



**Purchasing Contract
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 21
AGENDA DATE: Thu 05/06/2004
PAGE: 1 of 2

SUBJECT: Authorize negotiation and execution of a contract with AMERICAN MANAGEMENT SYSTEMS, INC. (AMS) Fairfax, VA, to provide upgraded software to the Advantage Financial System (AFS2) for the Financial and Administrative Services Department in an amount not to exceed \$6,100,000.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$3,100,000 is available in the Fiscal Year 2003-2004 Approved Capital Budget of the Communications and Technology Management Fund of the Financial and Administrative Services Department and \$3,000,000 is available in the Fiscal Year 2003-2004 Capital Budget of the Electric Utility Department.

FISCAL NOTE: A fiscal note is attached.

REQUESTING Purchasing DEPARTMENT: for Austin Energy; Financial and Administrative Services - Communications and Technology Management;	DIRECTOR'S AUTHORIZATION: <u>Vickie Schubert</u>
---	---

FOR MORE INFORMATION CONTACT:

PRIOR COUNCIL ACTION: 11/5/87 Approved contract for an integrated management information system.

3/20/97 - Approved 12-month agreement to provide maintenance of financial software.

4/5/01 - Approved contract for InfoAdvantage software products to upgrade the City's financial system.

6/7/01 - Approved 12-month service agreement to provide maintenance of the Advantage Financial System (AFS2) and software.

5/23/02- Approved contract to assist the City of Austin in evaluating the need to upgrade the current financial system and the City's current accounting and procurement requirements.

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Sole Source.

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract is for software upgrades to the City's American Management System AFS2 Financial System to Advantage 3. The upgrade meets current requirements for City of Austin financial and purchasing functions.

An upgrade is required for three main reasons:

1. The vendor will not support AFS2 after October 2005.
2. CTM will phase out the mainframe environment in which AFS2 resides after October 2005.

RCA Serial#: 5186 Date: 05/06/04 Original: Yes

Published:

Disposition:

Adjusted version published:



**Purchasing Contract
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 21
AGENDA DATE: Thu 05/06/2004
PAGE: 2 of 2**

3. In its current mainframe environment, AFS2 is becoming increasingly expensive to support, since all other legacy systems previously on the mainframe have been migrated to new environments.

A Gap Analysis completed in May 2003 as well as follow-up requirements review sessions, including American Management Systems Advantage 3 on-site product demonstrations, confirm that implementing the system upgrade rather than procuring a new financial system is the best solution. This solution meets the time constraint of an implementation by October 2005. It is also the most cost-effective solution, since the software upgrade itself is included in the AFS2 software maintenance agreement. Contract expenditures would be limited to software enhancements and implementation services. In addition to lower contract costs, the City benefits from American Management System's knowledge of City of Austin departments, their experience with data conversion from AFS2 to AFS3, and their government-based system design.

Background

In FY1989, the City of Austin implemented a new financial application, the Local Government Financial System (LGFS) by American Management Systems, Inc. This application provides for comprehensive financial management by the City, and included integrated budgeting, fund accounting, purchasing, payments, receivables, work order and security functions. The application operates in the traditional 1980's technology platform, consisting of a COBOL-based application residing in the mainframe environment, and accessed through the "green screen" mainframe user interface.

Over the years, the City has implemented several upgrades provided by AMS; some upgrades were relatively minor, and some were significant, such as the upgrade for Y2K compliance. In addition, the City has implemented customizations to the application, and has built processes to provide web-access to selected data.

Under the existing software maintenance agreement with the vendor, the City is qualified to upgrade to the new version of the application at no cost for the software we already own. However, a portion of the purchase includes software costs for additional functionality. This new version, Advantage 3, uses newer technologies such as Java, object-oriented development, relational database management systems and web-browsers. This fully web-based application still includes comprehensive, government-specific financial management system functionality. Advantage 3 provides enhanced functionality in the budgeting monitoring, fund accounting, purchasing, payments, receivables, work-order and security areas. In addition, it provides new functionality in document routing and workflow, i.e., a user will now be able to send a text document or worksheet electronically with a purchasing or payment transaction. Advantage 3 also provides an off-the-shelf vendor self-service module.

The Advantage 3 upgrade will provide for easier access to the application through the web, easier access to data through use of relational database systems, and will move the financial application from the mainframe, which over time will reduce operations costs.

**CIP
Fiscal Note**

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

5/6/2004
Resolution
FASD

DESCRIPTION: Authorize negotiation and execution of a contract with **AMERICAN MANAGEMENT SYSTEMS, INC. (AMS)** Fairfax, VA, to provide upgraded software to the Advantage Financial System (AFS2) for the Financial and Administrative Services Department in an amount not to exceed \$6,100,000.

FASD

Project Name:	Financial System Upgrade
Project Authorization:	2003-04 Capital Budget
Funding Source:	General Fund / Support Services Fund / CIP Interest Transfers
Number:	8560-747-0515

Current Appropriation	\$3,796,488
Unencumbered Balance	\$3,796,488
Amount of This Action	<u>(\$3,100,000)</u>
Available Balance	\$696,488

Finance: *[Signature]* Date: 4/30/04
RCA # 5186 *for Resolution*

CIP BUDGET
Fiscal Note

DATE OF COUNCIL CONSIDERATION:

5/6/2004

WHERE ON AGENDA:

Resolution

DEPARTMENT:

Electric Utility Department

SUBJECT: Authorize negotiation and execution of a contract with AMERICAN MANAGEMENT SYSTEMS, INC. (AMS) Fairfax, VA, to provide upgraded software to the Advantage Financial System (AFS2) for the Financial and Administrative Services Department in an amount not to exceed \$6,100,000.

FINANCIAL INFORMATION:

Parent Project Name: **Support Services**
Project Authorization: 2003-2004 Approved Capital Budget

Current Appropriation	\$ 58,812,222.00	
Unencumbered Balance		\$ 27,900,234.32
Amount of This Action		<u>(3,000,000.00)</u>
Remaining Balance		<u>\$ 24,900,234.32</u>

Use of Remaining Balance:

Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Director, Planning & Budget

Signature: 

Date: 4/28/04