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The City Council of the City of Charlotte, North Carolina, met in regular session on Monday, April 1, 1974, with Mayor John M. Belk presiding, and Councilmembers Fred D. Alexander, Kenneth R. Harris, Pat Locke, Milton Short, James B. Whittington, Neil C. Williams and Joe D. Withrow present.

ABSENT: None.

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INVOCATION.

The invocation was given by Councilman Fred D. Alexander.

RESOLUTION SETTING DATE OF HEARING ON MONDAY, APRIL 29, 1974 ON PETITION OF ROY WHITE FLOWERS, INCORPORATED TO CLOSE AN ALLEY LOCATED IN THE 1900 BLOCK OF EAST SEVENTH STREET.

Motion was made by Councilman Alexander, seconded by Councilman Harris, and unanimously carried, adopting the subject resolution setting a date of hearing on Monday, April 29, 1974, on petition of Roy White Flowers, Incorporated to close an alley located in the 1900 block of East Seventh Street.

The resolution is recorded in full in Resolutions Book 9, at Page 446.

ORDINANCE NO. 116 REVISING CERTAIN LICENSE FEES AND READOPTING CHAPTER 11, THE PRIVILEGE LICENSE TAX ORDINANCE FOR 1974-75.

Councilman Whittington moved adoption of an ordinance revising certain license fees and readopting Chapter 11, the Privilege License Tax Ordinance For 1974-75. The motion was seconded by Councilwoman Locke for discussion.

Councilwoman Locke stated she is concerned about Section 5, the Day Care Center; that she does not want the weekly fees for child care to go up in any way.

Mrs. Barbara Green, President, Charlotte-Mecklenburg Day Care Association, stated this Association is composed of more than 100 private and non-profit day care centers. In 1969 before there was a mandatory law for day care facilities, some of the membership became concerned about the growing number of day care facilities where the children were not receiving any protection by the state's voluntary licensing regulations. Some of this group worked to get a city regulation which would apply to each facility caring for more than six children, which would meet the codes of the state building, fire and health codes. This group was interested in the city licensing code staying in effect until the state adopted a mandatory licensing law. With the adoption of the mandatory state regulations in January, 1972 inspections were required by the State and a plan adopted to reimburse the local inspection agency for their annual inspections.

Mrs. Green stated at the present time the individual day care centers are meeting state and city requirements by having one annual building, fire and health inspection. The 1972 mandatory legislation for day care facilities requires that a \$2.00 per child fee be paid annually. With the rising cost of food, minimum wages and operations, owners and directors of day care facilities, both the profit and non-profit, have no choice but to pass on the rising costs to the parents. It deprives the child of needed educational materials or not give the dedicated staff member a raise. The Charlotte-Mecklenburg Day Care Association continues to be concerned that all children in the county receive the best care and protection. She stated they now feel that the city privilege license tax is not needed for the protection of children. They are opposed to any new or additional taxation.

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Councilwoman Locke asked if it is possible to delete that section? Mr. Underhill, City Attorney, replied it is possible, and Mrs. Green is right; Charlotte enacted the local ordinance at a time when there were no mandatory state controls. The one dollar per establishment was about as nominal as you could make it and still allow the city to have some control and regulation over the proper inspections of the facilities that were being used. He stated he was involved with the local Day Care Center Association in drawing this up together with Mr. Griffin of the Tax office. At that time it suited its purpose; it allowed the city to inspect places that needed inspections, but there were no requirements for them. That he can truthfully say the reason it was put in there was for that purpose, and it was not to collect revenue. It costs the City a lot more to administer the licensing of day care centers than the dollar per establishment which we presently receive.

Councilman Whittington stated at that time this was an effort by the Fire Department, Health Department, and the Day Care Centers operators to get a handle on these places so that Fire Department would know where they were so they could go and inspect them. Councilwoman Locke stated she can see keeping it as it is, but she does not want to see the fees go up.

Councilman Williams stated it was not designed as a revenue producing measure at that time. He asked if it is designed for that purpose now? Mr. Underhill replied the Tax Collector probably would prefer that it be done away with, unless it is made a little more of a revenue producing device, as the cost of administering this type of licensing is rather steep.

Mr. Fred Griffin, Assistant Tax Collector, stated the reason they thought this would be an equitable licensing is because day care centers are now competitive businesses. On Eastway Drive alone there are some four day care centers that were residences turned into day care centers. One is on the tax books for \$80,000. They felt since it is now a competitive business and it is being operated as a business, that it should be taxed as a business. He stated they tried to make a survey of the number of children that were involved, with what they had, and they could not come up with a firm figure.

Councilman Short stated along with some others he was involved with the passing of this ordinance which regulated day care centers. The weakness of our ordinance seemed to be that we would be unable to locate them because this is not what you would call a "mom and pop" business generally, but much of it at that time, and still, is sort of a "granny" business. By making this a part of the licensing ordinance these operations are now able to receive notices. It was then, and he thinks it should remain now, a matter of being able to locate these facilities. Even if we gained some thousands, which would be very slight, it would be his personal preference to protect the grandmothers who stay at home, or in some selected place, and do this sort of work. That he thinks it would harm them, and would make it difficult for them in a marginal situation to conduct this kind of work, particularly in certain low income situations. There is also the factor of those who utilize these; there may be some making some profit out of this, but in many instances those who utilize these facilities have a situation that is difficult, and he does not want to increase that fee. He would rather leave it on the basis of this as a means of finding where these places are.

After further discussion, Councilman Williams moved that an amendment be made to the main motion deleting Section 5 of the proposed ordinance. The motion was seconded by Councilman Withrow, and carried unanimously.

Councilman Short stated he would like to discuss Section 11, interior decorators. This proposes a tax on interior decorators based on the volume of business about which they consult. This is impractical, and he cannot see how this can work; a large percent of the time interior decorators are in the business of selling merchandise. They work for home furnishing companies, and the home furnishing companies are already paying a tax based on the volume of their business. If someone consults about a sale, and then makes a sale, it seems we have created confusion. This is the common procedure.

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Mr. Griffin stated presently they are not licensing those interior decorators who are acting as consultants for the stores, such as Belks, Iveys and Mecklenburg Furniture, or any of the others. These people are being considered as employees. What they are trying to do is license those consultants under their volume of business because they are selling furniture and are operating as interior decorators - not those in the business or are employees of some other store. There are quite a few of these people who operate and license themselves as interior decorators which is presently in the ordinance.

Councilman Short stated his company does too, and they do not mind paying a spot fee, one time of \$22.50; but not if the results is that their entire volume is going to be taxed twice, based on the amount of volume. Mr. Griffin stated that is not what he means. If a person is employed in the store as an interior decorator as far as the Tax Department is concerned, this is an employee of the company, and their sales are run through the company's records.

Mr. Griffin stated the problem they have had is with the free lance interior decorators; they have been getting licenses at \$22.50. The Tax Department has discovered some of these are selling furniture that is included in their consultant fee. All they are paying at present is the \$22.50. The discussion comes up when the Tax Department tries to license these people under merchants; they say they are not merchants; they are consultants. In the proposed ordinance is a section for services as consultants based on volume. They believe these people should be licensed in accordance with other types of consultant businesses. Councilman Short stated then they should be licensed in accordance with the amount of merchandise they consult about? Mr. Griffin replied no, on their total volume; this would include their consultant fees, plus the sale of the merchandise. He stated they feel by placing interior decorators on the same basis as an electrical consultant or business consultant they are doing the same thing. The individual would be taxed only under this section, and would not have a retailers license. Right now a consultant could have two licenses - one \$22.50 for interior decorators, and another one for a merchant which is based on his volume of business, which would come to a minimum of \$37.50. He has the problem of separating his sales of merchandise from his consultant fees because he is charging on a package. The Tax Department is saying it wants everything based on his total volume whether it is consultant or sales.

