



**MEMO TO:** Finance and Administration Committee

**FROM:** Dawn Johnson

**DATE:** September 25, 2018

**SUBJECT:** Dynamics AX On-Call Consulting Services Contract

**I. PURPOSE** ☐ For Info Only ☐ Potential Agenda Item ☒ Scheduled for Council Action

**II. RECOMMENDATION**

Approve, for Council action, a Consulting Services Agreement with HSO for on-call services in support of the City's Dynamics AX Enterprise Resource Planning (ERP) system in an amount not to exceed \$650,000, for a period of three years with an option to extend the agreement for an additional two years.

**III. DEPARTMENT CONTACTS**

|   |              |
|---|--------------|
| Malisa Files, Finance Director                | 425-556-2166 |
| Dawn Johnson, Senior Business Systems Analyst | 425-556-2179 |

**IV. DESCRIPTION/BACKGROUND**

Tyler Technologies currently provides break/fix support and some maintenance services for Dynamics AX, the City's ERP system. Tyler Technologies has announced plans to transition away from their role as a Dynamics support partner as Microsoft transitions the product to the cloud and offers it as a Software as a Service (SaaS) solution. This creates a need for the City to identify an alternate Dynamics support partner. The new support agreement would allow for approximately 1,000 hours of on-call support services each year over a three-year term with an option to extend. This provides a level of support which brings with it an opportunity to better leverage the systems inherent functionality, apply best practices in the use of the system, implement new modules and plan for the Dynamics AX system to transition to the cloud version of the product (Dynamics 365 for Finance and Operations).

**A. Analysis**

A Request for Proposal (RFP) for on-call services was posted on June 19<sup>th</sup>, 2018. Seven proposals were received and reviewed by a team of Finance and Technology and Information Services (TIS) staff. Five firms with the most responsive proposals were

interviewed the week of August 13<sup>th</sup> and each was given the opportunity to provide a best and final proposal within 3 days of the interviews.

HSO was deemed the most responsive and references were checked and found to be favorable. Since 1989, HSO has been a leading provider of enterprise resource planning software and implementation services. HSO's client base is made up of organizations ranging in size from 25 seats in a single country and location, up to over 6,000 seats spread over multiple countries and hundreds of locations. They have over 550 certified Dynamics professionals working for them and are a Microsoft partner. HSO is an active participant and ongoing sponsor of the Dynamics User Community of which Redmond is also a participant. HSO proposed a unique solution that meets Redmond's needs, including:

- Reactive support through their 24x7 service desk and managed service team.
- Proactive services to keep the City's current Dynamics AX 2012 healthy and performing well while we begin the task of moving to a D365 environment.
- Consulting services to move the City from its dependency on Tyler Technology customizations and solutions.
- A flexible and collaborative relationship, allowing the City to govern changes and set priorities to receive maximum value.

For these reasons, Redmond has chosen HSO to be our new partner of choice in the Dynamics environment

**V. TIME CONSTRAINTS**

The Finance and Technology and Information Services Departments would like to finalize the contract on October 16, 2018 so there is no break in service for the maintenance and support for the Dynamics AX product.

**VI. LIST OF ATTACHMENTS**

None