COMMUNITY/CONVENTION CENTER
City of Sacramento
ADMINISTRATION OFFICES

October 17, 1989

Budget and Finance Committee
Sacramento, California

Honorable Members in Session

Subject: Convention Management System for the Sacramento
           Community Center and the Sacramento Visitors
           and Convention Bureau

SUMMARY

The Sacramento Community Center desires to purchase computer
equipment and Convention Management software. Software evalua-
tion has resulted in the determination that only one vendor can
provide the necessary product, and authorization for the suspen-
sion of competitive bidding is requested. The hardware and
software purchase will require the transfer of funds from the
Community Center Fund reserves to the Community Center's operat-
ing budget. The Community Center will provide use of its hard-
ware and software to the Convention and Visitor's Bureau for an
annual fee of $5,000.

BACKGROUND

The initial work on Community Center software began in late 1986
with the first conceptual design, completed by an outside con-
sulting firm, presented in February 1987. The same consulting
firm completed a detailed design in July 1987.

In studying the detailed design the Community Center realized that the Community Center and the City would operate more efficiently if both the Convention and Visitors Bureau and the Community Center were to automate their sales and booking operations and jointly use a convention system that would fulfill their individual needs while satisfying the requirement to share a single booking calendar. As a result, the following decisions were made:

1. The Community Center would acquire an IBM AS-400 minicomputer instead of a personal computer network as initially conceived.

2. A single vendor would be selected to provide convention bureau software and to program and implement the Community Center's already designed software specifications so as to fully join the two systems through the booking calendar into a single convention management system.

3. If possible, the Community Center would enter into a joint marketing venture with the selected vendor to market the Community Center's design, after it was programmed and implemented, as a means of recovering their software system costs.

In late 1988, the Community Center purchased an IBM AS-400 Model B30 mini-computer. A search was subsequently begun for Convention Management System vendors who fulfilled the following requirements:

1. All software must run on an IBM AS-400.

2. Convention and Visitor's Bureau software must be compatible with the International Association of Convention and Visitor's Bureau (IACVB) standards.

3. Convention and Visitor's Bureau software must have Convention Sales, Housing, Tourism and Membership modules, and all modules must be running in production.

4. Convention and Visitor's Bureau software must be written in RPG III (the AS-400's installed compiler.)

5. Community Center software must be written in RPG III based on previously prepared user requirements and system specifications.

6. Community Center and Convention and Visitor's Bureau software must join through a single booking calendar module.

7. The selected vendor must agree to go into a joint market-
ing venture with the Community Center to market the Community
Center's design as a means of recovering the software system
costs.

If two or more vendors were located, the Community Center would
release a Request for Proposal based on the established require-
ments and the previously prepared Community Center Event Adminis-
tration System Detailed Design Specifications.

Analysis

Software:

The International Association of Convention and Visitors Bureaus
(IACVB) sent out a RFP to vendors for bureau software. The RFP
had bureau specifications that the software had to comply with.
An IACVB committee reviewed the RFP replies, reported to associa-
tion membership on the RFP replies, and then published a list of
five complying vendors (see Exhibit A).

An analysis of the approved vendors revealed that Ungerboeck
Systems, Inc., (USI) was the only vendor with software that runs
on the IBM AS-400, and is also the only vendor with the entire
family of required modules currently running in production. The
USI software is written in RPG III.

An alternative would have been to allow the remaining IACVB
vendors the time to complete their development of the modules
they were missing and to convert their entire system to operate
on the AS-400. The main drawbacks to this alternative would be
the time involved to accomplish the development and conversion
efforts and the fact that the newly developed and converted
Convention and Visitors Bureau software would not be running in
production on an AS-400.

Ungerboeck Systems, Inc., is an IBM business partner and industry
application specialist company that develops and markets software
systems and then provides installation and training assistance.
Following initial discussions, Ungerboeck Systems agreed to
program and implement the Community Center's previously prepared
user requirements and system specifications, to join the Conven-
tion and Visitors Bureau software to the Community Center soft-
ware through joint access of the booking calendar module, to
program in the required RPG III, and to enter into a marketing
arrangement with the Community Center as a means for the Communi-
ty Center to recover software development costs.

The list price of the Ungerboeck Systems, Inc. software for convention bureaus is $85,886. The consultant retained by the Community Center to develop the detailed design specifications estimated the cost for development, installation and training to be $177,392. Thus, prior to the receipt of the Ungerboeck Systems Inc. proposal (discussed immediately below), the Community Center anticipated an expenditure of $263,278 for Convention Management System software.

Ungerboeck Systems, Inc. Proposal

USI has submitted a proposal to the Community Center that sets the total price for the joint Convention Management System at $142,959. The proposal includes a provision that the Community Center will relinquish software ownership rights for the custom developed convention center portion of the Convention Management System software to USI and will receive a royalty on future sales of that portion of the system. The maximum potential sales royalty that could be realized by the Convention Center is $130,105.

The USI proposal is valid until November 15, 1989. If the contract is executed by October 20, 1989, the software license fees will be reduced by $5,000.

