



APPROVED  
BY THE CITY COUNCIL

NOV 5 1998

OFFICE OF THE  
CITY CLERK

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CITY OF SACRAMENTO  
CALIFORNIA

AG 98-186

DEPARTMENT OF  
ADMINISTRATIVE SERVICES

KEN NISHIMOTO  
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October 28, 1998

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: YEAR 2000 CONVERSION SERVICES - APPROVAL OF CONSULTANT SERVICES AGREEMENT IN THE AMOUNT OF \$70,070 WITH R SYSTEMS, INC. , BRINGING VENDOR'S TOTAL COMPENSATION TO \$150,156**

**LOCATION AND COUNCIL DISTRICT:** City-wide; all districts

**RECOMMENDATION:**

This report recommends that the City Council approve a Consultant Services Agreement in the amount of \$70,070 with R Systems, Inc. for Year 2000 conversion services, bringing the total compensation to this vendor to \$150,156 for closely related projects.

**CONTACT PERSON:** Dennis Ybarra, GIS Administrator, 264-7527

**FOR COUNCIL MEETING OF:** November 5, 1998

**SUMMARY:**

This report recommends that the City Council approve a Consultant Services Agreement in the amount of \$70,070 with R Systems Inc. for Year 2000 conversion services. Two previous agreements with this vendor for closely related services total \$80,086. The latest agreement for \$70,070 brings the total for the three agreements to \$150,156.

**COMMITTEE/COMMISSION ACTION:**

None.

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**BACKGROUND INFORMATION:**

- Extensive modifications and upgrades are required to each of the city's mainframe computer systems so that they will correctly process dates in 1999, 2000, and beyond (the "Year 2000 Project"). It is critical that Year 2000 Project work be completed well in advance of the date the systems will begin to fail.
- During the upgrade of the City's mainframe computer systems it was discovered that the online screen portion of several of the City's homegrown systems would not function with the newest, Year-2000 compliant operating environment. The conversion services under this agreement will enable the online screens to function properly in the new environment.
- The technical requirements of this conversion work exceed the capabilities of the City's programming staff. R Systems can provide the needed technical expertise.
- The City solicited proposals from qualified firms to supply these conversion services. Four firms submitted proposals. R Systems and one other firm, MJM Consultants, have been selected to provide conversion services. (The contract with MJM Consultants falls within the City Manager's signature authority.)
- The work under these two contracts represents Phase I of the online screen conversion required. A total of fourteen systems need the conversion work to function properly. Phase I work represents the four highest priority systems: Business Tax, Transfer Tax, Pension Payroll, and Parcel. Staff is actively examining alternatives for each of the remaining ten systems in order to avoid as much conversion work as possible, but some additional conversion work beyond Phase I will probably be required.

**FINANCIAL CONSIDERATIONS:**

Administrative Services has allocated funds from its operating budget for Year 2000 compliance efforts. This agreement will be funded from that source.

**ENVIRONMENTAL CONSIDERATIONS:**

Ongoing administrative and maintenance activities, which are not made for purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061(b)(1), 15378(b)(3).

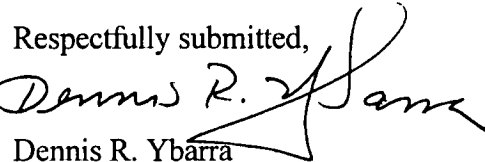
City Council  
Agreement With R Systems, Inc.  
October 28, 1998

**POLICY CONSIDERATIONS:**

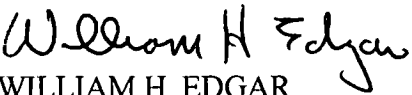
The requested action is consistent with existing policy concerning consultant services and Title 59 of the Sacramento City Code.

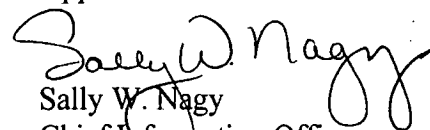
**MBE/WBE:**

R Systems, Inc. is a city-certified MBE.

Respectfully submitted,  
  
Dennis R. Ybarra  
GIS Administrator

**RECOMMENDATION APPROVED:**

  
WILLIAM H. EDGAR  
City Manager

Approved:  
  
Sally W. Nagy  
Chief Information Officer

**RESOLUTION NO. 98-545**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**APPROVED**  
BY THE CITY COUNCIL

**NOV 5 1998**

OFFICE OF THE  
CITY CLERK

**RESOLUTION AUTHORIZING AN AGREEMENT WITH R SYSTEMS, INC. FOR YEAR 2000  
CONVERSION SERVICES**

Be it resolved by the Council of the City of Sacramento that:

The City Manager and City Clerk are hereby authorized to execute a professional services agreement with R Systems, Inc. in the amount of \$70,070, bringing vendor's total compensation to \$150,156.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_