Councilman Short asked if it says that sales made by a decorator will not make it necessary for him to purchase a merchants license? Mr. Griffin replied that is not written into the ordinance; but when they interpret this they say they are talking about his total volume of business. Councilman Short stated the way this ordinance is written if you take it at its face, the way it is interpreted may be different, this man is charged on his volume as a consultant, and charged on his volume as a merchant.

The vote was taken on the motion as amended, and carried as follows:

YEAS: Councilmembers Whittington, Locke, Alexander, Harris, Williams and Withrow.

NAYS: Councilman Short.

The ordinance is recorded in full in Ordinance Book 20, beginning at Page 463.

Later in the meeting, Councilman Short stated the way this license tax was voted, in his opinion, would be somewhat discriminatory in favor of his own business. This is the reason he did not vote for this license tax ordinance. That is the only reason. As far as the remainder of this ordinance, he was delighted. He does not want anyone to think he voted against it because of the day care provisions as he was delighted with what Council decided on the day care center. That it would have been untenable and unethical for him to have voted for this because he is convinced that the section on the decorators would have been quite a bit discriminatory in favor of his own business.

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RESOLUTION AMENDING THE PAY PLAN TO ADD FIRE DEPARTMENT PLANNER AND ORDINANCE AMENDING THE TABLE OF ORGANIZATION FOR THE FIRE DEPARTMENT DELETING ONE CLASSIFICATION AND ADDING FIRE DEPARTMENT PLANNER POSITION.

Upon motion of Councilman Whittington, seconded by Councilman Harris, and unanimously carried, the following resolution and ordinance were adopted:

Resolution amending the pay plan of the City of Charlotte to add Class No. 739, Fire Department Planner, assigned to Pay Range 12, Pay Steps A-F inclusive.

Ordinance No. 117-X amending Ordinance No. 828-X, the 1973-74 Budget Ordinance, amending the Table of Organization for the Charlotte Fire Department, by deleting one Lieutenant-Captain Position, Class No. 746, Pay Range 118, and substituting in lieu thereof one Fire Department Planner Position, Class No. 739, Pay Range 121.

The resolution is recorded in full in Resolutions Book 9, at Page 448.

The ordinance is recorded in full in Ordinance Book 20, at Page 467.

ORDINANCE NO. 118-X TRANSFERRING FUNDS FROM THE AIRPORT BOND FUND ACCOUNT TO PROVIDE FUNDS FOR LAND ACQUISITION IN CONNECTION WITH THE AIRPORT EXPANSION.

Upon motion of Councilman Harris, seconded by Councilman Williams, and unanimously carried, the subject ordinance was adopted, transferring \$1,156,000 from the Airport Bond Fund account to provide funds for land acquisition in connection with the Airport Expansion.

The ordinance is recorded in full in Ordinance Book 20, at Page 468.

ORDINANCES AFFECTING HOUSING DECLARED UNFIT FOR HUMAN HABITATION UNDER THE PROVISIONS OF THE CITY'S HOUSING CODE.

Motion was made by Councilman Whittington, seconded by Councilwoman Locke, and unanimously carried, adopting the following ordinances affecting housing declared "unfit" for human habitation under the provisions of the City's Housing Code:

- (a) Ordinance No. 119-X ordering the demolition and removal of the dwelling at 203 N. Summit Avenue.
- (b) Ordinance No. 120-X ordering the demolition and removal of the dwelling at 201 N. Summit Avenue.
- (c) Ordinance No. 121-X ordering the dwelling at 535-37 Beal Street to be closed.
- (d) Ordinance No. 122-X ordering the dwelling at 1320 Norris Avenue to be vacated and closed.
- (e) Ordinance No. 123-X ordering the demolition and removal of the dwelling at 510-12 North Pine Street.

The ordinances are recorded in full in Ordinance Book 20, beginning on Page 469.

AMENDMENTS TO THE CONSTRUCT-LEASE CONTRACT FOR THE UTILITIES OPERATIONS CENTER BY QUEENS PROPERTIES, INC., APPROVED.

Councilman Alexander moved approval of the amendments to the Construct-Lease Contract for the Utilities Operations Centers by Queens Properties, Inc., as recommended. The motion was seconded by Councilman Whittington, and carried unanimously.

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LEASE-PURCHASE AGREEMENT BETWEEN THE CITY OF CHARLOTTE AND BURROUGHS CORPORATION, DEFERRED UNTIL LATER IN MEETING.

Councilman Whittington stated for discussion he moved approval of the subject agreement. The motion was seconded by Councilwoman Locke.

Mr. J. R. Stevenson stated he represents Sperry Univac a division of Sperry Rand Corporation. They submitted bids on a formal sealed type basis as requested by the City. These bids were due on February 15, 1974 at 2:00 p.m. They attempted this morning to make information available to all present in voicing an objection they have. He stated the following:

- (1) UNIVAC was the low bidder as publicly read during the formal bid opening on February 15, 1974 at 2:00 p.m.
- (2) UNIVAC will save the city a minimum of \$140,000 over a three year period and \$225,000 over the term of the proposed contract when compared to the next lowest bidder.
- (3) The savings identified in 2 above recognize, among other things, benefits shown in Section 4.6.a of UNIVAC's proposal in response to the bid requirement 2.5 which asks that the financial arrangements to offset conversion costs be included in the proposal. It is on this basis that Burroughs published bid has been readjusted downward by \$103,000 reflecting a waiver of three months equipment charges.

In the same manner UNIVAC offers a savings of \$168,000 by waiving all charges for present equipment during its parallel installation with the new equipment up to a six month period. This represents a cost that would have to be borne by the City if any other Vendor were selected. This together with the published savings in Years 2 and 3 offers a total 3 year savings of \$140,000 beyond competition.

Mr. Stevenson stated they were informed this recommendation was made primarily because Burroughs represented the low bid. However, it is common knowledge to the Evaluation Committee that UNIVAC represents the lowest cost to the city.

Councilman Whittington asked who is on the Evaluation Committee? Mr. Stevenson replied Mr. Motto, Director of MIS, and various members of his staff plus various members of the Consulting Firm, Systems Development Corporation, and Mr. Stradinger, Assistant City Manager.

Mr. Stevenson stated it was the consensus that UNIVAC represents the lowest cost to the city; however, they have been informed that Burroughs is the low bidder on a technicality involving an interpretation of the proposal. Since they represent the lowest cost bidder, and since the proposal request asked them to place in the proposal those financial arrangements to offset conversion costs, they do not understand the difference between the lowest bidder and lowest cost to the city. This is their primary point of contention. The justification for the recommendation seem to be based primarily on the fact that Burroughs is the low bidder. He stated he would like an explanation on that, or recommend that a full investigation be done on this matter.

Mr. Stevenson stated the primary reason they are low bidder is not being considered. That is, upon the installation of the new system, their new system, all charges for the present equipment will cease completely, and a minimum of three months parallel installation has been spoken of by the committee as a normal conversion period. However, they, UNIVAC is offering up to six months of no charge to the City if their equipment is the new equipment installed. This is a cost that has to be borne by the City if any other vendor is selected. This cost savings as known to them cannot be considered technically as a part of the bid. However, it is a financial arrangement to offset the cost of conversion. The bid request specifically stated they were to provide this information.

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Councilman Whittington asked the experience when the City changed from another company to RCA and went through this same thing then? Mr. Fennell replied when this change was made it was not only on the cost but the equipment itself. RCA at that time was roughly compatible with the 360. The result of this was about \$55,000 year under the IBM equipment. That the choice is not made solely on cost; but it is a major consideration. Councilman Whittington stated the city has gone from IBM to RCA, and from RCA to UNIVAC? Mr. Fennell replied UNIVAC bought out RCA, and took over the maintenance of the RCA equipment.

