



3.7

INFORMATION TECHNOLOGY
DEPARTMENT

SALLY W. NAGY
CHIEF INFORMATION OFFICER

CITY OF SACRAMENTO
CALIFORNIA

June 8, 2004

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City Council
Sacramento, CA

Honorable Members in Session:

**SUBJECT: APPROVAL TO PURCHASE THE CONTINUATION OF SOFTWARE
MAINTENANCE AND SUPPORT SERVICES FOR AMS ADVANTAGE
FINANCIAL AND HUMAN RESOURCES**

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

This report recommends that the City Council approve the attached resolution that authorizes the City Manager to purchase the continuation of software maintenance and support services from American Management Systems, Inc. (AMS) for the City's AMS Advantage Financial and AMS Advantage Human Resources (HR) systems.

CONTACT PERSON: Ric Elkins, Information Technology Supervisor, 808-5838
Susan Davidson, Program Manager, 808-7527

FOR COUNCIL MEETING OF: June 22, 2004

SUMMARY:

This report recommends that the City Council approve the attached resolution authorizing the City Manager to purchase the continuation of software maintenance and support services from AMS for the City's AMS Advantage Financial and AMS Advantage HR systems. These AMS products are used to support our mission critical applications such as the City's Financial, Payroll, and Human Resource systems. The City has License and Maintenance Agreements with AMS for both of these products that allow for the continued software maintenance and support as long as the City remains current on the payment of the maintenance fees. The AMS Advantage maintenance fees for Fiscal Year 2005 are for a not-to-exceed amount of \$104,000.

City Council Report
Approval To Purchase Continuation Of Software Maintenance And Support Services
For AMS Advantage Financial And HR
June 8, 2004

COMMITTEE/COMMISSION ACTION: None

BACKGROUND:

The City currently has two software and licensing agreements with AMS. There is one for the AMS Advantage Financial application, which is covered under City Agreement No. 85-139, and the other is for AMS Advantage Human Resources, covered under City Agreement No 92-246. The AMS Advantage Financial includes applications for the City's base financial system, advanced budget preparation, cost allocation, extended purchasing, and job cost accounting. The AMS Advantage Human Resources includes applications for the City's base HR system, employee benefits, employee relations, and position control. Both of these agreements have provisions for on-going long-term software maintenance and support services as well as provisions for annual maintenance fees with annual CPI escalators. The CPI increase for this coming year is 1.7%, based upon the March 2004 US CPI for All Urban Consumers. For FY 05 the not-to-exceed fee for AMS Advantage Financial and HR will be \$104,000. Even though the City has long-term agreements with AMS for the software licensing and maintenance support, the City Council is requested to approve the purchase of FY 05 continuing maintenance and support services since the annual fee is now over \$100,000.

It is recommended that the City Council adopt the attached Resolution that authorizes the City Manager to purchase the continuation of software maintenance and support services from AMS for the City's AMS Advantage Financial and AMS Advantage HR systems.

FINANCIAL CONSIDERATIONS:

No additional funding is requested in order for the City to purchase the continuation of software maintenance and support services from AMS for the City's AMS Advantage Financial and AMS Advantage HR systems. The FY 05 proposed budget for the Information Technology Department includes funding for this purchase of continuing software maintenance and support services.

ENVIRONMENTAL CONSIDERATIONS: None

Ongoing administrative and maintenance activities, such as purchases of supplies, equipment or materials which are not made for purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA), CEQA Guidelines, Sections 15061 (b)(1), 15378 (b)(3).

City Council Report
Approval To Purchase Continuation Of Software Maintenance And Support Services
For AMS Advantage Financial And HR
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POLICY CONSIDERATIONS:

This recommendation is in conformance with the goals, objectives, initiatives and operating principles of the City's newly adopted Information Technology Strategic Plan. In particular, this recommendation is in accordance with Goal #1, which is, "City information technology systems and applications are supported by a secure, reliable, flexible and scalable technical infrastructure."

The City Council has previously approved the Agreements with AMS for the purchase as well as the on-going software maintenance and support of the AMS Advantage Financial and HR products. However, in accordance with City policy the City Council is required to approve expenditures over \$100,000.

ESBD CONSIDERATIONS:

American Management System, Inc. is not an ESBD firm.

Respectfully submitted,



Terry Leuchars
Interim Chief Information Officer

Recommendation Approved:



Robert P. Thomas
City Manager

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RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION AUTHORIZING THE CITY MANAGER
TO PURCHASE THE CONTINUATION OF SOFTWARE MAINTENANCE AND
SUPPORT SERVICES FROM AMERICAN MANAGEMENT SYSTEM, INC. FOR
ADVANTAGE FINANCIAL AND ADVANTAGE HUMAN RESOURCE SYSTEMS**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

- 1. The City Manager is hereby authorized to purchase continuing software maintenance and support services from American Management System, Inc. for the City's Advantage Financial and Advantage Human Resource Systems in an amount not to exceed \$104,000 for Fiscal Year 2005.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____