



Office of the City Manager

CONSENT CALENDAR
July 28, 2020

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Savita Chaudhary, Director, Department of Information Technology

Subject: Contract No. 7167J Amendment: Superior, LLC for Upgrade and Support Services

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to amend Contract No. 7167J with Superior, LLC for development of functionalities, installation and preparation for the software upgrade of the City's FUND\$ system on the AS400 platform, increasing the contract amount by \$90,000 for a total not-to-exceed amount of \$3,565,765 from July 1, 2006 through June 30, 2021.

FISCAL IMPACTS OF RECOMMENDATION

Funding for these additional professional services is available in Fiscal Year (FY) 2021's General Fund and FUND\$ Replacement Fund as outlined below. Spending in future years for this amendment is subject to Council approval of the proposed citywide budget and annual appropriation ordinances.

Breakdown of Costs:

\$ 24,480	FY 2021: Development of the FLSA report, W4 changes for 2020 Budget Code: 011-12-123-000-0000-000-411-613130- (General Fund, City Auditor, Professional Services)
\$ 65,520	FY 2021: FUND\$ Software Upgrade Customized Code Analysis Budget Code: 503-35-362-376-0000-000-412-612990- (FUND\$ Replacement Fund, Department of Information Technology, Professional Services)

\$ 90,000 Total FY 2021: Professional Services

CURRENT SITUATION AND ITS EFFECTS

The City currently uses IBM's AS400 application to support citywide operations, which the City refers to as "FUND\$". These modules include Cash Receipts, Fixed Assets, Accounting, Accounts Receivable, Business Licenses (historical), Payroll, Fleet Management, Work Order and Facilities Management, Code Enforcement, Refuse Billing, Land Management, and Tax Assessment.

While the City continues to replace modules in FUND\$, establish a new ERP system, and replace other software systems as part of FUND\$ Replacement Phase II for Work Order (includes Asset Management, and Facilities Management), Fleet management, Zero Waste work order and billing, maintaining the historical data in FUND\$ is critical for performing business analytics and reporting on historical data. The current system needs to be maintained and kept upto date to support citywide operations as well as data migration, conversion and archival needs to meet the requirements of the City's retention policy.

The current proposed project milestones are identified as below:

1. **Development of the Fair Labor Standards Act (FLSA) report:** The City's current payroll system, does not calculate FLSA overtime properly. A new development is required to create a report that identifies retroactively underpaid overtime for employees since 2018. This is **one time cost** as the Payroll module is in progress to be migrated to the new Financial System Tyler Munis ("ERMA")
2. **Development for W4 Changes for 2020:** In December 2019, the Internal Revenue Service (IRS) issued the redesigned 2020 Form W-4. IRS requires all new employees and any employee who makes withholding changes in 2020 to use the new form. The City's current FUND\$ payroll system requires a modification to accept the 2020 W-4 Form. This is **one time cost** as the Payroll module is in progress to be migrated to the new Financial System Tyler Munis ("ERMA")
3. **Current FUND\$ System Upgrade (Analysis):** FUND\$ is currently operating on a software version 9.1.1 that will no longer be supported as of December 2020. In addition, we have no existing support from the vendor on the customized code due to heavily customized system with over 3000 customizations. The City currently utilizes Superior, LLC to provide application specific support to the AS400 platform. In order to continue receiving support, the City **must** upgrade FUND\$ to a version 9.1.19 or higher that is supported.

Superior, LLC will provide the professional services required to complete the analysis and assessment of existing customizations and identify which ones need to be migrated to the new version before planning for the upgrade. Based on the analysis provided staff will work with Superior and departments to identify the next steps and will need to upgrade FUND\$ and provide ongoing support for the customized modifications made to the FUND\$ platform.

BACKGROUND

FUND\$ has supported City operations in all departments for over two decades. The initial implementation in 1989 focused on automating core financial functions including the Payroll, General Ledger, Accounts Payable, and Purchasing modules. After the initial implementation, the City implemented extensive customizations of the FUND\$ software to expand its use throughout all departments.

On June 1, 2010, Council received a FUND\$ Status Report outlining usability challenges, an incremental replacement plan, and estimated costs and replacement timelines http://www.cityofberkeley.info/uploadedFiles/Clerk/Level_3_-_City_Council/2010/06Jun/2010-06-01_Item_26_Contract_No._7167_FUND_Software_Maintenance.pdf

In January 2016, Council authorized staff to release a Request for Proposal (RFP) to solicit proposals to replace the FUND\$ application through RFP No. 2016-11012-C. Staff identified a qualified company to provide a comprehensive public sector ERP system that met the City's functional scope.

On March 28, 2017, Council authorized the City Manager to execute a contract with Tyler Technologies for the purchase of Tyler-Munis' ERP software and implementation services

https://www.cityofberkeley.info/Clerk/City_Council/2017/03_Mar/Documents/2017-03-28_Item_14_Contract_Tyler_Technologies.aspx

ENVIRONMENTAL SUSTAINABILITY

The upgrade of the FUND\$ application to a supported version allows the City to use more web-based tools and better reporting options such as saving reports to storage rather than printing it. This could lead to reduction of using paper, and less energy consumption by not having all reports printed. The upgrade would also ease the transition to other best-of-breed software as part of FUND\$ replacement Phase II, which would allow for providing online services, thereby eliminating the need for the public to visit City offices for routine applications.

RATIONALE FOR RECOMMENDATION

Superior retains exclusive rights to provide support for its software. This means no other vendor provides authorized maintenance. Staff considered terminating this agreement and providing maintenance without vendor assistance, but given the critical operations supported by FUND\$, the risk of limited support would be inappropriate, especially since staff resources are focused on configuring, testing, and implementing FUND\$ module replacements, rather than supporting the aged FUND\$ system.

ALTERNATIVE ACTIONS CONSIDERED

Staff considered developing and upgrading the AS400 software and supporting FUND\$ without Superior, but given the critical operations supported by FUND\$, the associated costs for staffing and training are cost prohibitive.

CONTACT PERSON

Savita Chaudhary, Director, Department of Information Technology, 510-981-6541

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 7167J AMENDMENT: SUPERION, LLC FOR UPGRADE AND
SUPPORT SERVICES OF THE AS400 APPLICATION

WHEREAS, Superion LLC's AS400 software, known to the City as FUND\$, has supported the City of Berkeley's critical business operations in all departments for over two decades, including the Payroll, General Ledger, Accounts Payable, and Purchasing modules; and

WHEREAS, Superion, LLC is the only vendor authorized to provide support for the AS400 software; and

WHEREAS, FUND\$ is currently operating on a software version that will no longer be supported as of December 2020; and

WHEREAS, in January 2016, Council authorized staff to release an RFP to solicit proposals to replace the FUND\$ application through RFP No. 2016-11012-C; and

WHEREAS, funding for these additional professional services is available in Fiscal Year (FY) 2021's General Fund and FUND\$ Replacement Fund and the funding in future years is subject to Council approval of the proposed city-wide budget and Annual Appropriation Ordinances.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute an amendment to Contract No. 7167J with Superion, LLC for the upgrade and support services of the City's FUND\$ system on the AS400 platform, increasing the contract amount increasing the contract amount by \$90,000 for a total not-to-exceed amount of \$3,565,765 from July 1, 2006 through June 30, 2023.