Councilman Alexander stated when the city first started a system, we were told that a certain system was the best system, and we took that. Some changes took place with that system, and it went out of the computer business, and Univac took over RCA's operation, and we were told it was all right to stay with UNIVAC. In answer to the question if UNIVAC would be able to supply all the parts and the system processes for the RCA system that was going out of activity, we were told it would be able to do this. Now, we are getting ready to change from UNIVAC to another system. From the information he has the reason for it is that there is some question about the processing power of systems. That he would like for someone to explain to him what power one system has over another system; and he would like to know just what UNIVAC can do that Burroughs cannot do, and what Burroughs can do that UNIVAC cannot do; and if we have two other systems, is it a fact that we must consider that in the existing two systems that are in operation that the softwear involved cannot be used in both systems.

Mr. Burkhalter stated one of the vendors has been before Council, and another is waiting to be heard. He suggested that Council wait until these two who are the unsuccessful bidders speak, and then that the people who Council should rely upon give their reasons for the decision they have made. Mr. Motto, Director of MIS, David Stradinger, Assistant to the City Manager and who is very well qualified in this field, and Mr. Fennell, Finance Director, are all here today to answer any questions.

Mr. Stevenson stated they were informed that one of the primary reasons for this recommendation was the fact that Burroughs is low bidder, and they do not understand why they are the low bidder because the bids were opened and publicly read, and as publicly read, UNIVAC is the low bidder. Then an interpretation was made later, which readjusted Burroughs full figures, and now they are the low bidder. He stated they have comparable benefits in their proposal as well which should be considered if the figures are going to be adjusted. He stated their financial benefits have not been considered. Since the primary justification is the low bidder, they think they are the low bidder.

Mr. Stevenson stated if, in fact, UNIVAC was the low bidder, there are several other facts that would come into play in selecting UNIVAC versus Burroughs. He stated the invitation for bids states, "Preferably, system being proposed should be operating somewhere in a production environment." It also states, "The system must be reliable". The Burroughs B6748 is not a field proven product. They understand at this time there are very few, if any B6748 systems installed and in production at customer sites. Therefore, the system's reliability is an unknown entity. The UNIVAC 1106 is a highly field proven product with over a hundred systems installed.

Mr. Stevenson stated, no vendor, including Burroughs, has been required to actually demonstrate that the system they have proposed will perform those tasks outlined as system requirements by the City. They have asked that such a performance test be required; they believe it would show conclusively that the UNIVAC system is far more capable of meeting the city requirements. The two major reasons for this are (1) the UNIVAC system is not hampered by the lack of critically needed communication software; and (2) members of the City's Evaluation Committee primarily responsible for the technical evaluation of the proposed systems rate UNIVAC higher than Burroughs in this regard.

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He asked if the City can afford to venture into the unknown? Should the city select a system which lacks field proven experience, and one which has not demonstrated even the ability to perform those computer tasks which are presently in operation at the City. UNIVAC is the bidder providing lowest cost to the City; UNIVAC is the incumbent vendor, and provides the smoothest transition with least interruption of services to taxpayers. The technical evaluation rates UNIVAC above the recommended Burroughs system in its ability to meet City requirements. UNIVAC strongly protests this recommendation, and urges the City to investigate this matter further before making a final decision.

Mr. William B. Davis, Network Computing Corporation, stated Network Computing is a well known computer service company located in Charlotte for the past four years. They do a considerable volume of business with municipalities in North and South Carolina. Their volume of business is equal to three to five times the data processing requirements of the City of Charlotte at present. They feel qualified to address Council in this matter.

Mr. Davis stated they were asked to prepare a proposal to the City because they have a very large IBM Computer system installed. It is the same system that IBM proposed to the City. Network Computing strives to maintain a high level of professionalism in the data processing industry. They were somewhat embarrassed to be involved in this swirling controversy surrounding this matter. They ask Council, in the interest of doing things right, not to act on this agenda item until a study group has reviewed the controversial questions surrounding this matter, and assured themselves that the procedures and the award is in line with city objectives and responsibilities.

Mr. Davis stated there are some questions that need impartial answers before an award is made. He passed a list of questions to members of Council. Mr. Davis stated he has not discussed these questions with the city staff as they were informed late Friday afternoon that this item was on the agenda and would be brought up today for action. They have had very little time to prepare the information much less disseminate it.

The questions are as follows:

1. What is the REAL need to replace the present UNIVAC equipment with other computing equipment in the same price range? Is the present UNIVAC equipment operating at peak efficiency?

Mr. Davis stated he does not think those questions have been answered. But they are questions that are swirling around.

2. What are the questions surrounding the publishing of the "Invitation for Bids" in February, 1974?

Was, in fact, Burroughs pre-selected prior to the publishing of the bids? Was the very minimum legal notice given? In fact, one day in the Charlotte News; and if so why the bear minimum legal notice.

Were some Vendors advised not even to bid?

3. What are the questions surrounding the cover sheet of the Burroughs' bid? Was there an apparent two-way interpretation of a paragraph inside the bid that could or could not lower the Burroughs bid to make it low bid, if necessary?

Mr. Davis held up a copy of the invitations that went out, and stated on the front sheet are the total charges over term of the proposed contract; year one, year two, and year three. When these bids were open and read, it is his understanding that UNIVAC was the lowest bidder on this front page. Sometime later, they understand, there is a paragraph inside the bid that could be interpreted one way or another; and was so interpreted to make someone else possibly low. He stated they are not sure what the answers were, but they think this should be resolved.

4. What are the questions surrounding the Network Computing bid?

Mr. Davis stated they did not participate in the formal bid, nor did they have to participate in formal bids as they proposed services, and not equipment. Their bid was legal, and they did have access to all the bid information of all the other bidders when they made their proposal; consequently they think they came out low. But they are not asking Council to do anything in that regard today.

5. Is the Burroughs reinterpreted bid really low? He stated he has a three year analysis, which is the period covered by this document that shows in fact the estimated total cost to the city that Network Computing is really low by almost a quarter of a million dollars below Burroughs. That the present equipment comes next in cost, and that UNIVAC rates third in cost; that Burroughs rates fourth and IBM fifth by a great amount.

6. Why is there such a wide discrepancy in equipment proposed? IBM proposal is approximately three times more powerful than the Burroughs proposal by their estimates. Were the bid specifications really adequate for people to bid upon if IBM bid something that is three times more powerful, and almost a \$1.0 million more expensive? Mr. Davis stated this is a question that should be answered.

7. What were the internal recommendations from the staff of the Data Processing Department? Is it true that Burroughs ranked Third in this technical evaluation, based on costs and conversion difficulties? What are the rumors that are circulating in that department today with reference to the personnel, and what their intentions are if Burroughs is actually awarded the contract?

8. What were the recommendations of the IMIS project staff? The SDC People? What effect will a decision to install Burroughs equipment have on this IMIS project, and the \$4.0 million already spent on this project today?

9. Is it true that the program conversion to Burroughs equipment is the most difficult, lengthy and expensive of all vendors? Have any performance testings taken place to determine whether this is true or not?

10. Is it time for the Data Processing in the City to operate with the same degree of fiscal responsibility required of the other city departments?

Mr. Davis asked that Council not intensify the controversy that is now raging by making any award today. They ask that Council become more familiar with the controversial question, and assure themselves that all the facts are made known, and a proper award made.

Councilman Whittington asked SDC's position in this? Mr. Burkhalter replied they were represented on the Evaluation Committee.

