



## CITY OF WASILLA

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### COUNCIL MEMORANDUM NO. 91-74

FROM: Finance Director

DATE: October 8, 1991

SUBJECT: Computer Conversion

During the FY92 Budget process Council approved conversion of our computer system to the new modern IBM System AS400 from IBM System 36. One of the main attractive features was that we could utilize our existing software on the new hardware by migrating the files to the new system.

Approximately one month before expected delivery one of IBM's business partners started making plans and arrangements for the file migration. At this time our major software vendor started throwing up red flags. The bottom line is that although it is technically possible to run System/36 software on the AS400 we would end up with hybrid software that would not be supported by the vendor, nor would we be taking full advantage of the new AS400 technology. Also we would no longer get program updates, enhancements and fixes and would have to hire a programmer for program fixes or modifications. Clearly, without technical computer people on staff we can not live with this situation.

I have spent the last two months seeking more information and developing some options that the City can pursue. The AS400 computer has been sitting in an Anchorage warehouse since late August. IBM has been cooperating in developing options and finding a way past this setback. Below are four options I have developed and a recommendation.

1. Postpone Conversion Option - Postpone upgrade for FY92 and start the process over for FY93. This option is not recommended since it is regressive and enough information is at hand to move forward.
2. Postpone Conversion/Purchase Printer - Postpone upgrade for FY92 and start process over for FY93, purchase high speed printer for budgeting/accounting. This option would allow us to move forward in our attempts to become more efficient, is an acceptable option but not the recommended option since it is not our highest priority. Does not require an appropriation.
3. Continue Upgrade/Purchase AS400 Software - Purchase AS400 software from vendors at conversion prices plus retraining for Utility Billing. This option takes advantage of a special price offered by Mentor and financing by IBM. This is the recommended option as retraining and FY92 additional appropriation will be limited to Utility Billing. Software costs will be financed by IBM and pushed forward to FY93.

Cost Summary Option #3  
FY92

Utility Billing Retraining (necessary whether we convert because program has been entirely rewritten for both System/36 and AS400). \$2,500

FY93

Item - AS400	Vendor	New Cost Purchase	36/AS400 Cost Conversion
Budgeting/Accounting	Mentor	\$12,000	\$ 7,200
Payroll/Personnel	Mentor	6,000	3,600
Utility Billing	Mentor	12,000	7,200
Inventory	Mentor	5,000	-0-
Business License	Mentor	6,000	3,600
Fixed Assets	Mentor	5,000	-0-
Clerk's Indexing	Munimetrix	5,425	800
		<u>\$51,425</u>	<u>\$22,400</u>

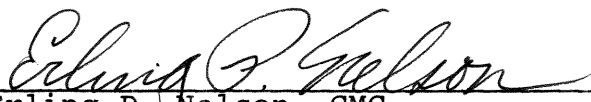
4. Continue Upgrade/MSB/New World - The Matanuska-Susitna Borough has recently installed new hardware, 2 AS400 Computers and have purchased New World Software including 4 of the 7 modules we need and are willing to purchase Utility Billing. They have offered to let us use this software through a modem link with their AS400 to our AS400. This option initially appeared to be the best option but after further checking it was found that there is truly no free lunch.

Cost Summary Option #4  
FY93

Item	Vendor	Cost
License Fee	New World	\$20,000
Modem 7861-015	IBM	4,010
Leased Line Install	MTA	220
Business License	New World	4,000
Clerk's Index	Munimetrix	800
Training	New World	<u>12,000*</u>
		\$41,030

\*Estimate provided by New World, only used as necessary

As you might imagine I take no joy in writing this memorandum but I had no choice under the circumstances. In summary I would ask the Council to approve Option #3 for FY93 for a total of \$22,400.00 so that we may continue with the conversion process.

  
Erling P. Nelson, CMC  
Finance Director