

# Mayor and Council Communication

**DATE:** 11/12/24

**M&C FILE NUMBER:** M&C 24-0967

**LOG NAME:** 13LEASECONTROLLER FY2025

**SUBJECT**

(ALL) Authorize an Increase to the Contract Compensation Authority for the Remaining Term of a Sole Source Vendor Contract with LeaseAccelerator, Inc. through November 30, 2025 for Quarterly License Fees for the LeaseController Software License in an Additional Amount Up to \$32,000.00 from Fiscal Year 2025 Approved Budgeted Funds

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**RECOMMENDATION:**

It is recommended that the City Council authorize an increase to the contract compensation authority for the remaining term of a sole source vendor contract with LeaseAccelerator, Inc. through November 30, 2025 for quarterly license fees for the LeaseController Software License in an additional amount up to \$32,000.00 from Fiscal Year 2025 approved budgeted funds.

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**DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to seek authorization from the City Council to increase the contract compensation authority for the remaining term of the contract with LeaseAccelerator, Inc.

LeaseController is a software program used by the Financial Management Services Department with the application of Government Accounting Standards Board (GASB) Statement No. 87 and GASB Statement No. 96, to manage the accounting and reporting of leases and subscription-based information technology arrangements (SBITA). LeaseController assists with documenting and tracking leases and SBITA contract details; calculating and recording lease and SBITA balances and activity with journal entries; processing additions, modifications and terminations; processing account reconciliations and roll forwards; and producing year-end financial disclosures for the Annual Comprehensive Financial Report.

A Chapter 252 Exemption Form for a sole source vendor agreement with Deloitte & Touche LLP was approved on August 1, 2022 with an anticipated amount of \$53,000.00. This amount was for the initial LeaseController software implementation. A additional software license agreement was approved on November 29, 2022 and is identified as City Secretary Contract number 58516 (the "Agreement"). Included in the Agreement is an ongoing quarterly license fee beginning December 1, 2022. The license fee is calculated at the following rate: \$5,000.00 for 0 to 100 active records and \$5.00 per active record from 101 to 1,000. Originally, it was anticipated that the initial contract authority of \$100,000.00 would be sufficient.

On February 14, 2023, Deloitte & Touche LLP ("Deloitte") entered into an agreement under which LeaseAccelerator, Inc. acquired the LeaseController business from Deloitte & Touche. Under the terms of the Agreement, the City provided consent for Deloitte to assign the Agreement to a third party. On May 30, 2023, by and through City Secretary Contract Number 58516-NC1, the City approved the name change on the Agreement.

As of September 30, 2024, the ongoing quarterly license fees, averaging approximately \$5,600.00 per invoice, have exhausted the initial \$100,000.00 spending authority allowed without Council approval. A total of \$97,065.00 in expenditures has been recorded for implementation and license fees. Therefore, additional authority is necessary for payment of the quarterly license fees remaining through the current contract end date of November 30, 2025. With this M&C, the City will increase the spending authority under the Agreement to cover an additional \$32,000.00 in quarterly fees through the end of the term of the Agreement.

Funding is budgeted in the Other Contractual Services account within the General Fund for the Financial Management Services Department.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the recommendation, funds are available in the current operating budget, as previously appropriated, in the General Fund. Prior to an expenditure being incurred, the Financial Management Services Department has the responsibility to validate the availability of funds.

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