Mr. Motto, MIS Director, stated Burroughs is the low bidder for the proposed system for the three year period of time covered by the specifications. In reaching this determination he reviewed the prices in the proposals - not only on the front page, but in the body of the proposals - with the City Attorney's office and he was advised that a proper interpretation of the bid prices would include a discount on the new system that Burroughs proposed in the body of the proposal. He returned to the City Attorney's office with the question on the price breaks that UNIVAC was offering against the existing system, and he was advised that would not be a proper price consideration in terms of determining the low bid for the bid price on the proposed system. It was on that basis that he then determined that Burroughs was in fact the low bidder. He stated they have been reviewing the three proposed systems for about six months. The decision was very difficult. The fact that Burroughs was the low bidder, and met the specifications to an acceptable degree was a primary factor in his determination that Burroughs should be the systems supplier for the city.

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Mr. Motto stated they did not conduct any bench marks in the interest of time and in the interest of expediting the systems selection process. The system we have now is an old RCA system and has essentially remained stagnant in the terms of development from UNIVAC Corporation primarily because there is a limit in the amount of money they could be expected to spend in developing the system which is, after all, not their own. They have supported it to the best of their ability. But it is an out-moded system.

Mr. Motto stated there is an urgent need to move to a more up to date and more powerful system in the shortest time possible. Bench marking would have added at least another two months time to an evaluation process that has dragged on for about four years, and for the last six months with great intensity.

He stated they have talked to many users of the Burroughs system, including the County and the City Police Department, in judging activity and the reliability and availability of the systems proposed. He asked a number of people on his staff and on the System Development staff to assist in the evaluation process by looking into the system, and coming up with what they believe to be the pros and cons of each of the proposed systems. He reviewed their opinions and talked about them at great length. In the end his decision based on everything, considering costs and capabilities, was to go to the Burroughs system.

Mr. Motto stated on the accusations, he was surprised on some of them. He is sure they got the money estimates from internal documentations that were being used for draft purposes and review purposes only and were never intended to be published as a formal document. After these figures were determined, there were several other considerations that were entered into that affected these figures.

Mr. Burkhalter stated Mr. Motto, Director of the IMIS System, has had quite a bit of experience with SDC which uses IBM, and with the City of Charlotte who uses RCA taken over by UNIVAC. That Mr. Stradinger is the City Manager's advisor for this program and has a Masters Degree in Management Information Systems, and did his work in this field and is well qualified to discuss this with Council technically or any way Council might want it done; and Mr. Fennell, Finance Director, understands the technical application of the computer better than any man he knows. These Staff people are here today to recommend to Council that the City go with a certain piece of equipment. These people have to deliver the goods; they are the ones who have to perform the service to get the City what it is contracting to do with the federal government, and what Staff has told Council would be performed in the City. That he hopes Council will ask them any questions they may have.

Councilman Alexander asked Mr. Motto to explain the importance of the power capacity? Mr. Motto stated systems have certain characteristics; and the applications they intend to make of the computer system is primarily one that involves the movement of information, and in making certain decisions based on polling of characters from one location in the system to another. The Burroughs system facilitates this kind of operation. The UNIVAC System facilitates operations within which a great many mathematic calculations are required. He stated in the context that the system will be used by the City, Burroughs represents more processing power because it better fits the characteristics of our needs.

Councilman Harris stated Council is more or less asked to take it at faith that this recommendation is the best to spend \$35,000 a month on a system on which Council has no information except what Network Computing Corporation has given whether it is accurate or inaccurate, and Council has no comparative information at all on relating this information. There is also some concern on his behalf on whether or not this really includes the softwear. It says softwear, and usually a part of it starts with the add-on of softwear that is needed to really make the system work. Mr. Motto replied the cost does include all the softwear and maintenance cost for the system. Councilman Harris stated Council again is getting into a situation of trying to approve

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approve a contract on very scant information. If this was being done in any other area, there would be extensive reports, studies and other things sent to them for this amount of money. Computers are a changing business, and what is done today will be outmoded in three or four years. There is no guarantee that seven years from now this system will be adequate for our needs. Mr. Motto stated the present system runs close to \$35,000 as they are and is barely able to support the data processing needs of the city. That he cannot say it is run the most efficiently it could be run; but it is run by people that have been providing these data processing services for years in the city. In his opinion the principal problems of the current system is the fact that it is unbalanced. We have a great bit of processing power in the central processing unit. But in terms of dealing with the communications network, in input-output operations of the system, we probably would have to add another \$10,000 worth of equipment to the existing system to bring it up to a level where we could meet our processing needs. That would be about \$44 to \$45 thousand a month to get the present system up to where it would meet the current needs. They know where the bottlenecks are; they have a good idea of the problems users are running into. At present users are waiting anywhere from 20 to 40 seconds for a response from the computer from the remote location; they have every reason to expect response in under ten sections, and more preferably about five seconds. One of the problems is we have one access to disc storage that has to be contented for by both of our processors. In the proposed configuration, all vendors have proposed two paths to the disc storage system to preclude, or to get around, the current bottleneck. The police department is not on this system, but they will be. The intention of having a system at the Police Department is to have the MIS system back up the police system in event of failure, and to do those things the police system is not capable of doing.

Councilman Alexander asked if there is any problem between our police department system communicating with the PIN system? Mr. Motto replied the problems are in softwear development needed at our end to communicate with the State system. That softwear development is just about completed, and we expect to go into testing very shortly. He stated they have tested it, but they believe it will work; and the program had to be written especially for that.

Councilman Withrow asked the difference in the system the county owns from Burroughs, and the system that Mr. Motto is talking about? Mr. Motto replied the systems are comparable; they have basically the same operating system. Councilman Withrow asked why the city cannot cooperate with the county and have one facility - one computerized system in the city and county to take care of the whole operation? Mr. Motto replied there is no real reason why we could not; going to the Burroughs system would facilitate that process. Councilman Withrow asked if Council cannot approve this today, and talk to the county about some kind of cooperation to set up one system, and pay one bill, rather than the city paying a bill, the county paying a bill, and the Police Department paying a bill. Mr. Motto replied it is entirely possible, and would probably be easier to achieve if all were dealing with the same vendor.

Councilman Short asked if Burroughs is bidding this in such a way that continuity may become difficult for them, and they might wind up selling out? Mr. Motto replied Burroughs evidently attempts to build on the existing customer base; they attempt to satisfy their existing customers to such a great extent they build a solid base of customers support from which to market. In RCA's case, he understands they over-extended themselves in trying to replace IBM systems with their own systems, and spent more money than the RCA Corporation was willing to support in marketing the new systems.

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Councilman Short asked if the bid specifications are well defined so that the bidders knew what they were bidding on? There is the fact that IBM bid a very expensive system knowing this was a competitive matter. Were they misled by the specifications? Mr. Motto replied they were not. The type of software they were looking at to support our operations, operates on a 158 system, which was proposed by IBM, or a 145 system, which was proposed by IBM. IBM runs our specifications through an evaluation package and it indicated in their estimation, the 145 system would barely meet the requirements outlined in the specifications for a three year time period. Therefore, in good faith, they were forced to bid their next and more powerful system, which is the 158. He stated the IBM system is probably a great deal more powerful than we will need over the next three years at least, and certainly possibly over the next eight or ten years.

Councilman Harris asked if we are going to a service facility in the future or will we continue dealing with vendors and buying equipment? Mr. Motto replied in evaluating the proposals none of the systems were very laggard in providing us with the kinds of things needed to have a system. The IBM system was very attractive in light of the great processing power and the maturity of its software. In an attempt to move to an IBM system, at a much more reasonable cost, he contacted Network Computing Corporation and asked them what their price would be to tie into their system. He looked very hard at Network Computing Corporation's proposal arrangement for about two to three weeks; and the further he looked into it the more problems came to his mind with regard to actual control over the system network. As it turns out the software and the system that would be centralized in Network Computing Corporation would require that they have direct control over the entrance of things of security measures, such as passwords, and the restriction of transactions per terminals. That he could foresee conflicts of interest which in order to serve their other customers on the same communication network they would get involved in actions we would not have to worry about if we had our own system. He is not saying those problems could not have been resolved; but he could look forward to a time period of months before effective agreements could be worked out to the city's satisfaction.

