS NEGLIGENCE, FRAUD, OR WILLFUL MISCONDUCT; OR (C) A PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 12 (PROVIDED THAT BS&A'S TOTAL AGGREGATE LIABILITY IN CONNECTION WITH SUCH INDEMNIFICATION OBLIGATIONS WILL NOT EXCEED THREE TIMES (3X) THE TOTAL AMOUNTS PAID AND/OR PAYABLE TO BS&A UNDER THIS AGREEMENT IN THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE CLAIM).

14.   Subscription Period and Termination.

14.1   Subscription Period. The initial term of this Agreement begins on the Effective Date and, unless terminated earlier pursuant to this Agreement's express provisions, will continue in effect for the period identified in the Order (the "**Initial Subscription Period**"). This Agreement will automatically renew for additional successive terms equal to the length of the Initial Subscription Period unless earlier terminated pursuant to this Agreement's express provisions or either Party gives the other Party written notice of non-renewal at least thirty (30) days prior to the expiration of the then-current term (each a "**Renewal Subscription Period**" and together with the Initial Subscription Period, the "**Subscription Period**").

14.2   Termination. In addition to any other express termination right set forth in this Agreement:

(a)   BS&A may terminate this Agreement, effective on written notice to Customer, if Customer: (i) fails to pay any amount when due hereunder, and such failure continues more than ten (10) calendar days after BS&A's delivery of written notice thereof; or (ii) breaches any of its obligations under Section 2.3 or Section 8;

(b)   either Party may terminate this Agreement, effective on written notice to the other Party, if the other Party materially breaches this Agreement, and such breach: (i) is incapable of cure; or (ii) being capable of cure, remains uncured thirty (30) calendar days after the non-breaching Party provides the breaching Party with written notice of such breach; or

(c)   either Party may terminate this Agreement, effective immediately upon written notice to the other Party, if the other Party: (i) becomes insolvent or is generally unable to pay, or fails to pay, its debts as they become due; (ii) files or has filed against it, a petition for voluntary or involuntary bankruptcy or otherwise becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law; (iii) makes or seeks to make a general assignment for the benefit of its creditors; or (iv) applies for or has appointed a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business.

14.3   Effect of Expiration or Termination. Upon expiration or earlier termination of this Agreement, Customer shall immediately discontinue use of the BS&A IP and, without limiting Customer's obligations under Section 8, Customer shall delete, destroy, or return all copies of the BS&A IP and certify in writing to the BS&A that the BS&A IP has been deleted or destroyed. No expiration or termination will affect Customer's obligation to pay all Fees that may have become due before such expiration or termination or entitle Customer to any refund.

14.4   Survival. This Section 14.4 and Sections 1, 5, 8, 10, 11, 12, 13, 14.3, and 15 survive any termination or expiration of this Agreement. No other provisions of this Agreement survive the expiration or earlier termination of this Agreement.

15.   Miscellaneous.

15.1   Relationship of the Parties. BS&A performs its obligations hereunder as an independent contractor and

not a partner, joint venture, or agent of Customer and shall not bind nor attempt to bind Customer to any contract without Customer's prior written approval on a case-by-case basis. BS&A is responsible for hiring, firing, and supervising its personnel is solely responsible hereunder for its personnel, including without limitation for: (a) payment of compensation to such personnel; (b) withholding (if applicable), paying, and reporting, for all personnel assigned to perform services (including Professional Services) in connection with this Agreement, applicable tax withholding, social security taxes, employment head taxes, unemployment insurance, and other taxes or charges applicable to such personnel; and (c) health or disability benefits, retirement benefits, or welfare, pension, or other benefits (if any) to which such personnel may be entitled. For purposes of clarity, BS&A's personnel will not be eligible to participate in any of Customer's employee benefit plans, fringe benefit programs, group insurance arrangements, or similar programs.

15.2 Entire Agreement. This Agreement, together with any other documents incorporated herein by reference, constitutes the sole and entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings, agreements, and representations and warranties, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements made in the body of this Agreement, the related Exhibits, and any other documents incorporated herein by reference, the following order of precedence governs: (i) first, this Agreement; and (ii) second, any other documents incorporated herein by reference.

