City of Dillingham Action Memorandum Agenda of: <u>March 2, 2023</u>

Action Memorandum No. <u>2023-05</u>

Subject:

Confirm the Purchase of Questica Budget Software

City Manager: Recommend Approval

Signature: _____

Fiscal Note: ☑ Yes ☐ No   **Funds Available:** ☑ Yes ☐ No

Other Attachments:

Questica Budget quote
ClearGov Budget quote

Summary Statement:

Several of the City Council strategic planning goals were budget oriented. Having this software will assist the Finance Director to:
• Meet strategic planning goals
• Improve project transparency for departments, council and public
• Improve efficiency and reduces errors
• Budget book will provide support for GFOA best practices
• Support 3-5 year budget process

Integration of the program will occur over 90 days. Full use is anticipated over the next six months.

DMC 4.30.080 Contracts/purchases of eight thousand dollars to twenty-nine thousand nine hundred ninety-nine dollars.
D.   City Council Approval. The city manager shall review all quotations and award the contract or purchase in writing. The city manager shall notify the city council of the award of such contract or purchase at the next regular city council meeting.

This purchase is not in the current budget, however funds are available and shown in the fiscal note.

5 year contract commitment:
Year 1 $24,625; Year 2 $20,475; Year 3 $21,498.75
Year 4 $22,573.69; Year 5 $55,702.37

Action Memorandum No. _____

Summary Statement continued:

PASSED and APPROVED by a duly constituted quorum of the Dillingham City Council on March 2, 2023

_____
Mayor

ATTEST: [SEAL]

Lori Goodell
City Clerk

Route to	Department Head	Date
	Finance Director	
	Public Works Director	
X	City Clerk	

City of Dillingham
Fiscal Note

Agenda Date: _____ March 2, 2023 _____

Questica - Budget proposal software

ORIGINATOR: _____ Finance Director _____

FISCAL ACTION (TO BE COMPLETED BY FINANCE)		FISCAL IMPACT	☑ YES ☐ NO
AMOUNT REQUESTED:	$112,875	FUNDING SOURCE **City of Dillingham**	
FROM ACCOUNT 1000 7920 10 29 0000 0	IT - Software	Project Provide budget software for the city	
TO ACCOUNT:		VERIFIED BY: Anita Fuller	Date: 2/24/2023

EXPENDITURES

OPERATING	FY23	FY24	FY25	FY26 & FY27
1000 7920 10 29 0000 0	$24,625	$ 20,475.00	$ 21,498.75	$ 46,276.06
TOTAL OPERATING	$ 24,625.00	$ 20,475.00	$ 21,498.75	$ 46,276.06

CAPITAL	$ -			

REVENUE	-			

FUNDING

Dock	$ -			
IT	$24,625	20,475.00	21,498.75	46,276.06
TOTAL FUNDING	$ 24,625.00	$ 20,475.00	$ 21,498.75	$ 46,276.06

POSITIONS

Full-Time				
Part-Time				

Analysis: (Attach a separate page if necessary)   Questica proposal
cost not covered in current FY23 Budget

PREPARED BY: Anita Fuller _____   February 24, 2023 _____

DEPARTMENT: Finance _____

APPROVED BY: _____   _____

Questica Budget
Proposal

CITY OF DILLINGHAM – FEBRUARY 2023

Prepared By: Chris Olsen
Prepared On: February 24, 2023

February 24, 2023

Anita Fuller, Finance Director
City of Dillingham

Dear Anita,

Questica Ltd. is thrilled with the possibility of partnering with the City of Dillingham in its effort to transform the current budget development and management process. We welcome an opportunity to leverage 25 years of success with similar sized customers across North America to help the City of Dillingham:

- Transition from an inefficient, error-prone spreadsheet-based budgeting and forecasting process to a more automated process, which is particularly critical as staffing shortages continue
- Improve transparency with citizens by publishing financial and capital project information in easy to access, interactive visualizations, with control and oversight from from finance, without the need to convert or upload data
- Develop multi-year operating and capital budgets to provide a longer-term view and notice challenges earlier
- Empower departments to be accountable by providing dashboards that compare monthly budgets and amendments to near real-time monthly actuals
- Easily track changes to the budget during the approval process and after approval
- Easily compare multiple scenarios to improve decision making across the city.

