



*City of Arts & Innovation*

# City Council Memorandum

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**TO: HONORABLE MAYOR AND CITY COUNCIL**      **DATE: JUNE 27, 2017**

**FROM: INNOVATION & TECHNOLOGY DEPARTMENT**      **WARDS: ALL**

**SUBJECT: SOFTWARE UPGRADE, LICENSE, AND MAINTENANCE SERVICES AGREEMENT WITH SUPERION, LLC, TO UPGRADE THE FINANCIAL AND HUMAN RESOURCES SYSTEM FROM IFAS TO ONESOLUTION AND TO PROVIDE ANNUAL SUBSCRIPTION/MAINTENANCE, IN THE AMOUNT OF \$337,807.87**

## **ISSUE:**

Approve a Software Upgrade, License, and Maintenance Services Agreement with Superion, LLC, to upgrade the financial and human resources system from IFAS to OneSolution and to provide annual subscription/maintenance, in the amount of \$337,807.87.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve a Software Upgrade, License, and Maintenance Services Agreement with Superion, LLC, to upgrade the financial and human resources system from IFAS to OneSolution, including \$189,135.00 for the OneSolution upgrade and \$148,672.87 for annual maintenance, for a total amount of \$337,807.87, with a 10% change order authority;
2. Authorize the City Manager or his designee to execute the Agreement, including making minor non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

## **BOARD RECOMMENDATION:**

On May 22, 2017, the Board of Public Utilities met, with seven of the eight members present, and unanimously voted to approve expenditures for the Superion, LLC financial and human resources software upgrade and consulting services of a to-be-awarded bidder for an enterprise resource planning project, of which Electric's and Water's share allocation is \$103,017.08 and \$34,339.02, respectively, for a total of \$137,356.10. Of this total, \$24,856.10 will be expended for the phase one upgrade. Pending approval from City Council for additional services, the remaining amount will be expended at a future date during the phase two gap analysis.

## **BACKGROUND:**

The City is currently using the SunGard Public Sector Integrated Fund Accounting System (IFAS), version 7.9, financial software for human resources, payroll, general ledger, accounts receivable, accounts payable, and fixed assets. This system integrates with other application systems including UWAM Work and Asset Management system, Enquesta Utilities Billing system, iNovah Cashiering system, STR Communications system, Laserfiche Document Management system, TeamBudget Budgeting software, Systema Workers Compensation system, Telestaff Timekeeping system, and custom web services.

The City implemented IFAS in 1999 when SunGard was selected as its preferred vendor to replace its legacy systems. In 2010, the City completed a major upgrade to the IFAS system which introduced a web browser based version of the software and various other system improvements and enhancements. In 2012, SunGard released a new iteration of the software called OneSolution which incorporated IFAS Financial and Human Resource applications and additional Public Sector offerings, as well as IBM Cognos Business Intelligence for reporting.

## **DISCUSSION:**

The current financial and human resources system needs to be upgraded to the OneSolution release to maintain an active support agreement for all technologies relating to the system. The current 7.9 version has problematic dependencies and the City has been notified by the manufacturer that they will stop supporting the current version within two to three years. This significantly impacts the City as we operate today. The funding included in this report is for phase one of upgrading to the OneSolution system for system stabilization and improved support and annual subscription/maintenance costs for all new and existing software. Also discussed in this report are planned future phases (two, three, and four), although funding under this report does not include these costs. Those phases will be brought to City Council for approval at a future date.

### **PHASE ONE – UPGRADE TO ONESOLUTION**

In 2014, staff reviewed the 2012 version of the OneSolution system and found it to be inadequate and not fully mature enough yet to be used at the time of review, but since 2014 several major releases of OneSolution have occurred. In 2017, staff reviewed the software features offered in the latest version and found that the developer made many improvements to correct the inadequacies found in the 2012 version. Staff now believes the OneSolution system has matured, and will, at a minimum, facilitate the functionality used by the City today.

The OneSolution version upgrade project will address several weaknesses within the current system and processes. For example:

1. The majority of staff within the Finance and Human Resources departments have never been formally trained on the system, due to staff turnover, and this project will provide that training.
2. The current system only provides a system specific reporting writing tool. There are no ad-hoc reporting tools, analytical tools, or dashboards. The upgraded version will allow Cognos reports to be created by “power users”.

3. The current system relies on a non-standard Informix database for which staff lack strong subject matter expertise. Because this is an “unsupported” database platform, support cannot be provided by the IFAS vendor; instead, a third party must support it, which introduces risks of “finger pointing” and delayed resolution when issues arise.

The upgraded OneSolution project will also provide many opportunities. For example, it will:

1. Provide integrated enhanced reporting capabilities.
2. Satisfy the long-overdue need for a business process review to implement the newly upgraded system based on best practices.
3. Provide training to strengthen the pool of “power users” in Finance and departments.
4. Implement the vendor’s fully supported technology platform standard, which also aligns with the City’s standard. This allows the City to obtain more productive and higher quality support and system updates for cyber security.

Staff have performed vendor and solution reference checks with the following comparable OneSolution clients: Anoka County, Minnesota; San Mateo County, California; and City of Irvine, California. All are government agencies similar in size to the City of Riverside. The three agencies reported enhanced functionality that provides easier system navigation for end users, more robust and user-friendly reporting capabilities, and an improved user interface, which has improved their overall levels of efficiency within the financial system. Based on conversations with each government agency, in addition to viewing a system demonstration, we are satisfied with the solution’s quality and capability to improve existing processes.

