CITY COUNCIL COMMUNICATION 97-557
NOVEMBER 17, 1997 AGENDA

SUBJECT:

REQUEST FOR QUALIFICATIONS FOR
NEW FINANCIAL/ACCOUNTING AND
PAYROLL/HUMAN RESOURCES
SOFTWARE

SUBMITTED BY:

KEVIN RIPER
FINANCE DIRECTOR

SYNOPSIS –

A Request for Qualifications (RFQ) for new financial/accounting and payroll/human resources software has been prepared to replace the City's existing software and manual processes. The RFQ is intended to attract the best software provider possible for a partnership with the City that will probably last at least a decade.

FISCAL IMPACT –

The attached RFQ states, *The City expects to spend hundreds of thousands of dollars, but not millions of dollars, to acquire the software, the platform, training, implementation, and conversion assistance.* Funds are appropriated in index code 346069, " Enhanced Citywide Information and Communications Systems" in the 1997-98/2002-03 Capital Improvements Program (CIP), page 147.

RECOMMENDATION –

Authorize the Finance Director to issue an RFQ for new financial/accounting and payroll/human resources software.

BACKGROUND –

The flagship software systems for tracking the City's financial and human resources need to be replaced. The current financial/accounting software, first installed in 1984, consists of only three core modules (general ledger, accounts payable, and accounts receivable), which will no longer be supported by the vendor as of July 1, 1998, due to Year 2000 deficiencies. The current payroll

software was written in-house, and has been used since 1976. The current human resources system is mostly manual and paper-based.

To continue to provide accurate transaction processing; to improve significantly the timeliness and usefulness of financial reporting; and to place understandable data more quickly in the hands of operating departments, the Council, and the public, an RFQ has been developed. It is the product of nearly four months of brainstorming, research, debate, and refinement by a Financial Software User Advisory Group, headed by the Finance Department, but consisting of more than two dozen representatives from all City departments, including the Information Technology Director and the Human Resources Director. This approach is consistent with the information technology recommendations presented to Council in February.

The first page of the RFQ states the City's general objective for this project: *To jettison as many existing systems as possible (whether currently automated or manual) and their associated business practices and workflows, and replace them with the best available software package and the underlying business practices and workflows that come with that package. In other words, the City anticipates adopting the "best practices" and workflows embodied in the software package selected.*

To provide this business solution, *The City seeks a long-term application software partner, rather than a one-time seller of software* (RFQ, page 1). The City's most recent choice of financial/accounting software proved to last for 15 years. The acquisition and conversion cost, plus the necessary investment of staff time in whichever new software package is selected, are likely to result in at least a 10-year partnership between the City and the new software provider.

Therefore, the evaluation criteria and weights proposed in the RFQ place substantial emphasis (25 percent) on the software firms' proven track record in government-specific software, and financial and marketplace stability; staff believes the City needs to select a partner who will be available for the expected duration of the partnership. As a result, the remaining selection factors (cost– 30 percent; functionality of the software– 30 percent; and training/conversion/implementation– 15 percent) carry slightly lower weights than in a more traditional procurement.

The timeline calls for staff to return to Council on February 2, 1998, for approval of a specific software package and partner; two weeks later staff would seek Council approval of a contract with the partner firm. Implementation begins the next day, with core modules scheduled to be live on July 1, 1998– a very aggressive timeline, given that most cities and vendors recommend a 6- to 18-month implementation, and likely to be reflected in the price proposals. Additional modules would be installed on-line through the rest of 1998, culminating in a new payroll/human resources system "going live" on January 1, 1999.

Attachment