Questica proposes a Software-as-a-Service (SaaS) subscription of our industry leading multi-user Questica Budget solution and our professional services for implementation, integration, configuration, training, and post-implementation customer support. Questica is unique in providing a fully integrated solution offered with a consistent and well-organized user-interface that is purpose-built for budgeting in the public sector.

In 1998, Questica implemented its first solution for public sector budget and forecast development and maintenance, which has been continuously improved based on the feedback from 25 years of budget cycles. About six years ago, Questica added our OpenBook transparency product. Questica's long experience in the intricacies of budget development and maintenance contrasts sharply with other vendors who initially offered transparency and reporting tools and only recently added more complex capabilities to develop and maintain budgets and forecasts.

Some key considerations that set Questica apart include the following:
- **Integration Experience:** Our customers consider integrations to be mandatory, especially automatically importing actuals from the financial system nightly. Without automation, accurately analyzing the budget's health is difficult, you risk making decisions based on old data, and you risk sharing out-of-date information with others, including the public – or your staff spends precious time moving data manually. With automatic integration, customers easily view dashboards or reports to assess how the original and amended budget is performing against actuals with confidence that information is up-to-date.

- **Full circle, end-to-end budgeting solutions**: Questica provides a single solution with modules and functionality to address your budgeting needs from start to finish.

- **More configurable, less customizations:** Questica's 25 years in public sector budgeting means we've seen best practices across hundreds of public sector organizations. Rather than customize the platform for each approach, Questica builds in incremental best practices as configurable options. Ultimately, this leads to quicker, less costly, and more stable implementations for long-term ROI.

- **You are in control:** Questica Budget is designed for client-side administration, with security, reports, and workflow configurable by the admin user. We use a single tenant architecture, so each customer has a unique and segregated instance of our software and may choose when to apply software updates, based on their convenience and schedule.

- **Right sized for you.** Questica is big enough to support large organizations, yet nimble enough to remain agile. With 130 employees, we have the resources needed to support large-scale, complex implementations while remaining flexible to accommodate your unique requirements. We manage all aspects of customer interaction, from kick-off to post-implementation support, exclusively with Questica employees located in North America.

We look forward to continued conversation about Questica's unquestionable value and return-on-investment.

Sincerely,

Chris Olsen, Senior Account Executive
COlsen@Questica.com 877-707-7755 X4582

PRICING NOTES

Budget

Quotation ID#: City of Dillingham – February 24, 2023

Pricing valid though: April 30, 2023

- ◆ **Questica annual subscription is based on a 5-year term**
- ◆ **Questica annual subscription has been discounted to $14,625 in year 1**
- ◆ **Questica will apply a 5% inflationary increase beginning in year 2**

Questica Annual Fees

- Year 1 is $24,625.00 (SaaS and Professional Services)
- Year 2 is $20,475.00 (includes 5% increase)
- Year 3 is $21,498.75 (includes 5% increase)
- Year 4 is $22,573.69 (includes 5% increase)
- Year 5 is $23,702.37 (includes 5% increase)
- Total 5 Year contract is $112,874.81

Above pricing in US Dollars. Applicable Taxes Extra. Pricing is not applicable in response to a formal RFP Process.

Terms of Payment

- ◆ **Software:**
  - 100% upon Contract Effective Date (Net 30)
  - Year 2 due 365 days from Contract Effective Date and annually thereafter
- ◆ **Professional Services:**
  - 100% upon Contract Effective Date (Net 30)
- ◆ **Additional Professional Services are available upon request at Questica's then current hourly rate, currently set at $250/hr.**

ClearGov

2 Mill & Main; Suite 630; Maynard, MA 01754

Service Order

Created by	Shane Barrett
Contact Phone	205-451-8517
Contact Email	sbarrett@cleargov.com

Order Date	Feb 21, 2023
Order valid if signed by	**Mar 15, 2023**

Customer Information

Customer	City of Dillingham, Alaska	**Contact**	Anita Fuller	**Billing Contact**	Anita Fuller
Address	141 Main St.	**Title**	Finance Director	**Title**	Finance Director
City, St, Zip	Dillingham, AK 99576	**Email**	anita.fuller@dillinghamak.us	**Email**	anita.fuller@dillinghamak.us
Phone	907-842-5211			**PO # (If any)**	

The Services you will receive and the Fees for those Services are...

