



February 14, 2010

Appendix MMM-8-14
February 28, 2011

TO: Board of Education

FROM: Daniel A. Nerad, Superintendent

RE: Human Resource/Financial Business System Solution

I. Introduction

A. Title/topic – Human Resource/Financial Business System Solution

B. Presenter/contact person –

Erik Kass – Assistant Superintendent of Business Services

Bob Nadler – Executive Director of Human Resources

C. Background information –

Madison School District is one of the members of the Wisconsin School Consortium (Consortium) for Human Resource/Financial Business Solution System. The other member school districts are Racine, Middleton-Cross Plains and Verona.

Madison implemented the current system solution (Lawson) in 2003-04 and began the Consortium in 2005-06. To assure that the Consortium districts are getting the best value on their HR/Financial Business application software and related services, the Consortium opted to have a competitive RFP process for the following areas:

Evaluation of K-12 business application software including our current vendor, Lawson Software

Evaluation of hosting vendors related to the business application software

The RFP process began in May where there were four qualified responders. The Consortium held all day demonstrations that were both on site and electronically through involving numerous representatives from the following areas of: Human Resources, Finance, School Sites, Food Service, Community Service, and General Administration.

The Consortium then moved their consideration primarily toward two of the vendors with reference calls, another set of demonstrations for further detail clarification, site visits and a virtual site visit.

At this point the Consortium members are at a consensus that they will be dissolving the Consortium where two members, Verona and Middleton-Cross Plains are looking at one solution, Racine is considering staying with the current solution, and Madison is considering moving forward with a different solution because of the improved and integrated functionality combined with cost savings.

D. BOE action requested – Administration will be requesting the Board of Education to approve the purchase of the Tyler Munis System for Finance and Human Resources.

- A. Budget** – The Human Resource/Finance System solution with Tyler Munis is estimated at \$1,366,370 for the initial investment. The District has completed a six year projection comparing the current Solution (Lawson) to the Tyler Munis solution for five years past the initial investment and implementation. This comparison shows that the district will begin receiving a payback on the investment in the 1st year (2012-13) after the implementation and break even in the fourth year after implementation of the new solution.

The District continues to work to resolve with our legal counsel an additional cost factor regarding final payment to the current hosting vendor. This cost is estimated to be up to \$299,428.50.

- B. Strategic Plan** – The Human Resource/Finance System Solution is tied to the Strategic Plan under Resource Capacity with Prioritization and Allocation of Resources as well as Rigorous Evaluation
- C. Equity Plan** – The Human Resource/Finance System Solution will assist in supplying the district with the tools needed to assist with the staffing and financial resources relative to the equity plan.
- D. Implications for other aspects of the organization** – Implementing a Tyler-Munis Human Resource/Finance System Solution will bring more functionality, more integration in a cost effective system allowing the district to not only allocate its resources elsewhere, but have efficient tools for the staff to accomplish what they need to in less time. It will also impact staff as they will need to learn a new system throughout this transition, but we are planning to provide resources and experts to assist them along the way.

IV. Supporting Documentation –

- **Human Resource/Finance System Solution Lawson vs Tyler Munis Cost Comparison**

It is important to point out that at the time this memorandum is going to the committee, Administration is continuing to negotiate the final agreement. The price has been finalized, but we are continuing to work through some legal issues that we hope to resolve prior to the February 28, 2011 Board of Education meeting.

Madison Metropolitan School District
Human Resource/Business System Solution
Lawson vs Tyler Munis Cost Comparison
2/10/11

	2010-11 Budget	2011-12 Budget	2012-13 Budget	2013-14 Budget	2014-15 Budget	2015-16 Budget	2016-17 Budget
Lawson Service/Contracts							
Velocity Hosting Services							
Support	354,643.20	325,089.60	344,594.98	344,594.98	344,594.98	344,594.98	344,594.98
Support Coordinator	20,688.00	-					
Kronos Hosting Service	63,000.00	57,750.00	61,215.00	61,215.00	61,215.00	61,215.00	61,215.00
Lawson							
Original Software Maintenance	64,478.00	64,478.00	79,952.72	84,749.88	89,834.88	95,224.97	100,938.47
LSF 9.0	6,628.00	6,628.00	8,218.72	8,711.84	9,234.55	9,788.63	10,375.94
Microfocus	4,971.00	4,971.00	6,164.04	6,533.88	6,925.92	7,341.47	7,781.96
LBI	9,730.00	9,730.00	12,065.20	12,789.11	13,556.46	14,369.85	15,232.04
Budget & Planning	3,169.00	3,169.00	3,929.56	4,165.33	4,415.25	4,680.17	4,960.98
Procurement Card Self Service	2,260.00	2,260.00	2,802.40	2,970.54	3,148.78	3,337.70	3,537.97
Smart Reconciliation	2,826.00	2,826.00	3,504.24	3,714.49	3,937.36	4,173.61	4,424.02
Process Flow Integrator	10,446.00	10,446.00	12,953.04	13,730.22	14,554.04	15,427.28	16,352.91
Teacher Contract	6,048.00	6,048.00	7,499.52	7,949.49	8,426.46	8,932.05	9,467.97
Misc							
Hyperion Budgeting Software	21,600.00	21,600.00	21,600.00	21,600.00	21,600.00	21,600.00	21,600.00
JAT	3,164.00	3,164.00	3,164.00	3,164.00	3,164.00	3,164.00	3,164.00
NEPS	1,703.00	1,703.00	1,703.00	1,703.00	1,703.00	1,703.00	1,703.00
BSI	6,266.00	6,266.00	6,266.00	6,266.00	6,266.00	6,266.00	6,266.00
TC Alan Company - Consortium Manager	27,317.00	27,317.00	27,317.00	27,317.00	27,317.00	27,317.00	27,317.00
Total Lawson Service/Contracts	608,937.20	553,445.60	602,949.42	611,174.78	619,893.67	629,135.69	638,932.24
Third Party Software Maintenance							
Kronos	33,360.00	33,360.00	34,360.80	35,391.62	36,453.37	37,546.97	38,673.38
Gateway Work Order System Maintenance	4,565.00	4,701.95	4,843.01	4,988.30	5,137.95	5,292.09	5,450.85
SearchSoft (Applicant Tracking)	11,050.00	11,381.50	11,722.95	12,074.63	12,436.87	12,809.98	13,194.28
SubFinder	7,941.00	8,179.23	8,424.61	8,677.35	8,937.67	9,205.80	9,481.97
Total Third Party Software/Services	56,916.00	57,622.68	59,351.36	61,131.90	62,965.86	64,854.83	66,800.48