15.3 Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a "**Notice**") must be in writing and addressed to the Parties at the addresses set forth on the first page of this Agreement (or to such other address that may be designated by the Party giving Notice from time to time in accordance with this Section). All Notices must be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile or email (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage pre-paid). Except as otherwise provided in this Agreement, a Notice is effective only: (i) upon receipt by the receiving Party; and (ii) if the Party giving the Notice has complied with the requirements of this Section.

15.4 Force Majeure. In no event shall either Party be liable to the other Party, or be deemed to have breached this Agreement, for any failure or delay in performing its obligations under this Agreement (except for any obligations to make payments), if and to the extent such failure or delay is caused by any circumstances beyond such Party's reasonable control, including but not limited to acts of God, flood, fire, earthquake, explosion, war, terrorism, invasion, riot or other civil unrest, strikes, labor stoppages or slowdowns or other industrial disturbances, or passage of law or any action taken by a governmental or public authority, including imposing an embargo.

15.5 Amendment and Modification. No amendment or modification to this Agreement is effective unless it is in writing and signed by an authorized representative of each Party.

15.6 Waiver. No failure or delay by either Party in exercising any right or remedy available to it in connection with this Agreement will constitute a waiver of such right or remedy. No waiver under this Agreement will be effective unless made in writing and signed by an authorized representative of the Party granting the waiver.

15.7 Severability. If any provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect their original intent as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

15.8 Governing Law; Submission to Jurisdiction. To the extent permissible under applicable laws, this Agreement is governed by and construed in accordance with the internal laws of the State of Minnesota without giving effect to any choice or conflict of law provision or rule that would require or permit the application of the laws of any jurisdiction other than those of the State of Minnesota. To the extent permissible under applicable laws, any legal suit, action, or proceeding arising out of or related to this Agreement must be instituted in the federal courts of the United States or the courts of the State of Minnesota in each case located in Washington County, Minnesota and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding.

15.9 Assignment. Neither Party may assign any of its rights or delegate any of its obligations hereunder (except in the case of either Party utilizing authorized subcontractors and consultants), in each case whether voluntarily, involuntarily, by operation of law or otherwise, without the prior written consent of the other Party. Any purported

assignment or delegation in violation of this Section will be null and void. No assignment or delegation will relieve the assigning or delegating Party of any of its obligations hereunder. This Agreement is binding upon and inures to the benefit of the Parties and their respective permitted successors and assigns. Notwithstanding the foregoing, either Party may freely assign this Agreement to an affiliate or successor in interest in the event of a merger, acquisition, sale of all or substantially all of its assets, corporate reorganization, or other change in control, without the prior consent of the other Party.

15.10   Export Regulation. The Platforms utilize software and technology that may be subject to US export control laws, including the US Export Administration Act and its associated regulations. Customer shall not, directly or indirectly, export, re-export, or release the Platform or the underlying software or technology to, or make the Platform or the underlying software or technology accessible from, any jurisdiction or country to which export, re-export, or release is prohibited by law, rule, or regulation. Customer shall comply with all applicable federal laws, regulations, and rules, and complete all required undertakings (including obtaining any necessary export license or other governmental approval), prior to exporting, re-exporting, releasing, or otherwise making the Platform or the underlying software or technology available outside the US.

15.11   US Government Rights. Each of the Documentation and software components that constitute the Platform is a "commercial item" as that term is defined at 48 C.F.R. § 2.101, consisting of "commercial computer software" and "commercial computer software documentation" as such terms are used in 48 C.F.R. § 12.212. Accordingly, if Customer is an agency of the US Government or any contractor therefor, Customer only receives those rights with respect to the Documentation and the Platform as are granted to all other end users, in accordance with (a) 48 C.F.R. § 227.7201 through 48 C.F.R. § 227.7204, with respect to the Department of Defense and their contractors, or (b) 48 C.F.R. § 12.212, with respect to all other US Government users and their contractors.

