



APPROVED
BY THE CITY COUNCIL

DEC 15 1998

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CITY OF SACRAMENTO
CALIFORNIA

DEPARTMENT OF
ADMINISTRATIVE SERVICES

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December 10, 1998

AG 98-237

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: APPROVAL OF OPERATING BUDGET CARRYOVER SPENDING AUTHORITY; SUSPENSION OF FORMAL COMPETITIVE BIDDING FOR THE PURCHASE OF PROGRAMMER PRODUCTIVITY TOOLS AND ANNUAL MAINTENANCE FROM COMPUWARE CORPORATION IN THE AMOUNT OF \$301,620

LOCATION AND COUNCIL DISTRICT: City-wide; All districts

RECOMMENDATION:

Staff recommends that the City Council adopt the attached Resolution which authorizes the expenditure of \$195,078 from the Administrative Services Department operating budget carryover for the purchase of mainframe programmer productivity tools. The resolution also suspends formal competitive bidding for the purchase. Finally, the resolution authorizes the City Manager to accept the results of the informal competitive software evaluation to date and to execute a software license agreement with Compuware Corporation in the total amount of \$301,620, which includes annual maintenance.

CONTACT PERSON: Dennis Ybarra, Programming Supervisor/GIS Administrator, 264-7527

FOR COUNCIL MEETING OF: December 15, 1998

SUMMARY:

The Systems and Programming Division of Administrative Services has a substantial and immediate need for mainframe programmer productivity tools for Year 2000 work. This report recommends that the City

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Operating Budget Carryover/Software License Agreement With Compuware Corporation

Council take the following actions:

- Authorize the necessary funding from the Administrative Services Department operating budget carryover for \$195,078, the one-time cost of the purchase of the productivity tools.
- Suspend formal competitive bidding for the purchase of these tools, and accept the results of the informal competitive software evaluation conducted to date, in order to obtain the tools in an expeditious time frame for use in intensive Year 2000 testing efforts ongoing now.
- Approve a Software License Agreement in the amount of \$301,620 with Compuware Corporation. The total amount includes \$195,078 for software purchase and \$106,542 in annual maintenance for 4 years ending in 2002.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

- The City's mainframe programmers have been working with the standard IBM tools that come with the operating system. These tools provide basic functions only and do not assist with debugging programs. Nor do they provide file editing capability beyond the most rudimentary level. Thus, the productivity of the programmers is reduced by the lack of proper tools. There are few programming shops in the industry where programmers are expected to maintain complex computer systems without tools such as those that are being recommended in this report.
- In May, 1997, the City invited vendors providing programmer tools to submit responses to a list of the City's requirements. Three products were evaluated more closely: Compuware, Microfocus, and Computer Associates. Microfocus would not function with the City's major finance and human resources systems, so it was eliminated. Compuware and Computer Associates were invited to demonstrate their products to the programming staff, who then evaluated them. Of those vendors Compuware was rated the best "fit," and by November 1997 work began on drawing up the necessary contracts. However, there was uncertainty at that time about available funding for the Compuware acquisition due to competing demands for contract programming services to meet Year 2000 compliance requirements. The acquisition was shelved.
- During the past year, the mainframe staff has been assigned 100% to programming and testing to ensuring Year 2000 compliance. System conversions are in progress. It has become increasingly clear that productivity tools are desperately needed. In order to meet Year 2000 deadlines, it is recommended that the earlier selection of Compuware be approved despite the passage of time, so that programming staff does not have to be diverted for further evaluation work.

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- During Calendar Year 1999, the final round of integrated testing of all Year 2000 modifications will be conducted. The City cannot afford to conduct this process in the time-consuming manual mode that we have had to employ up to now.
- The Compuware products which staff recommends be acquired are in use at Sacramento County and several state agencies. Programmers from the County's Systems and Data Processing Department report productivity gains of 50% or more using Compuware products.

FINANCIAL CONSIDERATIONS:

This report and the attached Resolution request the appropriation of \$195,078 from the Administrative Services Department operating budget carryover for the one-time cost of the software acquisition. Ongoing annual maintenance is included in the software license agreement in order to lock in negotiated annual amounts, which are below the vendor's regular rates. The \$106,542 for annual maintenance will be funded from the Systems and Programming Division's operating budget in subsequent years.

The mechanism of Council approval of carryover funding requests and the justification of this request are covered in the Policy Section below.

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).

POLICY CONSIDERATIONS:

At its meeting of December 8, 1998, the City Council decided that funding requests from the departments' operating budget carryover would be considered through the presentation of additional detail beyond that provided on December 8. This report was produced in compliance with that decision. The criteria that the Council directed be used to justify augmentation of expenditure appropriations which apply to this purchase are the following:

- To carry out high-priority Council directives within the department

The Compuware products will significantly boost the Systems and Programming Division's ability to uncover and fix "bugs" in mainframe computer systems related to Year 2000. Adequate readiness for the Year 2000 has been identified as the highest priority for the Administrative Services Department.

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- To fund one-time expenditures for equipment or training that will increase department effectiveness or efficiency

The 50% increases in programmer productivity we expect here that are reported by other programming shops upon introduction of these tools will result in enhanced customer service. Faster turnaround of requests for computer system development or modification and more rapid resolution of system problems will be possible with the same level of programmer staffing.

- To fund a project with inter-department or City-wide benefit

The mainframe computer systems that will benefit from the increased productivity are used by every City department. These systems touch the lives of every household and business in the City. Some examples are the financial/accounting, human resources/payroll, utility billing, business tax and traffic accident systems. The consequences of a major Year 2000 "bug" in any of these systems would be far reaching and damaging.

The software purchase recommendation is in accordance with the provisions of City Code Section 57.04.401(c), which authorizes suspension of formal competitive bidding upon a two-thirds vote of the City Council.

MBE/WBE:

Compuware Corporation is not certified as an M/WBE. There are no known major software providers who are M/WBE firms.


Respectfully submitted,



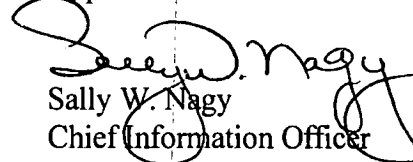
Dennis R. Ybarra
Programming Supervisor/GIS Administrator

RECOMMENDATION APPROVED:



 WILLIAM H. EDGAR
City Manager

Approved:



Sally W. Nagy
Chief Information Officer

APPROVED
BY THE CITY COUNCIL

DEC 15 1998

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 98-621

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION APPROVING OPERATING BUDGET CARRYOVER SPENDING
AUTHORITY AND SUSPENDING FORMAL COMPETITIVE BIDDING
FOR THE PURCHASE OF PROGRAMMER PRODUCTIVITY TOOLS FROM COMPUWARE
CORPORATION IN THE AMOUNT OF \$301,620**

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

1. The Systems & Programming Division's budget (101-130-1320-4462) be augmented in the amount of \$195,078 from the Administrative Services Department operating budget carryover for the one-time cost of the purchase of Compuware programmer productivity tools.
2. In the best interest of the City of Sacramento, formal competitive bidding is hereby suspended for the purchase of programmer productivity tools.
3. The City Manager is hereby authorized to accept the results of the informal competitive software evaluation to date and execute a Software License Agreement with Compuware Corporation in the amount of \$301,620, which includes \$195,078 for purchase of the software and \$106,542 in annual maintenance for 4 years ending in 2002.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____