Software license agreements have been reviewed by Community Center and Data Management Staff, and are incorporated in the agreement with Ungerboeck Systems.

Hardware:

An upgrade to the Center's AS-400 is required to accommodate the requirements of the Convention Management System software. The upgrade includes an increase in RAM, DASD, and peripheral equipment, a model change from a B30 to a B45, and associated changes in the operating system.

The upgrade issue has been thoroughly researched by staff as well as system engineers of IBM and XL/Datacomp. Comparisons have been made to the Los Angeles and St. Louis Convention Bureaus, both of which use Ungerboeck's Convention Bureau software, to confirm operational requirements in the field. The expansion of the Community Center facility has been taken into account in planning this upgrade, and it is projected the upgrade will meet all system requirements for at least the next three years.

FINANCIAL DATA

The Convention Management System software package will cost $136,015 (see Exhibit B). Hardware costs are $110,888, and associated operating system changes will cost $23,720 (see Exhibit C). Cabling will cost $37,137 (see Exhibit D). Thus, the total cost for the Convention Management System is $307,760. Finance has verified the availability of funds in the Community Center Fund Balance.

The annual maintenance costs for Fiscal Year 1989-90 will be absorbed by the current operating budget. The annual maintenance costs for the next three fiscal years are shown in Exhibit E. It is anticipated the first year cost will be $10,129 and will increase by 6% each year. These costs will be paid from the Community Center's operating budget, and financial projections indicate sufficient funds will be available for this purpose.

POLICY CONSIDERATIONS

The policy of the City of Sacramento is to require competitive bidding. However, staff's evaluation has determined it to be in the best interests of the City to suspend competitive bidding for the purchase of Convention Management System software.

The Community Center will purchase the hardware and software required for the Convention Management System. The Community Center will be in a contractual relationship with the Sacramento Convention and Visitor's Bureau whereby the Center will permit the Bureau to use the Convention Management System and the AS-400 for an annual fee of $5,000. The Center will retain full ownership of all software and hardware, as well as all data stored within the Convention Management System.

MBE/WBE EFFORTS

Ungerboeck Systems, Incorporated, the only vendor presently capable of meeting the Convention Management System requirements, is not a MBE/WBE firm.
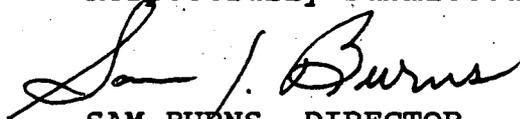
RECOMMENDATIONS

City staff has conducted an informal evaluation of vendors that are compatible with the IACVB standards. Based upon this process, staff recommends that the City Council suspend competitive procurement procedures and select Ungerboeck Systems, Inc., as the provider of the Convention Management System.

City staff has conducted extensive evaluations of hardware alternatives, and has determined the lowest cost and greatest efficiency will be realized by utilizing strictly IBM equipment.

Center staff recommends authorization to transfer $307,760 from the Community Center Fund fund balance to the Community Center Operating Budget to acquire the software and hardware necessary to implement the Convention Management System.
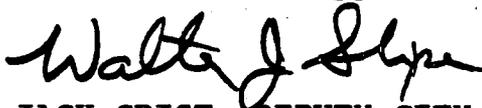
It is recommended that the Budget and Finance Committee approve this report and forward to the full City Council for action.

Respectfully submitted,

SAM BURNS, DIRECTOR
Community Center

Recommendation Approved:

FOR JACK CRIST, DEPUTY CITY MANAGER

Contact Person To   October 17, 1989
Answer Questions: All Districts

PETER HOOVER, OPERATIONS DIVISION MANAGER
449-5638

EXHIBIT A

IACVB APPROVED SOFTWARE FOR CONVENTION & VISITOR BUREAUS

CONVENTION BUREAU SOFTWARE VENDORS	NUMBER MODULES CURRENTLY AVAILABLE	PRICE OF MODULES	CURRENT MACHINE SYSTEM OPERATES ON	COST TO UPGRADE TO LARGER MACHINE	TOTAL COST
Ungerboeck Systems	Convention Sales	$10,500	IBM AS400		
	Convention CTR Booking	$ 8,250			
	Housing	$ 7,500			
	City Profile	$ 3,750			
	Tourism Marketing	$ 9,000			
	Visitor Inquiry Mail	$ 2,250			
	Membership	$ 9,000			
	Advertising Response	$ 2,250			
	TOTAL	$52,500			
	CVB Price Discount	$45,750			
	Source Code	$15,250			
	GRAND TOTAL	$61,000			$61,000
Stevens	Convention Sales	$ 4,600	Networked PC's	Add $12,593 for IBM S/36	
	Housing	$ 2,695			
	Tourism-Inquiry	$ 1,700			
	TOTAL	$ 8,995			$21,588
McHugh/Convis	Convention Sales	$ 5,000	Networked PC's	Addition Cost for IBM S/36 (Unknown)	
	Housing	$25,000			
	TOTAL	$30,000			$30,000+
Most	Convention Sales	$ 6,000	Networked PC's		
	Inet Interface	$ 1,000			
	TOTAL	$ 7,000			$ 7,000
Riccorp	Convention Sales	----	Dec Computers Required		
	Housing	----			
	TOTAL	$38,030			$38,030

