

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION:

DATE:

February 21, 2012

RECOMMENDATION
BANNER ERP SYSTEM CONTRACT RENEWAL

ACTION REQUESTED

It is recommended that the Board of Regents approve a ten year renewal of the contract with Sungard Higher Education, Inc. for maintenance services and software upgrades for the Banner system.

STAFF SUMMARY

Banner is the University's ERP system, including applications and modules for Finance, Financial Aid, Human Resources, Advancement, Student, Faculty and Staff Self-Service, Document Management, Workflow, and EPrint. Banner is a common ERP system in higher education with seven other Michigan public universities utilizing Banner.

Sungard Higher Education, Inc. is the sole source provider of Banner maintenance services and upgrades – there is no opportunity to market these services to any 3rd party providers.

Representatives from Finance, Purchasing, and Information Technology evaluated renewal alternatives that included fixed fees or variable fees (annual increase based on Consumer Price Index plus a basis point upcharge) as well as alternative contract lengths (with annual price increases ranging from 4% to 10%). A 10 year, fixed fee renewal with a 4% annual price increase is recommended. The first year cost (July 1, 2012 through June 30, 2013) would be \$390,944 and the total cost over the 10 year renewal term would be \$4.7M.

The renewal covers maintenance service activities and includes all currency upgrades (both major and minor) of all current licensed software (modules). Maintenance services include SunGard's Action Line (Bronze Level Maintenance Standards) Technical Support. This support covers all software failure activities and response targets based upon the priority level of each call.

FISCAL IMPLICATIONS

The first year cost of the contract renewal will be reflected in the FY13 budget proposal presented to the Board of Regents for approval in June.

ADMINISTRATIVE RECOMMENDATION

The proposed Board action has been reviewed and is recommended for Board approval.

University Executive Officer

Date

2/21/12