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## MEMORANDUM

To: Mayor James R. Bowlin and City Council Members

From: Ryan S. Thomas, City Administrator

Date: June 24, 2016

Re: Purchase of Accounting Software Upgrade

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### Background

For the past 12+ years, the Department of Administration has been utilizing a 2002 version of INCODE as its accounting software, which it has used for managing the municipal budget, preparing financial statements, and tracking payroll, vendors and purchase orders.

There is a newer version of INCODE now available, and there are other useful modules the City could benefit from as well. Specifically, modules available for tracking business licenses, inventory and fixed assets could be very useful to the Department, as it would replace the current use of Microsoft Access and Excel for tracking these items, providing for improved data management and reporting capabilities, including a reduction in time devoted to data entry and data management.

Since last fall, the Department has been reviewing options with the Administration/Public Works Committee, including a review of other accounting software packages.

### Recommendation

The Department of Administration and the Administration/Public Works Committee recommend purchasing the upgrade to INCODE (Version 10), including new modules for tracking business licenses, inventory and fixed assets. The total expense for the upgrades software, migration and training, and required hardware is \$61,371. Of this amount, \$30,317 in encumbered funds from the FY-2015 Budget is available, with the balance to be funded with a mid-year budget amendment this summer (note: a total expense of \$68,971 had been approved previously by the Committee, which has been reduced following further discussion with the company regarding reduced travel expenses due to completing much of the software migration remotely).

Additionally, new annual license fees totaling \$4,292 will be budgeted each year, starting with the FY-2017 Budget.

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**Reasons of Recommendation**

1. The current version of INCODE dates back to 2002, and is due for an upgrade to provide the latest features, including better reporting and software support.
2. In reviewing other software packages, INCODE has been recommended by many others in the industry, and as the current package, is more familiar to the Department.
3. The new modules will have an immediate impact on improving the capabilities to manage important data.

With this recommendation from the Administration/Public Works Committee, Bill #2196 has been prepared for the June 27, 2016 City Council Meeting, authorizing the purchase. I will be available for any questions or comments at the June 27, 2016 City Council Work Session.

RST

**Tyler Tech Software Additions/Upgrades 2016 Amended Quote 6-23-16**

<b>Module</b>	<b>Initial License Fees</b>	<b>Estimated Implementation Services</b>	<b>Migration Services</b>	<b>Financial Consulting Services</b>	<b>Data Conversion &amp; Assistance</b>	<b>Subtotal</b>	<b>Estimated Travel Exp</b>	<b>Hardware</b>	<b>Grand Total</b>
Incode Financial Management Suite 10 Upgrade <sup>(1)</sup>		-	10,000	1,500	4,450	15,950	5,000 <sup>(2)</sup>		20,950
Fixed Assets	1,540	1,000				2,540			2,540
Inventory Control	2,420	1,000				3,420			3,420
Business License	2,200	3,000			7,735	12,935	3,502 <sup>(2)</sup>		16,437
Personnel Management (Payroll)	2,500	4,000	5,000	2,000		13,500			13,500
Employee Self-Service (Payroll Info Lookup)		1,000				1,000			1,000
Time and Attendance		1,000				1,000			1,000
SQL Server						-		1,024	1,024
Hard Drives (3)						-		1,500	1,500
	<b>8,660</b>	<b>11,000</b>	<b>15,000</b>	<b>3,500</b>	<b>12,185</b>	<b>50,345</b>	<b>8,502</b>	<b>2,524</b>	<b>61,371</b>
Tyler U									

(1)Core Financials (General Ledger, Budget Prep, Bank Recon, Accounts Payable) Positive Pay, Purchasing

(2)Estimated travel Expense for Business License, Inventory and Fixed Assets