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CONTRACTOR: USI

Project Tasks	Pricing
1. Software License Fees:	
CVB Software	
2. Event Administration System	
3. Subtotal	$ 75,875 *
4. Additional Programming Services:	
Interface to City GL System	8,000 **
5. Time and Materials	
6. Recommended Training (excluding travel):	
CVB Software	7,800
7. Event Administration System	6,240
8. Subtotal	14,040
9. Source Code:	
CVB Software	15,100
10. Event Administration System	n/c
11. Subtotal	15,100
12. Travel, Telephone and Per Diem:	
Actual as incurred. (Estimate 15%)	23,000 **
13.	
14.	
15.	

TOTAL: $ 136,015 *

*Less $5000 if contract is executed prior to October 20, 1989
**Requires written approval from the City to exceed these amounts.

This proposal is valid until November 15, 1989. If a contract has not
been executed by November 15, 1989, this offer is null and void.

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EXHIBIT C

SACRAMENTO CONVENTION CENTER

UPGRADE OPTION #1 (Recommended)

(New C.P.U. at Convention Center)

C.P.U. Swap Option – Replace AS/400 with new CPU from XL/Systems Support.
Install approved SSI Value Add and Trade in AS/400 C.P.U. towards new AS/400.

QTY	MODEL	DESCRIPTION	IBM LIST	SSI PRICE w/C.P.U. TRADE
1	9406-B45	AS/400 w/8 MB w/2 Commo Line Base	$65,620	
1	-3055	8 MB Memory	12,000	
1	-3060	16 MB Memory	24,000	
1	-6221	Base 6 Line Expansion	4,410	
2	-6040	Twinax Controller	5,250	
		Total C.P.U.	$111,280	$71,000

Benefits of C.P.U. Swap versus Upgrade:

Lower Cost
New 1 Year Warranty on C.P.U.
Maintenance Savings 1st Year
($236 x 12 = $2,832)

Additional DASD

4	9332-400	Disk Drive 400 MB	58,720	39,048
	Total		$170,000	$110,048

SACRAMENTO CONVENTION CENTER

SOFTWARE UPGRADE CHARGES

Either proposed option will require an upgrade of your IBM operating system software from IBM.

MODEL	DESCRIPTION	SOFTWARE UPGRADE PRICE to B45
5728-SS1	Operating System	11,550
5728-RG1	RPG 400	1,260
5728-PC1	AS/400 PC Support	2,230
5728-PT1	Performance Tools	1,000
5728-PW1	Application Development	1,260
5728-QU1	Query	1,515
5718-WP1	Office 400	4,905
	Total Software Upgrade Charges	$23,720

EXHIBIT D

CABLING COSTS

The cost of wiring for local user connection is estimated to be:

1.	5 ea.	StarTek AT299A Wiring Hub	6,335.00
2.	35 ea.	5251-ZZZ 30F5383 PC communications adapter	17,948.00
2.	35 ea.	5251-ZZZ 2877 Twinaxial adapter cable	3,912.00
3.	35 ea.	RDL-TWX Twinaxial balun	1,575.00
5.	2 ea.	Workstation Wiring (Bureau and Center)	5,100.00

Subtotal $ 34,870.00

Sales Tax (6.5%)   2,267.00

Total excluding shipping and installation $ 37,137.00

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EXHIBIT E

ANNUAL MAINTENANCE COSTS

Annual maintenance costs for a local configuration are projected for the next three years as follows:

Description		Year 1	Year 2	Year 3
Leased communications lines (1) $ 314 per line per month 6% increase per year.	$	3,768	3,995	4,234
AS/400 Maintenance		6,361	6,743	7,148
		=======	=======	=======
Total	$	10,129	10,738	11,382
Total 3 Years	$	32,249		

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION ACQUIRING THE SACRAMENTO COMMUNITY/CONVENTION CENTER CONVENTION SYSTEM

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

(1) That $307,760 is hereby transferred from the Sacramento Community/Convention Center Fund balance to the Sacramento Community/ Convention Center Operations Division Fund 419-430-4330-4630 for the purpose of acquiring Convention System Software and Hardware;

(2) That it is in the best interest of the City to suspend competitive procurement procedures and award the $136,015 contract to Ungerboeck Systems, Incorporated.

(3) That the City Manager is authorized to execute a professional services agreement with Ungerboeck Systems, Inc. for the development of a Convention Management System.

(4) That the City Manager is authorized to execute an agreement with the Sacramento Convention and Visitors Bureau (SCVB) whereby the SCVB will utilize the Convention Management System and AS-400 hardware for an annual fee of $5,000.

(5) That the revenue scheduled for the Community/ Convention Center Fund is hereby amended by increasing the anticipated revenue by $5,000 in Fiscal Year 1989-90.

ATTEST:

_____
                                                        MAYOR

_____
CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: