RESOLUTION NO. 767

A RESOLUTION AUTHORIZING THE PURCHASE OF COMPUTER EQUIPMENT FOR THE FINANCE DEPARTMENT.

WHEREAS, the city staff has prepared a report on the above captioned subject which is attache hereto as Exhibit "A"; and
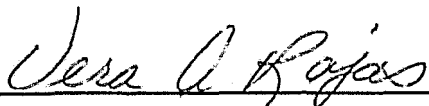
WHEREAS, the City Council has duly considered the subject and the recommendation(s) contained in the staff report; and

WHEREAS, interested parties, if any, have had an opportunity to be heard on the subject.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Wilsonville does hereby adopt the staff report attached hereto as Exhibit "A", with the recommendation(s) contained therein and further instructs that action appropriate to the the recommendation(s) be taken.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 16th day of April, 1990, and filed with the Wilsonville City Recorder this same date.

_____
JOHN M. LUDLOW, Mayor

_____
VERA A. ROJAS, CMC, City Recorder

SUMMARY of Votes:

Mayor Ludlow	AYE
Councilor Edwards	AYE
Councilor Chandler	ABSENT
Councilor Clarke	AYE
Councilor Dant	AYE

MEMORANDUM

FINANCE DEPT

EXHIBIT "A"

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: RAY SHORTEN, FINANCE DEPT

DATE: APRIL 12, 1990

RE: NEED FOR COMPUTER EQUIPMENT REPLACEMENT

On Friday, April 6th, the Finance Dept's Burroughs computer system went into a "locked" state and informed us that our hard disk capacity was completely full. After discussing the situation with our software supplier, Scott Stickel, we were able to temporarily remedy the situation, and make our computer usable again. But, as outlined in the attached memo to Pete Wall, this "fix" is extremely temporary and we must face the immediate need to expand our system.

The Burroughs B-25 computer system was purchased 5 years ago on a 5 year lease/option purchase. The lease payment totaled $10,300.00, annually and our final payment on the Burroughs system will be made in June,1990. It has long been the intent of staff to convert to an IBM compatible system when the Burroughs system was no longer cost effective to keep on line. Unfortunately, I believe we have reached that point with the onset of this dilemma.

We asked Scott to suggest some solutions to our crisis. He presented three options as stated in the attached memo. The first option was to purchase additional memory for the Burroughs hardware. A major disadvantage to the Burroughs system is the extremely high cost of annual maintenance ($2,900) as compared to an IBM compatible (Epson - $600-$800) system. This, coupled with the points discussed in the memo to Mr. Wall, leads me to believe that investing more money in the Burroughs system is not a wise use of City funds.

Option #2 quotes a partial conversion to IBM compatible hardware with the ability to expand it in the future. The main problem with this solution is that the Burroughs system would still need to be maintained on a maintenance contract until the complete conversion could be accomplished.

Options #3 depicts a complete conversion to an IBM compatible system. A tremendous advantage that would be available with this system is the direct link we could have to our software provider. Currently, if software problems arise, we must relay information back and forth, on floppies disks, through the mail. With this new system we would be completely connected by a modem (computer to computer connection via phone lines). If we were to experience a problem, we could call Scott and he could look directly into our system. Likewise, he could make any software adjustments, including up-to-date enhancements, without the delay of mail delivery. We also could communicate if necessary with other users of our software system. The possibilities of keeping our computer up and running in it's most effective state would be much greater.

An additional plus with this type of conversion is that we then would have the capabilities to link with our meter-readers for the utility program. Currently all meter readings are provided by the meter-readers in written form and must be entered into our computer system manually. By being IBM compatible, we could receive the information from the meter-readers on a floppy disk and electronically enter the readings into our system. The entry time on the manual system currently averages 5 hours of staff time per month.

It is also my belief that overall, our annual computer savings for the department would be approximately $2,000.00 if we were to convert to the IBM system now. Approximately 16 customers of Diversified System software, originally had Burroughs equipment. To my knowledge there are only 6 cities who have not converted to an IBM compatible system.

The proposal we received from Scott to completely convert at this time, seem to be extremely reasonable for the hardware suggested. The City of Sutherlin has very recently researched this matter and has awarded the contract for their hardware provider to Computerland in Eugene, Oregon. Since we are at a crisis stage with our current disk capacity, Scott contacted Computerland and they are willing to make the same prices available to us, as were used in the Sutherlin proposal.

Epson equipment is on line in many of the cities served by Diversified Systems and has proven to be very dependable. According to Scott, many IBM compatible systems are only issuing warranties of 30 - 60 days. The Epson equipment is available to us on a complete parts and labor warranty for a full year.

RECOMMENDATION:

Declare an emergency and authorize the purchase of the equipment listed on the immediate attachment totaling $12,315, from Computerland, in Eugene, Oregon.

I am proposing the funding for this system be allocated as follows:

General Fund Non Dept'l	100-25-7100500	25%	$3,078.75
Sewer Operating	200-1-7100500	25%	$3,078.75
Water Operating	300-1-7100500	25%	$3078.75
Transit System	1400-1-7100500	25%	$3078.75
	TOTAL		$12,315.00

RECOMMENDED EQUIPMENT PURCHASE

		List Price	City Discount	% of Discount	Net Price	Total
Hardware						
1	Epson 16MHZ386 processor 100 MB hard drive, 4 MB Ram monochrome amber monitor 80 Meg tap backup	$5,925	2,430	41%	$3,495	$3,495
3	Epson workstations 286 processors, 12MHZ 1 MB ram, Dos 4.0 5 1/2" High-Density Floppy keyboard	$2,473	$1,043	42%	$1,430	$4,290
1	2400 Baud Modem	$275	$135	49%	$140	$140
1	Epson High Speed printer 530 cps with some letter quality features					$1,500
Software						
	Novell ELS II	$1,895	700	37%	$1,195	$1,195
	Installation					$650
	Cabling (.50/ft)					
	This is an estimate and would depend on actual layout					$250

TOTAL EQUIPMENT PACKAGE   **$12,315**

This equipment has a one year warranty on all parts and labor

MEMORANDUM

FINANCE DEPT

TO: PETE WALL, CITY MANAGER

FROM: RAY SHORTEN, FINANCE DIRECTOR

DATE: APRIL 10, 1990

RE: COMPUTER HARD DRIVE REACHING FULL CAPACITY

The Finance Dept is currently facing a dilemma with our computer hardware system. We recently have brought on line a new revision to our current General Ledger accounting software. Although we did experience some difficulty with the actual transition between the "old" and the "enhanced" software, we are now very happy with our results. We have broaden our capabilities tremendously to enter and post information in the future, as well as process payments weekly. Previously we were unable to allow more that one operator to enter data into the system at one time. Now we all can be posting information simultaneously. In fact, we recently completed the February monthly budget report within a 7-day period. This in the past, would have been unheard of. From this standpoint the Finance Dept is extremely hopeful as we look to the future and our production capabilities.

Unfortunately one of the reasons this software is much superior to the old is that we are retaining so much more data on our system. This has caused our hard drive capabilities to be running at near full capacity. We will be unable to complete the current fiscal year without expanding our hard drive.

The City of Wilsonville purchased Burroughs B-25 equipment 5 years ago to accommodate all the accounting and financial reporting needs for the City. Part of the Burroughs selling promotion at that time was an assurance that in the near future Burroughs equipment would be compatible with IBM software. Although this has become possible in some cases, the quality of

the programs is questionable. The marketplace is full of software that could greatly enhance our productivity. ICMA and GFOA has many programs to aid in budgeting and decision making. But, to use these tools we must be IBM compatible.

Another disadvantage of the Burroughs equipment is the high cost of replacing or adding equipment. With our software enhancement we have also been forced to increase our daily backup. This function presently takes 45 minutes to complete (backing up 36 floppies). We add approximately 2 floppies a month and so the time needed for this function is growing also. The actual backing-up process only involves one staff member, but it does incapacitate the computer system, so no one else can be working with the computer during this time. To help eliminate this necessary but time-consuming process, we had been looking to purchase a tape streamer. This equipment is approximately $1200 to $1600.

I have had Scott Stickel, of Syntax/Diversified Systems prepare a proposal regarding some options we have in dealing with our hardware problem. Since our current enhanced software is able to run on an IBM compatible system, we have several options: a) expand our current Burroughs hardware, b) completely convert to an IBM compatible hardware system or c) partially convert - installing an IBM clone that could hold part of our accounting system now and be added to at a later date.

Considering the above factors and the fact that the Burroughs hardware maintenance is $2,900 per year, I feel that investing future dollars into the Burroughs system is not a wise decision.

We are at a point where we must make an decision concerning the immediate future. The upcoming fiscal year's budget allowances will play a major role in helping us make an appropriate decision. We look forward to our budget meeting on Wednesday, when we can discuss these possiblities with you.

HARDWARE PROPOSAL - OPTION 1
CITY OF WILSONVILLE
EXPAND CURRENT BURROUGHS SYSTEM

1	Tape Streamer Backup	1200 - 1600
1	40 Megabyte expansion drive with power supply	600 - 1,000
	Installation of above	100 - 300

HARDWARE PROPOSAL - OPTION 2
CITY OF WILSONVILLE

		List	City Discount		Net	Total
1	Epson 16MHZ 386 processor 100 MB hard drive, 4 MB Ram monochrome amber monitor, 80 Meg tape backup	5,925	2,430	41%	3,495	3,495
1	2400 Baud Modem	275	135	49%	140	140
1	Okidata ML 321 Printer	699	209	30%	490	490
Total Hardware (Not including installation)						4,125

Hardware installation   300

This standalone would then become server (master) for upcoming network.

These prices could change plus or minus 10% between now and the end of July, 1990.

HARDWARE PROPOSAL - OPTION 3
CITY OF WILSONVILLE
4 USER NOVELL NETWORK

		List	City Discount		Net	Total
1	Epson 16MHZ 386 processor 100 MB hard drive, 4 MB Ram monochrome amber monitor, 80 Meg tape backup	5,925	2,430	41%	3,495	3,495
3	Epson workstations 286 processors, 12MHZ .1 MB ram, Dos 4.0 5 1/2 High Density Floppy keyboard	2,473	1,043	42%	1,430	4,290
1	2400 Baud Modem	275	135	49%	140	140
	Cabling (.50/ft) This is estimate and will vary depending on actual layout				250	?
1	Okidata ML 321 Printer	699	209	30%	490	490

Total Hardware
(Not including installation)　　　　8,415

Optional Hardware

	List	City Discount		Net
Okidata ML 321 Printer	699	209	30%	490
Trip Light Uninterruptible Power Supply	600	155	26%	445

System Software

	List	City Discount		Net
Novell ELS II	1,895	700	37%	1,195
Installation				600
Optional Network Training				600
Optional 1 year network support				795
Optional 1 year hardware maintenance				600