Councilman Harris asked if Burroughs was pre-selected? Mr. Motto replied they were not. The very fact that we have some bidders today raising dispute on the specifications and cost demonstrates that Burroughs was not pre-selected. He stated he did not make the final decision to go to Burroughs until Tuesday afternoon of this week. Councilman Harris asked if the very minimum legal notice was given; was there a one day announcement in the Charlotte News? Mr. Motto replied yes there was. Councilman Harris asked why he did not go to Control Data, or Honeywell or some of the other people as well? Did he realize that he was going to have these three bidders, and was just satisfying the legal requirement? Mr. Motto replied yes to a certain extent; they looked at the three bidders for three good reasons. One was that IBM had the system after which our present system is patterned; Burroughs was the incumbent vendor for the County and City Police Department; UNIVAC was the incumbent vendor. The time and effort spent in evaluating the proposed systems to his mind precluded the evaluation of many other vendors. They did not go out and solicit anyone; IBM, Burroughs and UNIVAC were being reviewed prior to the formal evaluation process. They went down the road towards evaluating those three systems to a point in time where they were advised that a new 1973 State law required the open bidding process. This was in February. They opened the bidding process at that time, and advertised the bid in the local papers for the one day; they did not send proposal booklets out to anyone. These three companies were aware they were doing this; they came and picked up the proposal booklets and submitted bids.

Councilman Harris asked if we are to the actual capacity of the existing system? Mr. Motto replied yes. We are under contract to HUD to develop new systems for the city; they cannot hold off putting new systems up.

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Councilman Alexander asked where the city will be after the three year time period expires? Mr. Motto stated toward the end of the three years we should have 25%; in his opinion if we went with the Burroughs system we would not be in a position of having to upgrade the power of the system at the end of three years. More than likely at that time, we would need to assure the availability of the system, and assure users when they wanted to get into the system it would be there ready to support their needs. We might get into a multi-processing environment at the end of the three years where the system would never be down. If there was some hardware failure within the system, there would be enough other parts of the system ready to take over the work effort performed by the failing part.

Councilman Alexander asked that in any situation that comes before Council where the low bidder is not receiving the contract, that means be found whereby Council can have adequate opportunity to discuss the facts involved so that Council can be as intelligent as it possibly can. That Council has confidence in our technicians and our administrators; but also Council should have the opportunity to discuss these problems, and the whys and wherefores as Council is clothed with the responsibility of the final decision.

Councilman Harris stated he would like to remove any cloud of doubt from staff from the standpoint of Council on what we are going to do, as much as much as we can.

Councilman Harris stated he would like to defer this matter and ask the Mayor to appoint a Committee of Council to sit with staff and go through all these points and come back to Council with a recommendation after it has been thoroughly aired. Mayor Belk stated there is already a committee; that he does not see the point of another committee. Councilman Alexander stated he is not concerned with a committee of council; the only meeting he would be concerned with is a meeting with all members of Council.

Councilman Harris made a substitute motion to defer the matter until Council can obtain more information. The motion was seconded by Councilman Williams.

After discussion the vote was taken on the motion and carried unanimously.

Council then decided they would come back to this item after the agenda is completed this afternoon.

CONSTRUCTION OF SANITARY SEWER MAINS AND WATER MAINS, APPROVED.

Upon motion of Councilman Short, seconded by Councilman Whittington, and unanimously carried, the following contracts for the construction of sanitary sewer mains and water mains, were approved:

- (a) Contract with Charles F. Blackwelder for the construction of 570-feet of 8-inch sewer main in Delshire Lane, to serve Lot No. 16, Block C, outside the city, at an estimated cost of \$4,080.00. The applicant has deposited 100% of the estimated cost with the city forces to do the construction and refund to be made as per the agreement.
- (b) Contract with Condev Corporation for the installation of 2,100 feet of 8-inch water main and one fire hydrant to serve Tymber Skan Apartments, outside the city, at an estimated cost of \$12,000.00. Funds will be advanced by the applicant and refunds will be made, all in accordance with the existing city policies.
- (c) Contract with the Evans Construction Company for the installation of 1,100 feet of 6-inch water main to serve McClintock Woods Subdivision, Section 5, inside the city, at an estimated cost of \$4,900.00. Funds will be advanced by the applicant, and refunds made, all in accordance with the existing city policies.

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- (d) Contract with Bob Godley Enterprises for the installation of 2,180 feet of water main and two fire hydrants to serve the Planters Industrial park inside the city, at an estimated cost of \$23,000.00. Funds will be advanced by the applicant, and refunds will be made, all in accordance with the existing city policies.

RESOLUTION AUTHORIZING THE REFUND OF CERTAIN TAXES COLLECTED THROUGH CLERICAL ERROR AGAINST TEN TAX ACCOUNTS.

Motion was made by Councilwoman Locke, seconded by Councilman Short, and unanimously carried, adopting the subject resolution authorizing the refund of certain taxes in the total amount of \$4,888.29, which were levied, and collected through clerical error against ten tax accounts.

The resolution is recorded in full in Resolutions Book 9, at Page 449.

RESOLUTION AUTHORIZING MR. DAVID A. BURKHALTER, CITY MANAGER, TO FILE APPLICATION REQUESTING ENVIRONMENTAL PROTECTION AGENCY GRANT ASSISTANCE FOR A 201 FACILITIES PLAN.

Councilman Short moved adoption of the subject resolution authorizing Mr. David A. Burkhalter, City Manager, to file application requesting Environmental Protection Agency Grant Assistance for a 201 Facilities Plan, in the amount of \$138,750. The motion was seconded by Councilman Whittington, and carried unanimously.

The resolution is recorded in full in Resolutions Book 9, at Page 450.

APPOINTMENT OF JUDDIE BACOT AND MARC SILVERMAN TO THE PARK AND RECREATION COMMISSION FOR FIVE YEAR TERMS EACH.

Council was advised that the following nominations to succeed Mrs. Howerton, whose term expired March 21, 1974, have been made to the Park and Recreation Commission for a five year term:

1. Nomination of Mrs. Nell Lorick by Councilwoman Locke.
2. Nomination of Mrs. Juddie Bacot by Councilman Withrow.

Councilman Withrow stated he has no feelings against Mrs. Lorick but Mrs. Juddie Bacot lives in Northeast Charlotte, and he thinks we need representation from people throughout the county. On the Park and Recreation Commission there is representation from the west side; but there is no one from northeast Charlotte.

Councilwoman Locke stated she has contacted a number of people on staff at the Park and Recreation Commission and they submitted Mrs. Lorick's name and said she is a volunteer worker and does an excellent job for the Park and Recreation.

Councilwoman Locke moved the appointment of Mrs. Nell Lorick to the Park and Recreation Commission to succeed Mrs. Howerton whose term expired March 21, 1974. The motion was seconded by Councilman Whittington.

Councilman Short stated he would like to congratulate the Councilmembers on being able to nominate, and make arrangements with two people like Nell Lorick and Juddie Bacot. That we could only be winners this way. That he has advised them it is a difficult decision, and the only basis he can decide between two close friends like this is on the basis of the one that approached him first about it. That Mrs. Bacot's name was brought up with him a couple of months ago. So it seems that is the only choice he has available.

The vote was taken on the motion to appoint Mrs. Lorick and failed to carry as follows:

YEAS: Councilmembers Locke and Whittington.
NAYS: Councilmembers Alexander, Harris, Short, Williams and Withrow.

