

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Authorizing the City Manager to execute a contract amendment with Sungard Public Sector for the purchase of software and consultant services to upgrade the City's financial system
DEPARTMENT: Finance
PRESENTED BY: Debbie Tarry

PROBLEM/ISSUE STATEMENT:

The City needs to begin implementation of the new version of its financial system as the current version will no longer be supported after December 2010. Sungard Public Sector, the current provider of the City's financial software has completed a major upgrade to a web-based version and will begin to phase out support of earlier versions of the software. They will provide a final tax update in December of 2009 and will end all support for the version that the City is currently using at the end of December 2010. In order to ensure that the City's financial operations continue without interruption, we need to begin the upgrade process now to allow enough time to complete the project before the deadline. This project was anticipated as part of the 2008 budget process.

FINANCIAL IMPACT:

The 2008 budget contains one-time funding totaling \$76,900 for the implementation of the 7i version of the City's Integrated Financial and Administrative Solution (IFAS) software. This contract represents the first phase of the upgrade process. Earlier this year, a portion of this funding was used to perform business process reviews of the City's general financial operations and payroll process.

RECOMMENDATION

Staff recommends that Council authorizes the City Manager to execute a contract amendment with Sungard Public Sector totaling \$64,314 for software licensing and consultant services to upgrade the City's financial system.

Approved By: City Manager  City Attorney _____

INTRODUCTION

The City needs to begin implementing the new version of its financial system as the current version will no longer be supported after December 2010. Sungard Public Sector, the current provider of the City's financial software has completed a major upgrade to a web-based version and will begin to phase out support of earlier versions of the software. In order to ensure that the City's financial operations continue without interruption, we need to begin the upgrade process now to allow enough time to complete the project before the deadline. Staff recommends that Council authorize the City Manager to execute a contract with Sungard Public Sector for the purchase of software and consultant services to begin the upgrade of the City's financial software.

BACKGROUND

The City originally purchased IFAS in October of 1998 and completed the initial implementation in early 1999. The initial implementation focused on the core system modules: general ledger, purchasing, accounts payable and check management. Subsequently over time, additional modules have been implemented including accounts receivable, human resources & payroll, budget, position budgeting, and fixed assets.

Sungard Public Sector, the vendor that provides the City's financial software, has recently released a major upgrade of its governmental financial software. The new version (7.9) of IFAS provides a web-based platform that offers easier access to IFAS functions and to financial information. Sungard Public Sector has notified us that the IFAS version (7.72) which the City is currently using will not be supported beyond December 2010 and the last annual payroll tax update will be provided in December 2009. It is imperative that the City moves toward the implementation of the 7.9 version of IFAS which was released earlier this year. The implementation of the 7i version is the first phase of the migration plan. During the preparation of the 2009 budget, staff will request additional one-time funding to support the final conversion to the 7.9 version of IFAS.

The 7i version of IFAS upgrades the screens that City staff use to perform financial activities and retrieve financial data. During this phase, the City will also enhance the bank reconciliation process and implement automated workflow and on-line document storage functionality. Earlier this year, City staff participated in two separate business process reviews (BPR). This first BPR reviewed the City's current general ledger, purchasing, accounts payable, accounts receivable, bank reconciliation, fixed asset, and budget processes and procedures. The second BPR reviewed the human resource and payroll processes. During these reviews, staff identified several processes that could be streamlined by implementing and using the workflow and online document storage functionality included in the 7i version of IFAS.

The conversion to 7i requires payment for the software since the upgrade to 7i is not within the City's current annual maintenance agreement and professional services for training and implementation support.

If the City does not move forward in upgrading the IFAS software to 7i it will not be in a position to upgrade to 7.9 and will not be able to receive technical support or maintenance of its financial software.

Staff has considered whether it is prudent to upgrade the IFAS software or use this opportunity to explore new software options. Staff believes that the cost to acquire new software from a different vendor, implement, and train staff would make this option cost prohibitive.

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