



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 9, 2010

TO: Mayor and Councilmembers

FROM: Information Systems Division, Administrative Services Department

SUBJECT: Replacement Of Aging Financial Management Computer Hardware

RECOMMENDATION: That Council:

- A. Authorize the City's General Services Manager to issue a \$44,019 purchase order to Systems Technology Associates (STA) to purchase, install, and configure two Hewlett Packard Itanium computers, one to replace the City's Financial Management System computer and the second to serve as a back-up in case of a disaster; and
- B. Increase appropriations in the Information Systems Capital Fund by \$56,000 from available reserves to cover the cost of purchasing and installing two new computer servers at a cost of \$44,019, plus \$11,530 for additional required services through a separate contract to upgrade the current software for transition to the new computers.

DISCUSSION:

The City's Financial Management System (FMS) is run on a computer server, called the Alpha, installed in 1995. At fifteen years old, it is outdated and exceeds industry standards for replacement that call for these computers to be replaced every five-six years. The risk of failure increases with every passing year and parts are no longer readily available.

The Alpha computer is important because the Financial Management System is the main and largest system in the City, through which all critical financial operations are run, such as payroll, cashiering, accounts payable, purchasing, budgeting, among other operations. As such, a failure of the Alpha could significantly disrupt these functions.

The City anticipated replacing the Alpha computer with a new and state-of-the-art computer server as part of the replacement of the entire financial management system - a project that was initiated in fiscal year 2008 but was delayed in light of the budget challenges facing the General Fund. Given these delays, it is prudent to move forward with the replacement of the Alpha server to eliminate the risks associated with this fifteen year old computer.

In addition to purchasing a replacement computer for the Alpha server, staff recommends purchasing a second computer to serve as a back-up. The second computer would be housed in the Emergency Operations Center located at Fire Station #1 and would be used in the event the main computer in City Hall were damaged in a disaster or other otherwise not functional.

Staff proposes purchasing an HP Itanium computer because it is the only computer model compatible with the City's financial management system software and has:

- Hardware that will last at least six more years, providing time to purchase and transition to a commercial Windows based Financial Management System.
- Includes maintenance and support for all hardware components.
- Readily available spare parts.
- Adequate disk space for storage of data and files, reducing staff time required to manage it.
- The ability to run existing Financial Management System processes faster and permitting more to be added – a feature not currently available.

Vendor Selection Process

A Request for Proposal (RFP) was developed detailing the City's hardware, software, and implementation service needs. The RFP was sent to three prospective vendors and Systems Technology Associates was chosen based on the following:

- Their proposal met the City's hardware, software, and implementation service needs.
- Their proposal offers pricing better than that received by the State of California under their California Strategic Sourcing Initiative (CSSI).
- The staff assigned to this project is HP certified and experienced with installing and configuring HP Itanium computers and tape drives, OpenVMS computer operating system, and the required utility software.

The vendor will provide the following deliverables:

- Two HP Itanium computers with OpenVMS OS Software.
- Two HP Ultrium tape drives.
- Utility software for connection to Windows computers and defragging disk drives
- Three years on-site technical support, Monday thru Friday, with four hour response time.
- Professional services to assist City staff with the installation and configuration of the hardware and software.

Additional Costs

In addition to the cost to purchase the two computers from Systems Technology Associates, the City will be required to contract with the current vendor of the City's financial management programming software, Admins, to update the software so that it can run on the new Itanium platform. The cost to update the software is a one-time fee of \$11,530. A separate purchase order contract will be executed for those services.

BUDGET/FINANCIAL INFORMATION:

Funding will come from available reserves in the Information Systems Capital Fund. These reserves primarily represent unspent funds from Phase I of the Financial Management System Replacement Project that commenced in fiscal year 2008 but has since been deferred. Staff recommends utilizing these funds for the purchase and installation of the two new computer servers, as well as the cost to upgrade the software.

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APPROVED BY: City Administrator's Office