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Councilman Withrow moved the appointment of Mrs. Juddie Bacote to the Park and Recreation Commission to succeed Mrs. Howerton whose term expired March 21, 1974. The motion was seconded by Councilman Harris, and carried as follows:

YEAS: Councilmembers Withrow, Harris, Alexander, Short and Williams.
NAYS: Councilmembers Locke and Whittington.

Later in the meeting Councilwoman Locke moved that Mrs. Bacote be appointed to the Park and Recreation Commission by unanimous consent of Council. The motion was seconded by Councilman Whittington and carried unanimously.

Councilman Whittington moved the appointment of Mr. Marc Silverman to the Park and Recreation Commission for a five year term to succeed Mr. Walker whose term expired March 21, 1974. The motion was seconded by Councilwoman Locke and carried unanimously.

APPOINTMENT TO COMMUNITY FACILITIES COMMITTEE DEFERRED FOR ONE WEEK.

Councilman Harris moved that consideration of the nomination to the Community Facilities Committee be deferred for one week. The motion was seconded by Councilman Whittington, and carried unanimously.

APPROVAL OF THE PURCHASE OF PROPERTY LOCATED IN THE FIRST WARD URBAN RENEWAL PROJECT NO. N. C. R-79 BY THE URBAN REDEVELOPMENT DEPARTMENT.

Motion was made by Councilman Whittington, seconded by Councilman Harris, and unanimously carried, approving the purchase of property located in the First Ward Urban Renewal Project No. N. C. R-79, as follows:

BLOCK & PARCEL	OWNER	ADDRESS	ACQUISITION PRICE
16-1	Covington	500-12 E. 11th Street	\$99,300
16-15	Covington Heirs	516 E. 11th Street	18,000
20-1	Vann	600 E. 11th Street	33,000
20-2	Vann	724-26 N. Davidson Street	7,750
20-5	Horne	710 N. Davidson Street	8,250

ENCROACHMENT AGREEMENTS, APPROVED.

Councilman Alexander moved approval of the following encroachment agreements, which was seconded by Councilman Whittington, and carried unanimously:

- (a) North Carolina Department of Transportation and Highway Safety for the construction of an 8" C. I. Water Main within the right of way of Tom Hunter Road (SR 2548).
- (b) North Carolina Department of Transportation permitting the City of Charlotte to construct an 8" C. I. Water Main within the right of way of Barringer Drive (SR 1426).

SPECIAL OFFICER PERMITS, AUTHORIZED.

Upon motion of Councilman Withrow, seconded by Councilman Short, and unanimously carried, the following Special Officer Permits were authorized for a period of one year:

- (a) Issuance of permit to Raymond B. Lindberg for use on the premises of North Carolina National Bank.
- (b) Issuance of permit to Thomas James Mazura for use on the premises of Douglas Municipal Airport.

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- (c) Issuance of permit to Harvey Uel Smith for use on the premises of Douglas Municipal Airport.
- (d) Issuance of permit to Robert William Stone for use on the premises of Douglas Municipal Airport.
- (e) Renewal of permit to George Franklin Suddreth for use on the premises of Associated Grocers Mutual of Carolinas, Inc., 701 Lawton Road.
- (f) Issuance of permit to Harold Alvin Swanson for use on the premises of Douglas Municipal Airport.

PROPERTY TRANSACTIONS, APPROVED.

Motion was made by Councilman Withrow, seconded by Councilman Short, and unanimously carried, approving the following property transactions:

- (a) Acquisition of 15' x 809.42' of easement at Tax Code 135-111-02 (off Idlewild Road), from Henry Porter Bingham, Jr., and wife, Lola W., at \$810.00, for Sanitary Sewer to serve Chestnut Hills.
- (b) Acquisition of 15' x 200.4' of easement at 2808 Arvin Drive, from Thomas E. Crittenden and wife Doris G., at \$500.00, for Derita Woods Area Sanitary Sewer Trunks.
- (c) Acquisition of 10' x 333.42' of easement at 9300 Block Nations Ford Road, from John Crosland Company, at \$1.00, for Sanitary Sewer to Serve Ramblewood Townhouses.
- (d) Acquisition of 15' x 437.26' of easement at 3300 Block Piper Lane (In Airport Industrial Center), from Chips Realty Co., at \$1.00, for Sanitary Sewer to Serve Airport Industrial Center.
- (e) Acquisition of 15' x 80.94' of easement at 1124 Dooley Drive, from Basil M. Nicholson and wife, June W., at \$150.00, for Sanitary Sewer to Serve Albemarle Road at Lake Forest Road.
- (f) Acquisition of 15' x 150.25' of easement at 1116 Dooley Drive, from Calvin Luther Ramsey and wife, Lillie M., at \$250.00, for Sanitary Sewer to Serve Albemarle Road at Lake Forest Road.
- (g) Acquisition of 23.15' x 42.01' x 22.26' x 42.00' at 1908 Oaklawn Avenue, from Doretha H. Dusenbury Greene and Husband, John Greene, at \$2,500.00, for Oaklawn Avenue Widening.
- (h) Acquisition of 22.26' x 42.05' x 20.17' x 42.00' at 1906 Oaklawn Avenue, from Ila Mae Barnes and Husband, Chalmers A. Barnes, at \$2,100.00, for Oaklawn Avenue Widening.

CONTRACT AWARDED THOMAS STRUCTURE COMPANY FOR SANITARY SEWER CONSTRUCTION FOR VARIOUS TRUNKS TO ELIMINATE STONEHAVEN LIFT STATION.

Councilman Short moved award of contract to the low bidder, Thomas Structure Company, in the amount of \$104,687.50, for sanitary sewer construction for various trunks to eliminate Stonehaven Lift Station. The motion was seconded by Councilman Whittington, and carried unanimously.

The following bids were received:

Thomas Structure Company	\$104,687.50
Propst Construction Company	123,572.85
Dellinger, Incorporated	127,357.60
Ben B. Propst, Constructors, Inc.	137,638.50
Spartan Construction Company	138,137.25
Crowder Construction Company	160,477.50
Sanders Brothers, Incorporated	185,703.00

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CONTRACT AWARDED CLIFFORD OF VERMONT FOR CONDUCTOR CABLE.

Upon motion of Councilman Alexander, seconded by Councilman Short, and unanimously carried, the subject contract was awarded the low bidder, Clifford of Vermont, in the amount of \$15,206.40, on a unit price basis, for furnishing 20,000' of 36 Conductor Cable.

The following bids were received:

Clifford of Vermont	\$15,206.40
Mill Power Supply	16,114.02
Graybar Electric Co.	16,314.02
Westinghouse Electric Co.	22,666.10

CONTRACT AWARDED R. S. BRASWELL COMPANY, INC. FOR FRONT END LOADER FOR REMOVING SLUDGE FROM DRYING BEDS AT IRWIN CREEK PLANT.

Motion was made by Councilman Short, seconded by Councilman Whittington, and unanimously carried, awarding contract to the low bidder, R. S. Braswell Company, Inc., in the amount of \$6,400.00 for one front end loader for removing sludge from drying beds at Irwin Creek Plant.

The following bids were received:

R. S. Braswell Company, Inc.	\$ 6,400.00
Spartan Equipment Company	7,000.00

CONTRACT AWARDED SANDERS BROTHERS, INC. FOR WATER MAINS CONSTRUCTION IN ANNEXATION SECTION II, AREA I.

Councilman Whittington moved award of contract to the low bidder, Sanders Brothers, Inc., in the amount of \$212,085.90, on a unit price basis, for water mains construction in Annexation Section II, Area I. The motion was seconded by Councilman Short, and carried unanimously.

