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OAKLAND
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AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Brooke A. Levin
Interim Director, PWA

SUBJECT: Five-Year Maintenance Agreement for
Fleet Management Software

DATE: October 8, 2013

City Administrator
Approval

Date

10-18-13

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council authorize the City Administrator or her Designee to 1) execute a five-year extension of the current maintenance agreement between the Public Works Agency's Equipment Services Division and AssetWorks, Inc. for the term of January 1, 2014 through December 31, 2018, in an amount not to exceed three hundred and three thousand two hundred and twelve dollars (\$303,212.00) for fleet management software maintenance and support associated with the Department's Fleet Management System Software, and 2) waive the Competitive Request for Proposals/Qualifications (RFP/Q) Process, the advertising and bidding requirements, and the Local and Small Local Business Enterprise Program (L/SLBE) Provisions associated with said proposed maintenance agreement.

EXECUTIVE SUMMARY

Since 2005, the Public Works Agency's Equipment Services Division has maintained multi-year maintenance agreements with AssetWorks, Inc. (formerly known as MAXIMUS) for the purchase, installation and support of its fleet management software system and related equipment; inclusive of regular software updates, trouble-shooting, consultation and related equipment and services. Staff currently seeks authorization to extend its contractual arrangement with AssetWorks, Inc. for an additional five-year term, for an amount not to exceed \$303,212, in order to ensure service continuity and the overall integrity of the City's fleet management system software.

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Use of the fleet management software system allows the Public Works Agency's Equipment Services Division to:

- Obtain management reports regarding costs and resources need to provide services;
- Track and audit parts inventories;
- Obtain a maintenance history on each vehicle or category of vehicles;
- Determine an appropriate schedule for vehicle replacements;
- Schedule and track preventative maintenance;
- Manage pool vehicles, both for customers and for equipment services, and
- Allow customer interface with the system.

OUTCOME

Staff recommends that City Council authorize the City Administrator to extend the timeframe of the existing fleet software maintenance agreement with AssetWorks, Inc. for the five-year term of January 1, 2014 through December 31, 2018, in an amount not to exceed \$303,212.00, and to waive the Competitive Request for Proposals/Qualifications (RFP/Q), the advertising and bidding requirements, and the Local and Small Local Business Enterprise Program (L/SLBE) Provisions associated with the advertising and bidding requirements of said agreement.

Since 2005, the Public Works Agency's Equipment Services Division has used the Fleet Management System Software to manage all work performed on the City's fleet. The software enables staff to generate and track work orders, as well as track parts needed for the repair and maintenance of the fleet. Further, the Fleet Management System's purchasing module interfaces with the City's Oracle financial system.

The proposed resolution also allows the City to compensate AssetWorks, Inc. for the implementation and maintenance of a number of additional software features that could be deployed over the course of the upcoming five-year agreement term, and which will further assist and enhance the City's fleet management system. These could include additional sites to be controlled with the fuel management system, automated motor pool locations, enhanced purchasing and inventory management and performance measuring and monitoring features.

BACKGROUND/LEGISLATIVE HISTORY

The Public Works Agency's use of the AssetWorks, Inc.'s (FleetFocusFA) Fleet Management System Software was previously approved by City Council through adoption of Authorizing Resolution No. 78246 C.M.S., dated December 16, 2003, and Authorizing Resolution No. 82635 C.M.S., dated March 16, 2010.

Enactment of the prior legislation authorized the Public Works Agency's Equipment Services Division to enter into multi-year maintenance agreements with AssetWorks, Inc. (formerly known as MAXIMUS) for the purchase, installation and support of a new fleet management software system and related equipment; inclusive of regular software updates, trouble-shooting, consultation and related equipment and services. The software system implementation commenced in May 2005; with the most recent implementation phase being implemented in July 2006 with the incorporation of a direct software interface with the City's Oracle Financial System. FleetFocusFA and related entities were acquired by Constellation Software, Inc. from MAXIMUS on October 1, 2008. The business unit now operates as AssetWorks, Inc. AssetWorks, Inc., which owns the Fleet Management System application.

Staff has used the Fleet Management System Software to track over 90,000 vehicle work orders, including the use of 276,000 parts. Every time maintenance is completed on a City vehicle, or a part issued, information about the transaction is tracked in this system. This is critical to the day-to-day operations of the Equipment Services Division and the accountability of fleet services overall. The system likewise supports the appropriate allocation of fleet costs, which serve as a primary revenue source of the Equipment Services Division's Internal Services Fund.

