

FOR BOARD ACTION

Agenda Item # 8

Meeting Date:

1/27/04

SUBJECT: Annual Maintenance on Business Software

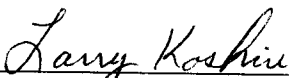
PREPARED BY: Jim Daley, Manager - Information Services

ITEM DESCRIPTION:

We use enterprise business software from SAP Public Services Inc. for tracking capital and maintenance projects, materials management, asset management, regulatory reporting and financial/management reporting. Annual software maintenance agreements are a critical component of all major software implementations. They provide us with up-to-date access to information on software problems, updates to fix software that does not work correctly and new functionality that is developed as the software is enhanced. Annual software maintenance is typically priced at 15 – 18% of the total current retail price of a software license. The annual maintenance agreement for our SAP enterprise business software for 2004 is \$72,797.40. This is 17% of the current retail purchase price of \$428,220.00.

UTILITY BOARD ACTION REQUESTED:

Approval of a purchase order agreement with SAP Public Services Inc. for \$72,797.40 for software maintenance and support services on our enterprise business software for 2004.


General Manager

1/22/03
Date

ROCHESTER PUBLIC UTILITIES



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the Common Council of the said City is requested to approve a purchase order agreement with SAP Public Services Inc. for

Software maintenance and support for 2004

The amount of the purchase order agreement to be SEVENTY TWO THOUSAND SEVEN HUNDRED NINETY SEVEN AND 23/100 DOLLARS (\$72,797.40)

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 27th day of January, 2004

President

Secretary