15.12   Equitable Relief. Each Party acknowledges and agrees that a breach or threatened breach by such Party of any of its obligations under Section 8 or, in the case of Customer, Section 2.23, would cause the other Party irreparable harm for which monetary damages would not be an adequate remedy and agrees that, in the event of such breach or threatened breach, the other Party will be entitled to equitable relief, including a restraining order, an injunction, specific performance and any other relief that may be available from any court, without any requirement to post a bond or other security, or to prove actual damages or that monetary damages are not an adequate remedy. Such remedies are not exclusive and are in addition to all other remedies that may be available at law, in equity or otherwise.

EXHIBIT B

PRICING SHEET

(Based on 1/28/25 Proposal)

Cost Summary

Software is licensed for use only by municipality identified on the cover page. If used for additional entities or agencies, please contact BS&A for appropriate pricing. Prices subject to change if the actual count is significantly different than the estimated count. Module fees are charged annually and include unlimited support.

Cloud Modules - *Annual Fee*

Financial Management

FA-Fixed Assets		$3,095.00
AP-Account Payable		$3,435.00
GL-General Ledger		$4,225.00
CR-Cash Receipting		$3,865.00
AR-Account Receivables		$3,180.00
	Total	$17,800.00

Personnel Management

TS-Timesheets		$2,600.00
PR-Payroll		$5,725.00
HR-Human Resources		$3,965.00
	Total	$12,290.00

Community Development

BD-Building Department		$3,095.00
	Total	$3,095.00

Property

SPAS-Special Assessments		$3,265.00
	Total	$3,265.00

BS&A Online

BSAO-BS&A Online-Public Record Search		$1,785.00
	Total	$1,785.00

Utility Billing

UB-Utility Billing		$5,400.00
	Total	$5,400.00

Platform

Laserfiche		$1,220.00
	Total	$1,220.00
	Subtotal	**$44,855.00**

Data Conversions/Database Setup

CR-Manual-Database Setup Setup of Receipt Items/Tender Type		$1,650.00
HR-Manual-Database Setup Setup of Licenses, Certifications, Benefit Plans, Positions. Not assigned to Employees		$3,300.00
UB-Conversion-Banyon Accounts, Services, Deposits, Rates, Meters; Billing & Payment History, Service for up to 5 years		$7,700.00
PR-Conversion-Springbrook Database setup, employee detail, YTD Values, Check history for up to 5 years		$8,645.00
FA-Conversion- Springbrook 5 years		$3,375.00
AP-Conversion- Springbrook Vendors, Invoices and check history for up to 5 years		$3,470.00
GL-Conversion- Springbrook COA, Balances, Budget, Journal Transaction history for up to 5 years		$4,055.00
	Total	**$32,195.00**

Data Conversions/Database Setup

No Conversion or Database Setup for:
TS-Timesheets
AR-Accounts Receivable
CD-Community Development
SPAS-Special Assessment

Custom Import

Custom import from third-party software to populate Building Department database with parcels, properties, and current owners.   **$1,500.00**

Project Management and Implementation Planning

Services include:
- Analyzing customer processes to ensure all critical components are addressed.
- Creating and managing the project schedule in accordance with the customer's existing processes and needs.
- Planning and scheduling training around any planned process changes included in the project plan.
- Modifying the project schedule as needed to accommodate any changes to the scope and requirements of the project that are discovered.
- Providing a central contact between the customer's project leaders, developers, trainers, IT staff, conversion staff, and other resources required throughout the transition period.
- Installing the software and providing IT consultation for network, server, and workstation configuration and requirements.
- Reviewing and addressing the specifications for needed customizations to meet customer needs (when applicable).