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Lawson Service/Contracts							
Tyler Munis Service/Contracts (Scenario #2)							
Software License		611,950.00					
Less 20% Discount		(122,390.00)					
Total Software Cost		489,560.00					
Services							
Services/Customizations		216,400.00					
Application Hosting		78,000.00	78,000.00	78,000.00	80,340.00	82,750.20	85,232.71
Total Services		294,400.00	78,000.00	78,000.00	80,340.00	82,750.20	85,232.71
Third Party Software/Hardware & Services		1,650.00	1,650.00	1,650.00	1,650.00	1,650.00	1,650.00
First Year Costs							
Implementation (138 days @ \$1,175)		162,150.00					
Consulting Costs (37 Days @ \$1,175)		43,475.00					
Conversion Costs		138,900.00					
Total First Year Costs		344,525.00					
Software Maintenance							
Year One (18% on base price)		89,656.80	89,656.80	94,139.64	110,821.00	116,362.05	122,180.15
First Year Maintenance Discount		(89,656.80)					
Total Software Maintenance		-	89,656.80	94,139.64	110,821.00	116,362.05	122,180.15
Implementation Project Manager	61,600.00	123,200.00	18,200.00	-	-	-	-
Optional Solution Additions							
Software License		68,060.00					
Year One Maintenance		17,265.80	17,265.80	18,129.09	17,741.00	18,628.05	19,559.45
Year One Maintenance Discount		(17,265.80)					
First Year Costs		39,475.00					
Services Year One		5,500.00					
Total Option Solution Additions		113,035.00	17,265.80	18,129.09	17,741.00	18,628.05	19,559.45
Total Tyler Munis Service Contracts	61,600.00	1,366,370.00	204,772.60	191,918.73	210,552.00	219,390.30	228,622.31
Total Expenditures Staying With Lawson	665,853.20	611,068.28	662,300.78	672,306.68	682,859.53	693,990.53	705,732.71
Total Expenditures Transition to Tyler Munis (2011-12 Tyler Munis Includes Lawson Continued Costs)	727,453.20	1,977,438.28	264,123.96	253,050.63	273,517.85	284,245.13	295,422.79
Cost Difference Between Lawson and Tyler/Munis	61,600.00	1,366,370.00	(398,176.82)	(419,256.05)	(409,341.67)	(409,745.40)	(410,309.93)
Net Impact of Tyler Munis Implementation	(61,600.00)	(1,427,970.00)	(1,029,793.18)	(610,537.13)	(201,195.46)	208,549.94	618,859.87

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	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Lawson Service/Contracts	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Future Software/Service Options							
Software License		65,200.00					
Year One Maintenance		27,210.00	27,210.00	28,570.50	29,999.03	31,498.98	33,073.93
Year One Maintenance Discount		(27,210.00)					
First Year Costs		39,675.00					
Services Year One		31,870.00					
Total Option Solution Additions		136,745.00	27,210.00	28,570.50	29,999.03	31,498.98	33,073.93
Lawson Lease/Purchase Debt							
Principal 2010-11 \$430,042.81	430,042.81						
Principal 2011-12 \$447,328.81		447,328.81					
Principal 2012-13 \$465,309.64			465,309.64				
Principal 2013-14 \$484,013.30				484,013.30			
Interest 2010-11 \$68,465.67	68,465.67						
Interest 2011-12 \$51,179.67		51,179.67					
Interest 2012-13 \$33,198.84			33,198.84				
Interest 2013-14 \$9,631.86				9,631.86			
Penalty for prepayment of debt							
Total Debt	498,508.48	498,508.48	498,508.48	493,645.16	-	-	-

Assumption: Kronos hosting has not been costed into the Tyler-Munis Solution.