



Memorandum

Date: 5/20/2025
Meeting of: City Council

File No. AM No. 25-080
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Technology and Information Services	Michael Marchand	425-556-2176
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DEPARTMENT STAFF:

Technology and Information Services	Wanda Norman	Technology Project Manager
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TITLE:

Approval of IGM Contract to Implement Annual Comprehensive Financial Report (ACFR) with Gravity Software Solution in the Amount of \$91,312

OVERVIEW STATEMENT:

This project will utilize information in the City's financial system of record, Dynamics 365 Finance and Operations, and be capable of generating reports in the format of the Annual Comprehensive Financial Report.

Approval of \$91,312.20 is being requested.

This covers Implementation and Support costs for 2025 as well as annual support renewal for 2026.

☒ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☐ **Receive Information** ☒ **Provide Direction** ☐ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
This is part of D365 BR2 Program
- **Required:**
Contracts that exceed \$50,000 require Council approval.
- **Council Request:**
N/A
- **Other Key Facts:**
This is coming forward for to gain approval of IGM contract in the amount of \$91,312.20

OUTCOMES:

Streamlined Process: Automation tools simplify the preparation of the ACFR, reducing the time and effort required.

Consistency and Accuracy: Automated data extraction and formatting ensure consistency and accuracy in financial reporting.

Regulatory Compliance: The software ensures compliance with the latest accounting standards and regulations.

Audit Readiness: Enhanced documentation and traceability improve audit readiness and reduce the risk of non-compliance.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

\$91,312.20

2025 Cost:

ACFR Implementation Costs - \$28,000

ACFR Builder Ongoing Support Costs for Year 1 28K * 10.3% tax (\$2,884) = Total Cost of \$30,884

2026 Cost:

ACFR Builder Ongoing Support Costs with 5% increase for Year 2

28K * 5% (\$1400) = \$29,400 * 10.3% tax (\$3,028.20) = Total Cost of \$32,428.20

Approved in current biennial budget:

☒ Yes

☐ No

☐ N/A

Budget Offer Number:

BTIP

Budget Priority:

Healthy and Sustainable

Other budget impacts or additional costs:

☒ Yes

☐ No

☐ N/A

If yes, explain:

Ongoing annual renewal \$28,000 of Support starting in 2026 with 5% increase.

Funding source(s):

BTIP - D365 BR2

Budget/Funding Constraints:
N/A

☐ Additional budget details attached

COUNCIL REVIEW:

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
5/20/2025	Business Meeting	Approve

Time Constraints:
Contract quote expires on 5/28/2025.

ANTICIPATED RESULT IF NOT APPROVED:

Increased manual workload, delays in financial close, higher risk of errors in financial statements, and increased staff costs due to manual entries.

ATTACHMENTS:

Attachment A - City of Redmond WA - IGM - Gravity SaaS Agreement