Set up Services	Tier/Rate	Service Fees
ClearGov Setup: Includes activation, onboarding and training for ClearGov solutions	Tier 2	$ 9,000.00
ClearGov Setup Bundle Discount: Discount for bundled solutions	Tier 2	$ (3,600.00)
Total ClearGov Setup Service Fee - Billed ONE-TIME		**$ 5,400.00**

Subscription Services	Tier	Service Fees
ClearGov Operational Budgeting - Civic Edition	Tier 2	$ 12,700.00
ClearGov Personnel Budgeting - Civic Edition	Tier 2	$ 12,100.00
ClearGov Capital Budgeting - Civic Edition	Tier 2	$ 8,500.00
ClearGov Digital Budget Book - Civic Edition	Tier 2	$ 7,750.00
ClearGov Transparency - Civic Edition	Tier 2	$ 6,950.00
ClearGov Budget Cycle Management Bundle Discount: Discount for bundled solutions	Tier 2	$ (21,600.00)
Total ClearGov Subscription Service Fee - Billed ANNUALLY IN ADVANCE		**$ 26,400.00**

ClearGov will provide your Services according to this schedule...

Period	Start Date	End Date	Description
Setup	Apr 1, 2023	Apr 1, 2023	ClearGov Setup Services
Initial	Apr 1, 2023	Mar 31, 2026	ClearGov Subscription Services

To be clear, you will be billed as follows...

Billing Date(s)	Amount(s)	Notes
Apr 1, 2023	$5,400.00	One Time Setup Fee
Apr 1, 2023	$26,400.00	Annual Subscription Fee

Additional subscription years and/or renewals will be billed annually in accordance with pricing and terms set forth herei

Billing Terms and Conditions

Valid Until	**Mar 15, 2023**	Pricing set forth herein is valid only if ClearGov Service Order is executed on or before this date.
Payment	**Net 30**	All invoices are due Net 30 days from the date of invoice.
Initial Period Rate Increase	3% per annum	During the Initial Service Period, the Annual Subscription Service Fee shall automatically increase by this amount.
Rate Increase	6% per annum	After the Initial Service Period, the Annual Subscription Service Fee shall automatically increase by this amount.

General Terms & Conditions

Customer Satisfaction Guarantee	During the first thirty (30) days of the Service, Customer shall have the option to terminate the Service, by providing written notice. In the event that Customer exercises this customer satisfaction guarantee option, such termination shall become effective immediately and Customer shall be eligible for a full refund of the applicable Service Fees.
Statement of Work	ClearGov and Customer mutually agree to the ClearGov Service activation and onboarding process set forth in the attached Statement of Work.
Taxes	The Service Fees and Billing amounts set forth above in this ClearGov Service Order **DO NOT** include applicable taxes. In accordance with the laws of the applicable state, in the event that sales, use or other taxes apply to this transaction, ClearGov shall include such taxes on applicable invoices and Customer is solely responsible for such taxes, unless documentation is provided to ClearGov demonstrating Customer's exemption from such taxes.
Term & Termination	Subject to the termination rights and obligations set forth in the ClearGov Service Agreement, this ClearGov Service Order commences upon the Order Date set forth herein and shall continue until the completion of the Service Period(s) for the Service(s) set forth herein. Each Service shall commence upon the Start Date set forth herein and shall continue until the completion of the applicable Service Period. To be clear, Customer shall have the option to Terminate this Service Order on an annual basis by providing notice at least sixty (60) days prior to the end of the then current Annual Term.
Auto-Renewal	After the Initial Period, the Service Period for any ClearGov Annual Subscription Services shall automatically renew for successive annual periods (each an **"Annual Term"**), unless either Party provides written notice of its desire not to renew at least sixty (60) days prior to the end of the then current Annual Term.
Agreement	This ClearGov Service Order shall become binding upon execution by both Parties. The signature herein affirms your commitment to pay for the Service(s) ordered in accordance with the terms set forth in this ClearGov Service Order and also acknowledges that you have read and agree to the terms and conditions set forth in the ClearGov BCM Service Agreement found at the following URL: http://www.ClearGov.com/terms-and-conditions. This Service Order incorporates by reference the terms of such ClearGov BCM Service Agreement.

