



Legislation Text

File #: 16-641, **Version:** 1

AUTHORIZATION TO APPROVE THE SOLE SOURCE PURCHASE OF ANNUAL MAINTENANCE SUPPORT FROM TCS AMERICA, INC., FOR THE TAX MANTRA SYSTEM

Staff Contact: Vicki Rios, Director, Budget and Finance

Purpose and Recommended Action

This is a request for City Council to approve the purchase of annual maintenance support from TCS America, Inc., for the Tax Mantra system for one year under contract number C-7108 for an amount not to exceed \$173,961 and to authorize the City Manager to execute any documents necessary to implement the maintenance contract for the period of February 9, 2017 through February 8, 2018.

Background

On August 11, 2009, City Council awarded contract number C-7108 to TCS America, Inc. for the city's sales tax and licensing system software. The City uses the sales tax and licensing software to manage taxpayer information, process business licenses and license renewals, monitor outstanding receivables and delinquencies, and identify potential audit cases. Annual maintenance provides technical support, software updates and fixes, and upgrade rights. The contract allows for the continuation of maintenance annually upon mutual agreement by both parties.

Analysis

The Materials Manager may procure and contract for supplies and services without competition when there has been a written determination that competition is not available and there is only one known source for the supply or service.

TCS America, Inc. is the creator of the Tax Mantra software and is the sole provider of system maintenance and support. It is common in the software industry for the software maintenance to be provided only by the creator of the system because the software is proprietary and firms typically do not license other companies to provide support services. This software maintenance and support is necessary to continue to use the Tax Mantra system for the next year.

Although the Arizona Department of Revenue began administering transaction privilege tax starting with the January 2017 applications and returns, the city continues to process transactions as items come in from prior periods. In addition, the Tax Mantra software will be used to process business licenses until a replacement system can be implemented. A new licensing system is in the process of being selected and recommended but it is expected to take approximately one year to implement the new system once a contract is approved by the Council. In addition, the historical information in Tax Mantra will need to be converted and stored as part of the implementation of a business intelligence tool. In order to accomplish these projects, the Tax Mantra

system needs to be maintained for at least another year.

Previous Related Council Action

On January 26, 2016, January 27, 2015, February 28, 2014, and February 12, 2013, City Council approved the annual maintenance support and expenditures for the Tax Mantra system.

On August 11, 2009, City Council awarded contract number C-7108 to TCS America, Inc. for the Tax Mantra sales tax and licensing system software.

Community Benefit/Public Involvement

The Tax Mantra system captures taxpayer account information, tracks tax return filings and payments, delinquencies, licensing, and business information.

Budget and Financial Impacts

The annual maintenance support cost is budgeted in the Technology Replacement fund.

Cost	Fund-Department-Account
\$173,961	2591-18402-522700, Technology Replacement

Capital Expense? No

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No