Total   **$24,925.00**

Implementation and Training

- *$1,100/day*
- *Days quoted are estimates; you are billed for actual days used*
- *Training days quoted/billed in full day increments only*

Services include:
- Setting up users and user security rights for each application
- Performing final process and procedure review
- Configuring custom settings in each application to fit the needs of the customer
- Setting up application integration and workflow methods
- Onsite verification of converted data for balancing and auditing purposes
- Training and Go-Live

Setup Days

ITS Setup - FM, HRIS, UB	Setup Days: 4	$4,400.00
ITS Setup - CD	Setup Days: 2	$2,200.00
ITS Setup – Property	Setup Days: 2	$2,200.00
	Total Setup Days: 8	Subtotal: $8,800.00

Training Days

ITS Training - FM	Training Days: 10	$11,000.00
ITS Training - HRIS	Training Days: 10	$11,000.00
ITS Training - CD	Training Days: 3	$3,300.00
ITS Training - Property	Training Days: 2	$2,200.00
ITS Training - UB	Training Days: 10	$11,000.00
	Total Training Days: 35	Subtotal: $38,500.00
	Total Setup and Training Days: 43	**Total: $47,300.00**

Cost Totals

Cloud New Purchase – *Annual Fee*	Subtotal	$44,855.00
Data Conversion/Database Setup	Subtotal	$32,195.00
Custom Import	Subtotal	$1,500.00
Project Management and Implementation Planning	Subtotal	$24,925.00
Implementation and Training	Subtotal	$47,300.00

Total Proposed	**$150,775.00**

Estimated Travel Expenses are outlined in this proposal. The final invoice will reflect actual expenses following the completion of all training activities based on the Federal Guidelines described below.

$160/$185/$225 per day hotel, varies by state
$90 per day car rental
$70 per day meals
$730 per trip airfare/related expenses
$0.70/mile round trip for drive distance

BS&A Online

Connection Requirements

BS&A Cloud modules require a high-speed internet connection (cable modem or DSL).

STAFF REPORT

This item was tabled at that meeting and is being brought back for review.

TO: Mayor & Council
FROM: Clarissa Hadler, Finance Director
                 Nina Kraemer, Finance Coordinator
AGENDA ITEM: New Financial Software

BACKGROUND:

Currently the city's finance software is composed of separate general accounting software, utility billing software, permit software, and various excel spreadsheets for items such as escrow billing, accounts receivable, fixed assets, etc., creating numerous opportunities for fraud and unintentional oversights. The city's auditors recommended a couple of years ago to explore a more fully integrated financial solution to help with data centralization and compliance updates. In addition to the above, the new software would allow for numerous enhancements as outlined below.

Some of the processes that we know we can improve upon by moving to a different software include:

- Accounts Payable – Other software programs allow a fully electronic A/P process where invoices are delivered to and approved electronically by department heads, who can review and approve on any device. Invoices are stored electronically and linked directly to the transaction in the software, making future research much easier.
- Bank Reconciliation – Our current software fails to allow for proper bank reconciliation due to the disconnect between our utility billing, financial software, and credit card billing companies. Bank recs are all completed in Excel to improve the accuracy of such, but this adds time and lack of clear processes.
- Annual Budgeting – The new software will allow for in-software budgeting wherein department heads will enter their requests, including supporting documents and detail, into the software for review by the City Administrator and Finance Director, and eventually City Council. The software tracks multiple stages of the budgeting process from initial drafts through the final Council adoption.
- Escrow Billing – The level of development activity in the city means we have quite a few escrow accounts wherein a developer reimburses the city for expenses related to their application, construction of roads, etc. This process is also currently handled in Excel due to a lack of good project accounting and intuitive accounts receivable module in our current software.
- Special Assessments – This is another area where we have quite a few items to manage and there is not a great solution in our current software, therefore everything is done in Excel and then transferred to the financial software via journal entries.
- Fixed Assets – This is yet another area that is currently managed in Excel and transferred via journal entry to the current software.
- Human Resources – While not a primary driver of the new financial software it was found that this module could replace plans to purchase separate HR software moving forward.
- Information Accessibility –
  - Global Search - a single search field finds data in any module and multiple fields.
  - Integrated Document Management – related documents are easily stored and retrieved via links in the transactions.