The following bids were received:

Sanders Brothers, Incorporated	\$212,085.90
R. & G. Construction Company	216,843.00
Spartan Construction Company	218,931.50
Rand Construction Company	221,457.50
Propst Construction Company, Inc.	227,123.50
Thomas Structure Company	231,982.00
Ben B. Propst Constactor, Inc.	237,958.05
A. P. White & Associates, Inc.	241,801.00
Ray D. Lowder, Incorporated	265,821.50

AN ACT AUTHORIZING THE CREATION OF THE CHARLOTTE TRANSIT AUTHORITY APPROVED FOR SUBMISSION TO THE STATE LEGISLATURE.

The City Clerk advised that the addendum to the Council Agenda contained an item pertaining to a bill authorizing the creation of a transit authority.

Councilman Short stated this comes to Council from the Committee that has been considering transit and transportation matters; it is a request to our delegation to provide local enabling for the creation of a Transit Authority, Mr. Underhill, City Attorney, having explained at considerable length to the Committee that this sort of thing is necessary.

Councilman Short moved that Council adopt a resolution approving the submission of this draft to our legislative delegation. The motion was seconded by Councilman Harris.

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Councilman Alexander asked if this places the authority in a transit authority at this stage to even buy a system? Mr. Underhill replied it would have the authority to acquire land, buildings, structures, facilities, etc. subject to approval of the City Council.

Councilman Whittington stated as he understands it, this authority could do everything except to acquire, maintain and operate such lands, buildings, structures and facilities unless the City Council approved it. Mr. Underhill replied that is correct.

Councilman Alexander stated if Council approves the document before Council, the only thing Council is doing is requesting our representatives to bring about enabling legislation that will permit the Council to put into operation a transit authority. Mr. Underhill replied yes; this is asking the General Assembly to adopt a bill. Councilman Alexander stated then what Council approves will have to be what is incorporated into the enabling legislation? Mr. Underhill replied assuming the bill is enacted, then the City Council may, by ordinance, create a transit authority to follow the general scheme of what is in the bill. Or Council could do more than what is in the bill by adding somethings, or if they wanted to do less, he suspects Council could do that also. He stated what is seen in the draft of the bill is pretty much like an ordinance once Council is empowered to enact an ordinance.

Councilman Whittington stated two weeks ago, Mr. Doley came before Council and asked questions about the Transportation Committee. He stated he thinks it is important for him to make the following statement:

"For a number of years, I have been one of the members of this Council in the forefront emphasizing the great needs for better transportation facilities for our City. I have been deeply concerned about thoroughfares, aviation expansion pedestrian and bus transportation, sidewalks and many other programs to assist the transportation needs of our city. I am sure that the Mayor and every member of this Council wants the finest transportation system for our City of any in the Country. It is for this reason that I worked hard on the Short Range Transit Committee, Chaired by Mr. Braswell, and am now working on the bus committee appointed by Mayor Belk to look into our bus situation.

I might say here, that a great many of the recommendations of the Braswell Committee are being implemented with the cooperation of the city, namely the Traffic Coordinator, Mr. Hoose, and the Bus Company. I am convinced that in order to meet the best system possible for our city, we must have a considerable amount of information which is not now available. Our Committee agreed to this when we asked the Transportation Coordinator to set up a staff and acquire the information necessary for us to do two or three things.

Number 1. We need to collect this information so that every member of this Committee on our Council will know what type of transportation system exists today.

Secondly. We need to develop a plan for the type of transportation we propose to have.

In order to do Numbers 1 and 2 above, we asked the Council to appropriate \$40,000 to give this Committee and Mr. Hoose, the manpower to update the outline for a transit study - namely, route reconnaissance operation; examination of route alignment; re-examination of through routing; schedule adherence, and local checks; examine needs for the demand for responsive service.

Mr. Burkhalter is nearly ready to employ a Transportation Planner to assist this committee and to concern himself exclusively with bus transit. After Numbers 1 and 2 are determined then we can determine whether we will purchase the operation of City Coach Lines or lease the system.

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I feel it is in the best interest of all people concerned that we do this, and do it with as much dispatch as possible, and then make our decisions accordingly.

Today, this Committee is asking for an act to authorize the creation of the Charlotte Transit Authority. At this time I think we should ask Mr. Hoose when he can expect this type of information to be ready for us. I hope that everybody who thinks that if we should decide to buy the bus system all of this planning is appropriately considered for any kind of application that we make.

Since this is the direction the Committee has now decided to take, I would like to ask Mr. Hoose when he thinks such information can be available to this Committee, and to this Council?"

Councilman Alexander stated if Council approves this bill today, what problems will Council have in enlarging this authority from seven members? Would Council be bound by what is in the bill at the time of approval, or will there be time later to discuss whether there will be seven, ten, fourteen or a hundred members? Mr. Underhill replied if Council wants it larger than the three, five or seven, it should be changed now; that it will be easier to do it now, than to come back later and try to amend it. Councilman Alexander stated a committee such as this should have certain technical people, and if it is going to be made workable and show confidence to a broad community, it should be broad enough to have representation from all areas. That he does not have a magic number.

Mr. Underhill stated if it is changed to "not more than fifteen", it would give a good representation.

Councilman Short amended his motion to include the change in the membership to "not more than fifteen". Councilman Harris agreed to the change, and the vote was taken on the motion as amendment and carried unanimously.

The vote was taken on the motion as amended and carried unanimously.

Councilman Whittington asked Mr. Hoose when Council can expect to get the information on items one through six which he read, so that Council can make a decision on the purchase or whatever route Council is going to take on the bus company? Mr. Hoose replied, he will have it ready for Council sometime after the first of the year, probably around February 1. Councilman Whittington asked if he can give Council interim reports and recommendations in the meantime? Mr. Hoose replied he will be working on interim reports and recommendations, working with City Coach to improve the system on a month to month basis.

Mr. Burkhalter stated some of the people we have been talking to about preparing this plan say they cannot prepare a plan in less than six months. That a lot of people do not understand this. We cannot just apply for money; we have to have a plan for the operation of a bus system when we apply for the money. The plan must include what you want it to do, in addition to what it is doing today.

Mr. Hoose stated during this time, Council will probably be acting on some route changes, and other things that will be recommended all along. That the item taking the longest is Item 6; it will take about five months.

Councilman Harris stated he would like to have a flow chart on the type of thing we are talking about. That he does not have an understanding yet of what is moving and in what time frame. He requested Mr. Hoose to furnish Council with this information.

COUNCILMAN SHORT LEAVES MEETING.

Councilman Short left the meeting at this time and was absent for the remainder of the session.

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JOINT MEETING OF CITY COUNCIL AND BOARD OF COUNTY COMMISSIONERS.

Mayor Belk stated a joint meeting of the City Council and Board of County Commissioners has been set for Tuesday, April 9, at 6:30 p.m., in the Sheraton Motel to discuss Consolidation.

LEASE-PURCHASE AGREEMENT BETWEEN THE CITY OF CHARLOTTE AND BURROUGHS CORPORATION FOR A BURROUGHS B6748 SYSTEM, AUTHORIZED.

The discussion of the lease-purchase agreement for the hardware, software, and maintenance of a Computer System, continued.

Mr. Motto, MIS Director, stated he has with him the internal draft document he has been using. That he compiled an estimate of the pros and cons of each of the vendors and the degrees to which they met the specifications, and the cost consideration. That he has asked that copies be made for each member of Council.

