

## EXECUTIVE SUMMARY

### Direct Negotiation Agreement FY20-165 – Treasury Management Software Solution

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#### **Introduction**

##### **Responsible: Procurement and Warehousing Services (PWS)**

This request is to approve the Agreement between FIS AvantGard LLC (FIS) and The School Board of Broward County, Florida (SBBC), for five (5) years commencing on December 10, 2019, and concluding on December 9, 2024. FIS will provide treasury management software as a service solution and will be funded by the Treasurer's Office budget.

The spending authority being requested is \$394,800.

#### **Goods/Services Description**

##### **Responsible: Treasurers' Office**

On June 7, 2005, the School Board approved a new treasury management software package from SymPro (currently named Emphasys Treasury and Debt Software). The transition from managing and reporting the District's investment portfolios in excel spreadsheets to an investment software system was certainly a step in the right direction. It provided greater control and ensured that the Treasurers' Office complied with state statutes and School Board policies. Subsequently, the Treasurers' Office acquired the software and was able to manage its debt portfolio more effectively.

Currently, the District's investment portfolio exceeds \$1.0 billion. The investment portfolio is diversified, and capabilities, flexibilities, functionalities, and sophistication of the current investment software system has reached its limits. SymPro is a system geared to entities that have small to medium size portfolios (i.e., \$50 million to \$250 million); however, staff still has to manually verify certain investments to ensure accuracy in the month-end process. Also, investment trades completed near the end of the month or beginning of the next month can cause timing issues, resulting in other reconciliation issues.

FIS AvantGard, LLC (FIS) (formerly SunGard) has a more sophisticated, fully integrable treasury management system which provides greater functionalities, improved workflows and reporting capabilities across the following functional areas:

- Treasury Management (Bank Management and Cash Management);
- Cash Flow Projection;
- Investment Management;
- Debt Management;
- General Ledger (G/L) accounting and improved reconciliation and balancing features;
- Compliance and Risk Management, including the ability to monitor real-time management with new regulations and accounting standards.

FIS provides full integration with investments, debt, and cash and ensures that assets (cash) are in alignment with liabilities (all payments, debt, vendors, etc.). With FIS' cash flow projection module, the District will be able to create real-time cash flow reports, manage investments more closely and strategically, optimizing investment income. FIS is a leader in this industry, and large governments nationwide (portfolios of \$500M or more) use their system. After many discussions with FIS, the staff is confident that the FIS system would eliminate the current SymPro software issues.

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FIS's robust, state-of-the-art (cloud-based) system will reduce operational risks, optimize cost structure, streamline operations, and enhance services. Additional noteworthy FIS benefits include:

- Effective daily cash positioning with the ability to make real-time updates to the daily cash position worksheet (cash flow). Using this automated cash flow module, rather than a manual Excel spreadsheet, enables the District to be more precise with cash flow projections, allowing more funds to be invested and resulting in increased investment income.
- Bank Analysis Module automatically detects any excess charges above bank contracted amounts and electronically notifies the bank to issue a credit.
- Enhanced cybersecurity
- Enables straight-through processing (STP) across all integrated system modules and auto-posting of entries to the G/L module.
- Investment management with a direct interface with Bloomberg.
- Payment processing capabilities with the ability to send and receive payments, including wires, ACH, and check positive pay files.
- Customizable dashboard and reporting capabilities to display real-time data with appropriate alerts and ticklers.
- Electronic workflows and approval capabilities with an audit trail.

With cash and investments exceeding \$1.0B, along with a debt portfolio of \$1.6B, it is imperative that the District transitions to a treasury management software system that is robust and sophisticated enough to meet the District's current and future needs.

**Procurement Method**

**Responsible: PWS & The Treasurers' Office**

The Direct Negotiation was performed in accordance with Purchasing Policy 3320, VI (C)(5)(c), and Section 6A-1.012(14), F.A.C., permit the acquisitions of Information & Technology as defined in Section 282.0041(14), Florida Statutes.

The Treasurer and staff, along with the District's Investment Advisors, thoroughly reviewed the top three (3) industry leaders: Kyriba, Clearwater Analytics, and FIS. Based on the evaluations, FIS provided the best functionalities, automation, and integration with SAP for the current and future size and scope of the District's portfolio. Direct Negotiation was deemed the most expeditious and cost-effective method to acquire this crucial and specialized service.

Based on thorough market analysis, followed by Direct Negotiation, the District was able to lock-in a fixed term of five (5) years as well as obtain additional features (i.e., more users and the bank analysis module) at lower costs. Awarding a five (5) year contract for this service enables the District to also lock-in prices. This price lock will prevent any increases for the duration of the contract and avoid the typical, common practice of a contract based on the Consumer Price Index where costs adjust annually or a percentage price increase when the portfolio balance increases. Prior to the expiration of this contract, Staff will provide the School Board with an updated Direct-negotiated contract, after review and assessment of available firms that meet or exceed the District's needs.

The Financial Advisory Committee has also approved the selection of FIS.

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**Financial Impact  
 Responsible: PWS and The Treasurers’ Office**

The total spending authority requested is \$394,800, which represents the total cost of the software, implementation, and training for the five (5) year term.

The following is a breakdown of the spending authority request:

**The School Board of Broward County, Florida**  
 FIS Treasury Management System (TMS) (formerly SunGard)  
 Anticipated Five (5) Year Costs of FIS  
 Spending Authority Requested

Month	Fiscal Year						Total
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	
July	-	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 26,000
August	-	5,200	5,200	5,200	5,200	5,200	26,000
September	-	5,200	5,200	5,200	5,200	5,200	26,000
October	-	5,200	5,200	5,200	5,200	5,200	26,000
November	-	5,200	5,200	5,200	5,200	5,200	26,000
December	\$ 85,400 *	5,200	5,200	5,200	5,200	2,600 **	108,800
January	5,200	5,200	5,200	5,200	5,200	-	26,000
February	5,200	5,200	5,200	5,200	5,200	-	26,000
March	5,200	5,200	5,200	5,200	5,200	-	26,000
April	5,200	5,200	5,200	5,200	5,200	-	26,000
May	5,200	5,200	5,200	5,200	5,200	-	26,000
June	5,200	5,200	5,200	5,200	5,200	-	26,000
<b>Total</b>	<b>\$ 116,600</b>	<b>\$ 62,400</b>	<b>\$ 62,400</b>	<b>\$ 62,400</b>	<b>\$ 62,400</b>	<b>\$ 28,600</b>	<b>\$ 394,800</b>

\*Includes partial monthly service of \$2,600 upon 12/10/19 approval & one-time implementation fee of \$82,800

\*\*Partial month providing contract ends December 9, 2024

The Treasurers’ Office budget includes \$120,000 to cover the spending for Fiscal Year 2019-2020. Subsequent years’ funding will also come from the Treasurers’ Office budget.

The financial impact represents an estimated contract value; however, the amount authorized will not exceed the estimated contract award amount.