Customer			ClearGov, Inc.	
Signature			**Signature**	
Name	Anita Fuller		**Name**	Bryan A. Burdick
Title	Finance Director		**Title**	President

Please e-mail signed Service Order to Orders@ClearGov.com or Fax to (774) 759-3045

Customer Upgrades (ClearGov internal use only)			
This Service Order is a Customer Upgrade	No	**If Yes: Original Service Order Date**	

Statement of Work

This Statement of Work outlines the roles and responsibilities by both ClearGov and Customer required for the activation and onboarding of the ClearGov Service. ClearGov will begin this onboarding process upon execution of this Service Order. All onboarding services and communications will be provided through remote methods - email, phone, and web conferencing.

ClearGov Responsibilities

- ClearGov will activate ClearGov Service subscription(s) as of the applicable Start Date(s). ClearGov will create the initial Admin User account, and the Customer Admin User will be responsible for creating additional User accounts.

- ClearGov will assign an Implementation Manager (IM) responsible for managing the activation and onboarding process. ClearGov IM will coordinate with other ClearGov resources, as necessary.

- ClearGov IM will provide a Kickoff Call scheduling link to the Customer's Primary Contact. Customer should schedule Kickoff Call within two weeks after the Service Order has been executed.

- ClearGov IM will provide a Data Discovery Call scheduling link to the Customer's Primary Contact. Customer should schedule Data Discovery Call based on the availability of Customer's staff.

- ClearGov will provide Customer with financial data requirements and instructions, based on the ClearGov Service subscription(s).

- ClearGov will review financial data files and confirm that data is complete, or request additional information, if necessary. Once complete financial data files have been received, ClearGov will format the data, upload it to the ClearGov platform and complete an initial mapping of the data.

- After initial mapping, ClearGov will schedule a Data Review call with a ClearGov Data Onboarding Consultant (DOC), who will present how the data was mapped, ask for feedback, and address open questions. Depending upon Customer feedback and the complexity of data mapping requests, there may be additional follow-up calls or emails required to complete the data onboarding process.

- ClearGov will inform Customer of all training, learning, and support options. ClearGov recommends all Users attend ClearGov Academy training sessions and/or read Support Center articles before using the ClearGov Service to ensure a quick ramp and success. As needed, ClearGov will design and deliver customized remote training and configuration workshops for Admins and one for End Users - via video conference - and these sessions will be recorded for future reference.

- ClearGov will make commercially reasonable efforts to complete the onboarding process in a timely fashion, provided Customer submits financial data files and responds to review and approval requests by ClearGov in a similarly timely fashion. Any delay by Customer in meeting these deliverable requirements may result in a delayed data onboarding process. Any such delay shall not affect or change the Service Period(s) as set forth in the applicable Service Order.

Customer Responsibilities

- Customer's Primary Contact will coordinate the necessary personnel to attend the Kickoff and Data Discovery Calls within two weeks after the Service Order has been executed. If Customer needs to change the date/time of either of these calls, the Primary Contact will notify the ClearGov IM at least one business day in advance.

- Customer will provide a complete set of requested financial data files (revenue, expense, chart of accounts, etc.) to ClearGov in accordance with the requirements provided by ClearGov.

- Customer's Primary Contact will coordinate the necessary personnel to attend the Data Discovery and Data Review calls. It is recommended that all stakeholders with input on how data should be mapped should attend. Based on these calls and any subsequent internal review, Customer shall provide a detailed list of data mapping requirements and requested changes to data mapping drafts in a timely manner, and Customer will approve the final data mapping, once completed to Customer's satisfaction.

- Customer will complete recommended on-demand training modules in advance of customized training & configuration workshops.

- Customer shall be solely responsible for importing and/or inputting applicable text narrative, custom graphics, performance metrics, capital requests, personnel data, and other such information for capital budget, personnel budget, budget books, projects, dashboards, etc.