The Software Upgrade, License, and Maintenance Services Agreement with Superior, LLC, to perform the upgrade of the financial and human resources system to OneSolution 16.2 includes the following services:

1. Business Process Reviews (BPR) to evaluate current business processes for comparison to best practices and system utilization.
2. Installation and initial configuration of the OneSolution 16.2 financial system.
3. Migration of the City’s financial data from the Informix database management system to the Microsoft SQL Server database management system.
4. Training for Finance, Human Resources, and departmental Finance staff to ensure effective use of the system.
5. Training for the Cognos Business Intelligence (BI) system. This toolset is used for reporting, analysis and monitoring of business metrics.
6. Professional Services for the development of Cognos Reports.
7. Professional Services for the development of additional Webforms and/or Reports.
8. Professional services for the development of additional Work Flow models or, to be used as needed.

## 9. “Go-live” weekend database migration and support.

## COST

|                           |   | Total         |
|---------------------------|---|---------------|
| General Fund Cost         |   |               |
| Innovation and Technology | Applications Software Purchase/Licensing 2415000-425700 | \$ 109,700.00 |
| Innovation and Technology | Software Maintenance/Support 2415000-424310             | \$ 203,251.77 |
| Subtotal                  |   | \$ 312,951.77 |
| Utilities Fund Cost       |   |               |
| Utilities Electric        | Administration Professional Services 6000000-421000     | \$ 18,642.08  |
| Utilities Water           | Administration Professional Services 6000000-421000     | \$ 6,214.02   |
| Subtotal                  |   | \$ 24,856.10  |
| Total                     |   | \$ 337,807.87 |

In addition to the upgrade, this agreement includes \$148,672.87 for annual maintenance fees. The maintenance cost includes \$4,137.60 in maintenance for the new software and \$144,535.27 in maintenance for the existing software, which is currently paid under an existing agreement. This Software Upgrade, License, and Maintenance Services Agreement replaces the legacy agreement in its entirety and, therefore, incorporates all maintenance costs for the new and existing software.

This purchase is in accordance with Purchasing Resolution No. 22576, Article 2, Section 201(c), which states that competitive procurement shall not be required when the procurement can only be obtained from a sole source or timely from a single source and the Purchasing Services Manager is satisfied that the best price, terms and conditions for the Procurement thereof have been negotiated.

## PHASE 2 – GAP ANALYSIS

The City last evaluated its specific financial and human resource system business needs in 1999, when it implemented the current system. The market for these systems has changed dramatically since 1999, with new entrants to the market, new technologies, such as mobile devices, more pressing needs for automation, cyber security, and advanced analytics, therefore a “gap analysis” may demonstrate that an entirely new enterprise resource planning (ERP) system is warranted.

Once system stabilization efforts are achieved through this upgrade, the City will pursue consulting services to perform a “gap analysis” comparing the needs of the users against the upgraded system along with other systems used in local government. This gap analysis will provide a clear roadmap to either:

1. Continue to use the upgraded OneSolution system; or

2. Move forward with an ERP system selection and implementation project, resulting in an entirely new system.

After the upgraded system is implemented, interfaced, stabilized, and employees are trained, staff will issue a Request for Proposal (RFP) to select a vendor for consulting services to perform a “gap analysis” comparing what the users need against the features of the OneSolution system and generally other local government system solutions. Funding under this report does not include these planning costs.

*ADDITIONAL PHASES IF DETERMINED NECESSARY FROM THE GAP ANALYSIS:*

**PHASE 3 – DRAFT AND RELEASE AN RFP FOR REPLACEMENT ERP**

If an RFP for an ERP system is warranted, based on the outcome of the “gap analysis”, the vendor selection services (Phase 3) will commence upon the approval of an additional funding request. This phase will involve additional professional services, such as a detailed requirements analysis (Phase 3a), ERP RFP development (Phase 3b), ERP vendor selection services (Phase 3c), and contract negotiation (Phase 3d). If Phase 3 is determined to be in the best interest of the City, staff will return with a proposal for these costs at a future date. Funding under this report does not include these planning costs.

**PHASE 4 – FISCAL IMPACT FOR A REPLACEMENT ERP**

Also not included in this report is the cost of a new ERP system (Phase 4) which includes system software licensing, training, hardware, integration, data conversion, and related implementation costs for such a system. If determined necessary based on the “gap analysis,” the cost of a new ERP is estimated to be approximately \$20 million. Approximately 38-40% of that would be general fund monies.

**FISCAL IMPACT:**

The total fiscal impact of this action is \$337,807.87. The total General Fund cost is \$312,951.77 and the total cost to Public Utilities Electric and Water is \$24,856.10. Sufficient funds are available in the Innovation and Technology Applications Software Purchase/Licensing Account No. 2415000-425700, in the amount of \$109,700; Innovation and Technology Applications Software Maintenance/Support Account No. 2415000-424310, in the amount of \$203,251.77; and Public Utilities Administration Professional Services Account No. 6000000-421000, in the amount of \$24,856.10.

Prepared by: Lea Deesing, Chief Innovation Officer  
Certified as to  
availability of funds: Scott G. Miller, PhD, Chief Financial Officer/City Treasurer  
Approved by: Al Zelinka, FAICP, Assistant City Manager  
Approved as to form: Gary G. Geuss, City Attorney

**Attachments:**

1. Software Upgrade, License, and Maintenance Services Agreement with Superion, LLC
2. Public Utilities Board Minutes