Final Evaluation of Responses to the City of Scottsbluff RFP for an Electronic Data Processing System

Donald F. Norris

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FINAL EVALUATION OF RESPONSES to the City of Scottsbluff RFP for an Electronic Data Processing System

Prepared by Donald F. Norris

Center for Applied Urban Research University of Nebraska at Omaha

March 6, 1984
Anacomp

The Anacomp proposal is summarized below:

Hardware

Prime Information 2250 based 32-bit system
2MB Memory
158MB Disk Storage
Primos Operating System
1600 BPI Tape Drive
300 LPM Printer
4 Dot Matrix Printers (will need 2 WP Printers)
2 Receipt Printers
Modem
Surge Protector
Other required software elements

Software

Governmental Accounting and Management System
Utility Billing System
Payroll/Personnel System
Special Assessments1
Parking Tickets1
Motor Vehicle Registration1
Word Processing

Cost Summary

<table>
<thead>
<tr>
<th></th>
<th>First year cost</th>
<th>Five-year cost</th>
<th>Annual average cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardware w/OS</td>
<td>$89,352</td>
<td>$76,500</td>
<td>$13,476</td>
</tr>
<tr>
<td>Software</td>
<td>$76,500</td>
<td>$47,639</td>
<td></td>
</tr>
<tr>
<td>Training2</td>
<td></td>
<td>$1,123</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$2,400</td>
<td>$3,970</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$184,290</td>
<td>$238,194</td>
<td></td>
</tr>
</tbody>
</table>

1 Anacomp provided estimates and not firm costs for these systems.

2 One person, Indianapolis, three system training courses.

3 Extended warranty at 3% of purchase price plus $100 per month for Muse.
Additional Software/Capabilities

Additional software that may be of interest to Scottsbluff includes:
- Fixed assets
- Inventory control
- Law enforcement
- Fleet management
- Engineering applications (Prime)

Additional capabilities of interest include:
- Hotline software support
- Interface with various microcomputers

Customer References

Four governmental installations and two consultants were contacted for evaluations of Anacomp local government installations. Three of the local governments provided highly favorable reviews. The fourth cited problems sufficient that consideration is currently being given to terminating the contract and seeking relief through Anacomp's performance bond. The consultants provided a similar evaluation; that is, some very solid installations and some with which the vendor has had problems. No one had negative comments regarding Prime hardware.

Vendor Organizations

Anacomp has been plagued with financial difficulties owing in part to its failure to supply contracted banking related software on schedule. These difficulties included defaulting on $45 million in loans, and losses of over $62 million in the last three operating quarters. The loans were renegotiated in February 1984, the banking software is being delivered, and Anacomp predicts a turn-around in its profit picture this year. Apparently the company's Government Services Division is solid and profitable, but it is a division of Anacomp, not a separate company.

Recommendation

On its face, this is a very good proposal that should be selected for final consideration. However, the vendor's financial difficulties plus spotty client references suggest potential problems should it be selected. If Scottsbluff decides to select this vendor, certain guarantees should be secured. These include a performance bond, a long-term software support agreement, and the escrow of all software modules.
The software proposed by Anacomp and Northwest Systems is superior to that proposed by NCR. This conclusion is based on the demonstrations by the three selected vendors and on subsequent discussion with NCR representatives. For example, NCR's proposed inquiry language will not reach into all files, and NCR's "Word-Wise" word processing package is more of a text editor than a full word processing package. Additionally, NCR representatives initially proposed to migrate Scottsbluff's current software (rather than install new programming), although subsequent communications from the vendor revealed a change in the bid element to include all new software. Finally, in correspondence with the consultant NCR has endeavored to make changes in its proposal in order to correct software weaknesses. By and large, these have involved recommending third-party software packages that have not been reviewed by the consultant or viewed by the city.

Recommendation: Because of the weaknesses of NCR's proposed software, this proposal should not be selected for final consideration.
First year cost  $182,409  
Five-year cost  240,489  
Annual average  48,098  
Monthly average  4,008

\(^1\) Cost shown on Figure 8 for this software plus one additional package was $57,900.

\(^2\) Does not include travel associated with training on Data General's CEO package.

\(^3\) Cost shown on Figure 8 was $407 per month. Also, there is no charge for the first year's maintenance.

**Additional Software/Capabilities**

Additional programming available from NWS that may be of interest to Scottsbluff includes:

- Fixed Assets/Depreciation
- Cash Planning and Management (1984)
- Equipment Usage (1984)
- Posse Plus

Additional capabilities of interest include:

- Hotline software support
- Four-hour hardware maintenance response
- Interface with various microcomputers

**Customer references**

Four organizations were contacted (six persons), and all provided positive reviews of NWS software, DG hardware, and NWS personnel.

**Vendor Organization**

This is a small company that has only recently entered the OEM business. NWS lost money in 1982 but made a profit in 1983. It is expanding its product line to include microcomputers and is expanding geographically beyond Colorado. A caution regarding company size is in order, especially should one or more key persons leave the firm or should NWS win several bids in the next six to 18 months.

**Recommendation:** This is a very good proposal that should be selected for final consideration.
Northwest Systems, Ltd.

The Northwest Systems, Ltd. proposal is summarized below:

Hardware

Data General MV/4000 based 32-bit system
- 2MB Memory
- 147MB Disk Storage
- NWS Operating System
- DG CEO Package (includes Word Processing)
- 1600 BPI Tape Drive
- 300 LPM Printer
- 2 55 CPS WP Printers
- 2 160 CPS Dot Matrix Printers
- 14 CRT's
- 3 Modems
- Surge Protectors
- Other required hardware elements

Software

- General Ledger (includes special assessments)
- Purchase Order/Encumbrance
- Accounts Payable
- Utility Billing
- Payroll/Personnel
- Budget Forecasting
- Super Comp
- Motor Vehicle Registration
- Parking Ticket Collections

Cost Summary

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<tr>
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<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>Hardware w/ OS</td>
<td>$111,135</td>
</tr>
<tr>
<td>Software 1</td>
<td>53,450</td>
</tr>
<tr>
<td>Training 2</td>
<td>3,900</td>
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<tr>
<td>Data/File Conversion</td>
<td>2,500</td>
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<tr>
<td>Supplies (est.)</td>
<td>1,500</td>
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<td><strong>Total</strong></td>
<td><strong>$172,485</strong></td>
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Maintenance (Monthly)

<table>
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<th>Item</th>
<th>Cost</th>
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</thead>
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<td>Hardware</td>
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<tr>
<td>Application Software 3</td>
<td>383</td>
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<tr>
<td><strong>Total per month</strong></td>
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</tr>
<tr>
<td><strong>Total per year</strong></td>
<td><strong>$14,520</strong></td>
</tr>
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</table>