Councilman Harris stated he would like to have answers on some of the allegations that have been made. The questions surrounding the cover sheet of the Burroughs' bid? Was there an apparent two-way interpretation of a paragraph inside the bid that could or could not lower the Burroughs bid to make it low if necessary? Mr. Motto replied about two days after the bids were open, a representative from Burroughs came to his office, and suggested that he was not interpreting the total cost of the new system properly; that he should be considering a paragraph in a section describing conversion assistance that they would provide in accordance with instructions he had given in the invitations to bid booklet indicating that in a particular section conversion assistance should be outlined, including any price breaks offered by the vendor to help defray the city's conversion costs. Burroughs came in and indicated that he was not properly applying that discount to the consideration of their total cost. They claim the figure on the front cover did not include that \$103,000 discount. Councilman Harris asked if they could have said otherwise if they had been low bidder? Mr. Motto replied not in his opinion based on the conversations he had had with the City Attorney's office.

Mr. Underhill explained the normal procedures in bid openings stating at the time of the bid openings the bids are opened and they announce to everyone present the individual bids. After the opening the Department takes them back and goes through the bid proposals to make sure that all the requirements are in there, and if there is anything that would render the bid unresponsive or disqualify it. What happens at the bid opening is not the final say-so on who the low bidder is as they have to examine all the items that constitute the entire proposal. That he assumes a similar procedure was followed in this case. Councilman Harris asked if there is a legal time limit from the time of the opening of the bids for a decision to be made? Mr. Underhill replied normally this is set out that the bids will be rejected or accepted in an (X) number of days. Mr. Motto replied he thinks this was 90 days. Councilman Harris asked if the Burroughs representative was present at the bid opening, and Mr. Motto replied Burroughs was represented.

Councilman Harris stated the next question. What are the questions surrounding the Network Computing bid? Was this bid submitted after all other bids were made public? Certainly, it was a legal bid - but was it fair to the other vendors? Mr. Motto replied it was submitted at his request. That he does not know how fair it was to the others, but in the interest of providing the best system possible to the City he felt he should at least look into the possibilities of a facility supporting the city needs with an IBM system. He stated he contacted them and asked them what the price would be; what the arrangements would be for tying into their system. They then suggested that they come back with a proposal outlining those things. This was after the bids were received.

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Councilman Harris asked if he can give him the figures on the other bids? Mr. Motto replied the bid price over the three year period covered by the specifications for the proposed system are as follows:

Burroughs - \$1,000,320.00
UNIVAC - 1,026,520.00

IBM proposed four possible arrangements. The least cost for their proposed system was one where we would lease a 145 system for the first year, and then lease a 158 system thereafter. The three year cost of that, which is the lowest of the four alternatives proposed was - \$2,007,492.00.

Mr. Motto stated the Burroughs cost includes the \$103,763 discount they are offering as part of their conversion.

Councilman Harris asked why we can take a discount on this basis and cannot consider a discount on a continuing basis? Mr. Underhill replied he understands Burroughs bid would amount to a three months free rent on their system at the highest monthly rental which when added together adds up to \$103,763. The UNIVAC proposal is that UNIVAC would give the City, because we have a present UNIVAC system, up to six months free rent on the existing system while they are installing the new system, assuming the contract is awarded to them. Mr. Underhill stated the gentleman in his office who has been assisting Mr. Motto in this, feels that is not responsive in that it concerns the existing system, as opposed to what sort of conversion costs they would give the city on a new system, which is what the specs asked for. For that reason it was his opinion that the up to six months free rent could not be computed and added into the UNIVAC bid. Mr. Motto stated they did offer a four months discount on the new system where they proposed to charge the city maintenance charges only for the first four months of the new system operation.

Mr. Kenneth M. Cox, Sales Manager for UNIVAC, asked to be heard, and with the unanimous consent of Council Mayor Belk allowed him to speak.

Mr. Cox stated it appears someone is weighing Burroughs' dollars heavier than UNIVAC's dollars, because they are offering a savings to the city. If the city elects to ignore that savings it will cost the city in excess of \$140,000. When the bids were open, the bids were read, and representatives of all three companies were there, and it was announced that UNIVAC was the low bidder, and nobody contested it. Three days later, after somebody had a chance to look at the proposals they come back. If UNIVAC had written an ambiguous proposal they, in turn, could have come back and asked that their side be interpreted. It is funny that new dollars on a new system count better in the city budget than old dollars from the old system. Mr. Cox stated that Mr. Motto says the Burroughs system better meets the requirement. Since there has not been any bench marks run, and since nobody has ever tested these systems, and since they feel totally that their system will do the job, they will give the City an assurance if their system does not do the job the city requires, and the way UNIVAC has it proposed, they will give the city enough equipment to make it do the job. He stated they have hundreds of these computers in the field doing the job for people everyday. Since the system for the police department was put in some four months ago, they have had to buy a front end processor to go in front of the computer, and they have had to expand the memory on the front end processor and the original computer. Mr. Cox stated UNIVAC is completely compatible with the industry standards in exchanging information to where a company or city protects itself when it writes a program and make a large investment in a computer system.

Councilman Harris asked when the rents starts on the new system? Mr. Cox replied this would start after the new system is in and it is ready for use. Mr. Motto stated the others would be pretty much on the same order.

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Councilman Harris stated several references have been made to the way the staff feels. He asked Mr. Motto how his staff feels? Mr. Motto replied he did not form a committee for the purpose of selecting a vendor by popular vote. That he worked for Systems Development Corporation until October of last year. Up until that time he felt the best way, and what the city needed, was an IBM system. When he was put into the position of proposing an IBM system for the kind of money required to procure an IBM system his perspective changed greatly. He stated he is saying this to point out that the perspective of the people who work for him are different to the extent that they do not have to come before Council and defend the selection that is made. That he did not ask for any recommendations, though he did talk to them. By the time he had made his decision there were seven involved in the evaluation committee. Two were leaning toward UNIVAC; two were leaning towards IBM, and three were leaning towards Burroughs. This reflects the difficulty of the decision. All the systems were great; they could make do with any one of them; some better than others. His decision was finally based on the fact that Burroughs is the low bidder for the three year period of time covered by the specifications. That he cannot answer for his staff personnel if they are cornered by a salesman and conjured into admitting that they think the UNIVAC system is a good system.

Mr. Motto stated there was only one member of his staff sold on UNIVAC from day one. That individual was sold on UNIVAC before they had looked very closely at what Burroughs or IBM had to offer. The other member of the staff was an SDC consultant and they spent quite a bit of time talking about the systems; that he had gone in and out, hot and cold, and up and down on all the systems, just as he had.

Mr. Motto stated the pros and cons of each - the Burroughs and UNIVAC - balanced each other out. One of the significant advantages of UNIVAC is the fact that it is the incumbent vendor and they are offering that kind of price break and potential ease of conversion. There were advantages on the Burroughs side that were not like that, but in trying to balance out apples and oranges it came down to a very close choice between the two. If money were no object, he would suggest going to an IBM system. When it comes down to it, it was the matter of Burroughs being the low bidder, and meeting the specifications to an acceptable degree. That none of the vendors met the specifications completely. He stated in his mind the Burroughs system will do the city beyond the 1976 time period. He stated all the systems can talk to the county system; but it is a little easier with the Burroughs.

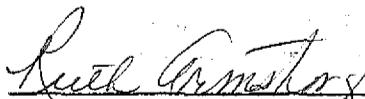
Councilman Whittington moved approval of the lease-purchase agreement between the City of Charlotte and Burroughs Corporation for a maximum monthly amount of \$34,587.87 to cover rental costs for hardware, software and maintenance of a Burroughs B6748 System. The motion was seconded by Councilwoman Locke.

Councilman Harris stated the kind of information Council had was totally inadequate for Council to make a decision without this lengthy debate. That Council never sees the actual contracts. That he would like to see this contract after it is signed.

The vote was taken on the motion, and carried unanimously.

ADJOURNMENT.

Upon motion of Councilman Harris, seconded by Councilwoman Locke, and unanimously carried, the meeting was adjourned.


Ruth Armstrong, City Clerk