



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 11

Agenda Date: December 15, 2022

In Control: City Council A Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Annual Contract for GASB 87 and 96 Software Solution and Implementation Services

SUMMARY:

This ordinance authorizes a contract with GCR, Inc., DBA Civix to provide a software solution and implementation of services for the Generally Accepted Accounting Principles (GAAP) and management needs across the City for compliance with the Government Accounting Standards Board (GASB) 87 and GASB 96 which cover lease accounting and Subscription Based Information Technology Agreements. The estimated total service cost and implementation costs over the five-year contract term is \$133,722.86. Funding for first year of the contract in the amount of \$42,082.40 is available from FY 2023 General Fund Adopted Budget. Funding for future year of the contract is contingent upon City Council approval of annual budget.

BACKGROUND INFORMATION:

Submitted for City Council consideration and action is a proposal submitted by GCR, Inc., DBA Civix to provide a software solution and implementation services to support all City departments and will provide necessary information for proper accounting and reporting to meet GAAP and management needs for compliance with GASB 87 and GASB 96. The Governmental Accounting Standards Board (GASB) is the accounting regulatory entity for municipalities.

The GASB 87 lease accounting software solution will support the recognition of leased assets and liabilities previously classified as operating leases or capital leases, account for and disclose lessee and lessor agreements, and track lease contracts. This standard is effective for Fiscal Year 2022.

The GASB 96 Subscription Based Information Technology Arrangement (SBITA) software solution will support the recognition of a right-to-use subscription asset by recording an intangible asset and a corresponding subscription liability and disclosure per the necessary requirements. This standard is effective for Fiscal Year 2023

The City issued a Request for Competitive Sealed Proposals (RFCSP) for “GASB 87 and 96 Software Solutions” (RFCSP 22-101, 6100015599) on June 15, 2022, with a submission deadline of July 18, 2022. The RFCSP was advertised in the San Antonio HartBeat, TVSA channel, the City’s Bidding & Contracting Opportunities website, the San Antonio e-Procurement System, and an email notification was released to a list of potential Respondents. Eleven proposals were received. One proposal was deemed non-responsive by the Finance Department, respondent did not submit the required documents thus proposal could not be evaluated. One proposal was deemed non-responsive by the Finance Department due to respondents' failure to reply to the City’s Best and Final Offer by the required deadline of September 7, 2022. Nine proposals were deemed eligible for evaluation; 2 respondents submitted an On-Premise Solution and 7 respondents submitted a Software as a Service (SaaS) solution. Proposals were evaluated separately based on the offered solutions.

The evaluation committee consisted of representatives from the Finance Department, Information Technology Services Department, Center City Development & Operations Department, and the Parks & Recreation Department. The Finance Department Purchasing Division assisted by ensuring compliance with City procurement policies and procedures. The evaluation of each proposal response was based on a total of 100 points; 35 points allotted for experience, background, qualifications; 45 points allotted for proposed plan; 20 points allotted for respondent’s price schedule. Additional categories of consideration included references and financial qualifications.

A Best and Final Offer was issued on September 2, 2022 with responses due by September 7, 2022 to clarify and request each firm’s most competitive pricing. The evaluation committee met on September 22, 2022, to discuss the nine responsive proposals received. The committee discussed the proposals and shortlisted to the top two ranked firms offering the SaaS solution and recommended interviews.

Interviews were held with the two top ranked respondents offering SaaS on October 5, 2022. After, the evaluation committee reconvened and submitted their final scores and recommended the top ranked firm, Cherry Bekaert Advisory LLC. During negotiation with the top ranked firm, the respondent informed the City that they were unable to meet the City’s mandatory requirements for insurance, indemnification and liability. The City ceased negotiations with the respondent and moved forward with the next ranked firm, GCR Inc., DBA Civix who is recommended for award for a SaaS solution based on the City’s standard RFCSP evaluation process.

The initial term of the agreement shall be for the period upon award by City Council and continue in full force and effect for a two-year period. Three additional one-year renewals at the City's option shall also be authorized by this ordinance.

ISSUE:

This contract will provide a software solution and implementation services across the city that will provide necessary information for proper accounting and reporting to meet GAAP and management needs for compliance with GASB 87 and GASB 96 which cover lease accounting and Subscription Based Information Technology Agreements.

The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority, and/or women businesses available to provide these goods and services

This award is an exception to the Local Preference Program.

The Veteran-Owned Small Business Preference Program does not apply to non-professional service contracts, so no preference was applied to this contract.

ALTERNATIVES:

Should this contract not be approved, the Finance Department may be required to resolicit to ensure compliance with GASB reporting required for Fiscal Year 2022. This would delay the City's issuance of its Annual Comprehensive Financial Report.

FISCAL IMPACT:

This ordinance authorizes a contract with GCR, Inc., DBA Civix to provide a software solution and implementation of services across the City for the Generally Accepted Accounting Principles (GAAP) and management needs for compliance with the Government Accounting Standards Board (GASB) 87 and GASB 96 which cover lease agreements and Subscription Based Information Technology Agreements. The estimated total service cost and implementation costs over the five-year contract term is \$133,722.86. Funding for first year of the contract in the amount of \$42,082.40 is available from FY 2023 General Fund Adopted Budget. Funding for future year of the contract is contingent upon City Council approval of annual budget.

RECOMMENDATION:

Staff recommends approval of an ordinance for acceptance of a contract with GCR, Inc., DBA Civix to provide a software solution and implementation services to support all City departments for proper accounting and reporting to meet GAAP and management needs for compliance with GASB 87 and GASB 96 for an estimated total service cost, plus implementation, of \$133,722.86.

This contract was procured by means of a Competitive Sealed Proposal and a Contracts Disclosure Form is required.