- o Custom Saved Reports – Custom reports are intuitive to create, savable, and accessible from a staff member's dashboard.
  - Customer Service – we expect to see an improvement over the current software's response time and ability to address needs.
  - Local user groups – user groups are a great way for staff to learn from peers how to use the software.

Improvements in the above items should improve efficiency, and therefore resiliency and capacity, in the Finance Department and organization wide.

Staff had brought this planned purchase to the attention of Council earlier this year in preliminary budget and CIP discussions, and again in the adoption of the final CIP in December. The city's purchasing policy (excerpt below) and state statute require that items with a cost of up to $175,000 should be obtained through either sealed bids, cooperative purchasing or direct negotiation with a minimum of 2 quotes.

> **$10,000.01 to $100,000 ($175,000 effective August 1, 2018) – City Council or City Administrator as Delegated**
> Purchases may be obtained through sealed bids, or cooperative purchasing contracts, or direct negotiation, with two quotations obtained whenever possible. Quotations must be retained for at least one year. Cooperative Purchasing Contracts should be considered for contracts over $25,000 and may be used in lieu of sealed bids or quotes. The City Council would approve purchases in this range, unless delegated to the City Administrator for routine budgeted items. Due to the cost of preparing sealed bids, and the additional length of time required in this process, the use of sealed bids for this threshold should only be used when deemed necessary.

Finance staff opted for direct negotiation to both streamline and provide flexibility in the process. Our process was as follows:
- Research which companies are used by mid-size cities in Minnesota.
  - o BS&A, Caselle, JD Edwards, and Tyler were known to us and mentioned the most by other cities. Springbrook, our current software, is also used by a few other cities in our area.
- Initial research of companies and which might be the best fit.
- Obtain preliminary quotes from those companies.
- Finance Director and Finance Coordinator attended preliminary product demonstrations w/ BS&A, Caselle and Tyler.
- Full-day product demonstrations were conducted on-site for top two companies – Tyler and BS&A - w/ all Directors and Finance Staff invited to each.
- Final/revised quotations were obtained based on further information obtained in those meetings.

After the full product demonstrations were complete, Finance staff has determined that BS&A would be the best product to meet our needs and make the desired improvements. It outperformed the other company in almost all the above processes we are looking to improve. In addition, it was the one that came with the most recommendations and fewest concerns from other cities, as well as Metro-INET staff, who recently assisted with a Springbrook-to-BS&A conversion with the City of Roseville. Further, BS&A provides direct integration with Laserfiche, so if we decide to switch software in the future, our documents are already saved in our permanent electronic document repository.

Full cost comparisons and quotes for the top 3 companies are attached and summarized here.

	Setup / Implement / Training	Annual Fees
BS&A (recommended)	123,603	44,855
Caselle	139,600	29,615
Tyler	110,210	53,423
Springbrook & Banyon (current)	*n/a*	15,445

While BS&A is approximately $13,000 more than Tyler for initial implementation, annual fees are $8,500 less. And while Caselle has lower annual fees, that software did not make it into our top 2 preferred due to a lack of functionality.

In addition to the software costs, there will be expenses to integrate with some of our other systems, including our Sensus water metering system and Laserfiche, as well as some hardware purchases. We estimate these will add another $25,000 to the total project cost.

The total budgeted for this project was $200,000 over two years, with 75% paid from General Fund and 25% paid from the Water Fund. Implementation would be started in 2025, but possibly not be completed until Q1 2026, with payments split between 2025 and 2026. Should we be able to implement sooner, we will, as there would be a significant improvement in workload management if we could launch prior to Q1 of 2026. If that is the case, most of the expenses will occur in 2025, and a budget amendment may be in order.

RECOMMENDED MOTION
1. Motion to approve the Customer Agreement to purchase BS&A software and the integrated payments addendum and authorize Finance Director to enter into these related product and service contracts for purchase of integration and process development related to the software purchase.

ATTACHMENTS
1. Price comparison spreadsheet
2. BS&A Contract & Addendum
3. Vendor Proposals; BS&A, Tyler and Caselle