



## Legislation Text

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**File #:** 17-290, **Version:** 1

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*Report Prepared by: Jeff Bennyhoff, Director of Information Technology*

**SUBJECT:** Agreement for Professional Services with THOR, Inc. for AS/400 Programming Services

### REPORT IN BRIEF

Consider Authorizing a Professional Services Agreement with THOR, Inc. for \$165,000 for AS/400 programming services.

### RECOMMENDATION

**City Council** - Adopt a motion approving Professional Services Agreement with THOR, Inc.; and, authorizing the City Manager or Assistant City Manager to execute the necessary documents.

### ALTERNATIVES

1. Approve as recommended by Staff; or
2. Deny; or,
3. Refer to Staff for further evaluation.

### AUTHORITY

Charter of the City of Merced, Section 200.

### CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget.

### DISCUSSION

In fiscal year 2016/2017 the Information Technology Department utilized Thor Inc., for programming services to support the City's SunGard Enterprise Resource Planning (ERP) system. The Thor Group is a professional staffing agency which specializes in this type of older technology. We utilize a dedicated Thor employee that was formerly a programmer for SunGard through the 1990's. This Thor employee has successfully gained key knowledge and understanding of the City's business processes and systems. This contract will allow the City to continue to utilize this person on a time-and-material basis of \$109/hour to support our modified SunGard software suite.

The Information Technology Department no longer has internal staff with the unique skillset required to support the programmatic changes to the SunGard ERP system. All recruitment efforts have failed to find an applicant with these unique skills. The professional community of people that support this type of older technology is currently experiencing mass retirement.

The SunGard ERP system was built on technology that was developed in the 1960s and for the past 28 years it has run many of the City's critical business operations, including payroll, utility billing, GMBA, business licenses, building permits, and more. Previously, the I.T. Department had staff members that supported the SunGard software suite and modified the programs to fit the needs of the departments. Both of these employees have retired in the last several years.

The Information Technology Department has proposed in FY17/18 budget to start the process to replace the SunGard ERP system. It is estimated to take 3 to 5 years to complete the process of transitioning off SunGard system to a modern software suite at a cost between \$1.6 million and \$3.2 million. Once this transition has been completed, the IT department expects to fill the vacant position that is being used to fund the Thor agreement.

Note: SunGard recently completed a name change to Superion. Future communications may refer to the software suite as SunGard or Superion.

## **IMPACT ON CITY RESOURCES**

Funding is available in the Fiscal Year 2017-18 approved budget.

## **ATTACHMENTS**

1. Thor Client Services Agreement Consultant Attachment