City of Austin

Recommendation for Action

File #: 23-2087, **Agenda Item #:** 28.   6/8/2023

Posting Language

Authorize an amendment to a contract for continued cloud-based pension modeling software including maintenance, support, and licenses with GovInvest, to increase the amount by $283,725 and to extend the term by three years, for a revised total contract amount not to exceed $415,725.

[Note: Sole source contracts are exempt from the City Code Chapter 2-9D (Minority Owned and Women Owned Business Enterprise Procurement Program); therefore, no subcontracting goals were established].

Lead Department

Financial Services Department.

Client Department(s)

Financial Services Department.

Fiscal Note

Funding in the amount of $90,000 is available in the Fiscal Year 2022-2023 Operating Budget of the Financial Services Department. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Contract Amendment.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov <mailto:FSDCentralProcurementRCAs@austintexas.gov> or 512-974-2500.

Additional Backup Information:

The City contributes to three defined benefit retirement systems for City employees: the Austin Police Retirement System (APRS) (for sworn police officers), the Austin Fire Fighter Relief and Retirement Fund (AFFRF) (for sworn firefighters) and the City of Austin Employees Retirement System (COAERS) (all other employees including sworn EMS). Until 2021, the City's contributions to each of these retirement systems were based on a fixed percentage of employee base pay.

In 2021, the City and APRS took legislation to the State legislature that moved the City's contributions to a more complex calculation based on actuarial modeling. In 2023, the City and COAERS have taken similar legislation to the legislature, which is still pending, that moves the City's contributions to this same calculation for this system. These more complex calculations consider many different factors in determining the City's contributions including pension system investment earnings and payroll assumptions.

The software and services under this contract will provide the City with the ability to model different

assumptions and determine their impact on the City's required contributions. This will allow the City to better plan and forecast the City's required contributions into the future.

GovInvest is the developer and sole distributor of this software. There is no other reseller authorized to represent these products or technology solutions.

Contract Detail:

Contract Term	Length of Term	Current Contract Authorization	Requested Additional Authorization	Revised Total Authorization
Initial Term	17 mos.	$132,000		$132,000
Proposed Amendment	3 yrs.		$283,725	$283,725
TOTAL	4 yrs., 5 mos.	$132,000	$283,725	$415,725

Note: Contract Authorization amounts are based on the City's estimated annual usage.

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