

# Mayor and Council Communication

**DATE:** 02/27/24

**M&C FILE NUMBER:** M&C 24-0137

**LOG NAME:** 04IMMIXTECHNOLOGY UKG ENTERPRISE SOFTWARE LICENSES AND MAINT

## **SUBJECT**

(ALL) Authorize an Amendment to City Secretary Contract No. 52679 with ImmixTechnology Inc. to Authorize Two Additional One-Year Terms and Increase the Contract Amount for Professional Services by \$200,000.00 Annually for the Information Technology Solutions Department

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## **RECOMMENDATION:**

It is recommended that the City Council authorize an amendment to city secretary contract no. 52679, a purchase agreement with immixTechnology Inc. using cooperative contract Texas Department of Information Resources DIR-TSO-4315 for the Information Technology Solutions Department. The amendment will renew the contract for an additional one-year term and include an option for one additional one-year renewal term. The amendment will also increase the authorization amount for the associated professional services in an annual amount up to \$200,000.00, for a total annual contract amount of \$650,000.00. This authorization ensures continued service of the technology licenses while the Public Safety Payroll Solution project continues.

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## **DISCUSSION:**

This Mayor and Council Communication (M&C) requests authorization to execute a contract amendment to City Secretary Contract (CSC) 52679, a purchase agreement with immixTechnology Inc., using cooperative contract Texas Department of Information Resources DIR-TSO-4315. The purpose of the amendment is to renew the contract for an additional one-year term and include an option for one additional one-year renewal term. The amendment will also increase the authorization amount for the associated professional services in an annual amount up to \$200,000.00, for a total annual contract amount of \$650,000.00. This authorization ensures continued service of the technology licenses while the Public Safety Payroll Solution project continues.

## **BACKGROUND:**

On June 11, 2019, City Council approved M&C P-12339 authorizing a purchase agreement with immixTechnology Inc. for Kronos Workforce TeleStaff software, professional services, support, and maintenance using cooperative agreement Texas Department of Information Resources DIR-TSO-4315 for a first-year amount of \$462,120.19 and four renewal options for maintenance for \$60,540.00 each year. CSC 52679 was executed August 19, 2019.

On September 28, 2021, City Council approved M&C 21-0732, authorizing a third amendment to CSC 52679. The purpose of the third amendment was to purchase and implement UKG Workforce Dimensions software and to consolidate UKG Telestaff Enterprise software for the City's Police and Fire Departments in the amount of \$740,326.40 for implementation. Licensing and maintenance costs were authorized for \$490,284.60 annually, including two additional renewal terms for the same annual amount. M&C 21-0732 approved the technology elements of the proposed public safety payroll solution.

In February 2023, the Information Technology Solutions Department ("IT Solutions") identified billing errors associated with immixTechnology, Inc.'s invoices to the City. IT Solutions worked with the vendor to resolve the identified billing issues and the parties mutually agreed to place any amounts owed under the terms of the contract on hold (\$450,000.00). The City and Vendor have since resolved the outstanding billing issues. However, concurrent with the investigation, CSC No. 52679 expired. With the contract expired, the City is unable to release funds for the amount in arrears. This M&C requests authorization to execute a contract amendment to CSC 52679 to renew the agreement for an additional one-year term so that the City may pay the \$450,000.00 mutually placed on hold. Simultaneously, IT Solutions requests authorization to increase the contract amount by \$200,000.00 annually for professional services to support the ongoing public safety payroll solution. The total cost of the contract, including the UKG Workforce Dimensions and UKG Telestaff Enterprise software licenses (\$450,000 in arrears) and professional services (\$198,000), will not exceed \$650,000.00 for Fiscal Year 2024. The one-year renewal term may increase by 3% for the following year.

**COOPERATIVE PURCHASE:** State law provides that a local government purchasing an item under a cooperative purchase agreement satisfies State laws requiring that the local government seek competitive bids for purchase of the item. Cooperative contracts have been competitively bid to increase and simplify the purchasing power of local government entities across the State of Texas.

**SUCCESSOR CONTRACTS:** In the event the DIR agreement is not renewed, staff would cease purchasing at the end of the last purchase agreement coinciding with a valid DIR agreement. If the City Council were to not appropriate funds for a future year, staff would stop making purchases when the last appropriation expires, regardless of whether the then-current purchase agreement has expired.

The City will initially use the DIR contract to make purchases authorized by this M&C. The Cooperative Contract is set to expire February 28, 2025. If DIR-TSO-4315 is extended, this M&C authorizes the City to purchase similar equipment and services under the extended contract. If DIR-TSO-4315 is not extended but DIR executes a new cooperative contract with immixTechnology Inc. and with substantially similar terms, this M&C authorizes the City to purchase the equipment and services under the new DIR contract. If this occurs, in no event with the City continue to purchase goods and services under the new agreement for more than three (3) years without seeking Council approval.

**BUSINESS EQUITY:** A goal is not assigned when purchasing from an approved purchasing cooperative or public entity.

**ADMINISTRATIVE CHANGE ORDER:** An administrative change or increase may be made by the City Manager up to the amount allowed by relevant law and the Fort Worth City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

**AGREEMENT TERM:** Upon City Council's approval, the initial term of the agreement will become effective once executed by the Assistant City Manager and will expire on February 28, 2025, in accordance with the DIR contract. The Agreement may be renewed in accordance with the extended DIR-TSO-4315 cooperative agreement or its successor, but will not be renewed without seeking Council approval.

**RENEWAL OPTIONS:** This agreement may be renewed for 1 year, in accordance with the underlying DIR, at the City's option. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

Funding is budgeted in the Other Contractual Services account within the Info Technology Systems Fund for the Information Technology Solutions Department.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendation, funds are available in the current operating budget, as previously appropriated, in the Info Technology Systems Fund. Prior to an expenditure being incurred, the Information Technology Solutions Department has the responsibility to validate the availability of funds.

**Submitted for City Manager's Office by:** Mark McDaniel

**Originating Business Unit Head:** Kevin Gunn 2015

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