ANALYSIS

Enterprise software, such as the Fleet Management System Software, is typically sold with a one-time license fee, coupled with an annual fee that covers software maintenance and support (e.g., bug fixes, version upgrades, trouble-shooting.) The proposed five-year extension of the current maintenance agreement also affords the Public Works Agency's Equipment Services Division with the authority to enhance and expand upon its current software system through the acquisition of expanded software features, inclusive of the purchase of the FuelFocus system, which will replace the older legacy fuel management system. The incorporation of this new software feature, and a number of others, will improve upon the overall efficiency and accountability of fleet operation standards, and ensure mandatory accountability and tracking capabilities of fleet operations.

Waiver Requests

Oakland Municipal Code (OMC) Section 2.04.050 requires formal advertising and competitive bidding when the City purchases services, supplies or a combination thereof, required by the City, and which exceeds \$50,000.00. However, OMC Section 2.04.050.1.5 permits the Council to waive these requirements upon a finding and determination that it is in the best interests of the City to do so. Additionally, OMC Section 2.04.051.A requires the City to conduct an RFP/Q prior to the purchases of professional services unless this requirement is waived under OMC Section 2.04.051B, upon a finding by the City Council or its designee that it is in the best interests of the City to do so.

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To this extent, the basis for the requested waivers are:

- Specialty fleet maintenance system software is typically, and most effectively, maintained and supported by the software system's manufacturer.
- The Fleet Management System application software and related equipment are all proprietary service components of AssetWorks, Inc.
- The City has no plans on replacing its existing fleet management maintenance system software in the foreseeable future.

Accordingly, staff recommends that the Council, pursuant to OMC Section 2.04.50.1.5 and Section 2.04.05IB, respectively, finds and determines that it is in the best interests of the City to waive the formal advertising, competitive bidding, and the RF/Q requirements and authorize the City Administrator, or her designee, to negotiate and enter into a five-year extension of the current maintenance agreement between the Public Works Agency's Equipment Services Division and AssetWorks, Inc., for the term of January 1, 2014 through December 31, 2018 in an amount not to exceed three hundred and three thousand two hundred and twelve dollars (\$303,212.00) for fleet management software maintenance and support associated with the Department's Fleet Management System Software, and waive the Competitive Request for Proposals/Qualifications (RFP/Q) Process, the advertising and bidding requirements, and Local and Small Local Business Enterprise Program (L/SLBE) Provisions associated with said proposed maintenance agreement.

PUBLIC OUTREACH/INTEREST

This item did not require any public outreach other than the required posting on the City's website.

COORDINATION

To ensure long-term continuity of the proposed technological endeavors with the City's overall technological systems, this report was prepared in coordination with the Public Works Agency's Business and Information Analysis Division, the Budget Office, City Attorney and the Department of Information Technology.

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The cumulative cost of the proposed five-year maintenance agreement with AssetWorks, Inc. is for an amount not to exceed \$303,212. Line item cost specifications are noted as follows:

**Fleet Management System Software
Five-Year Cost Analysis**

Annual Maintenance	\$38,680/year x 5/years	\$193,400
Fuel Management System	\$6,712/year x 5/years	\$33,560
Automated Motor Pool	\$9,946/year x 5/years	\$49,730
Other Fleet Management System Software Features	\$5,304.40/year x 5/years	\$26,522
	GRAND TOTAL:	\$303,212

FISCAL/POLICY ALIGNMENT

The source of funds slated to cover all costs associated with the proposed five-year annual licensing and maintenance agreement shall stem from the City of Oakland's Internal Service Fund (4100), Equipment Services Administration Org. (30541), Fleet Management Program Code (IN01). Cumulative annual costs shall not exceed \$303,212.00 for five (5) years.

SUSTAINABLE OPPORTUNITIES

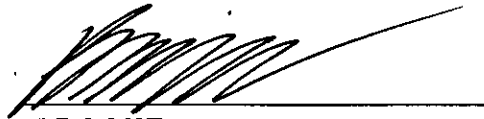
Economic: The proposed Fleet Management System Software agreement allows for continued use of software that tracks the production of the City's fleet. The City's loss of access to technical support, bug fixes, and software upgrades will lead to system breakdown and eventual loss of organizational effectiveness. As referenced within the context of the 2009 Public Works Agency Performance Audit, managing fleet operations without this software would be counter-productive relative to overall municipal fleet operations.

Environmental: No adverse environmental opportunities are anticipated.

Social Equity: There are no known impacts in this area.

For questions regarding this report, please contact Ken Bailey, Equipment Services Manager, at (510) 615-5487.

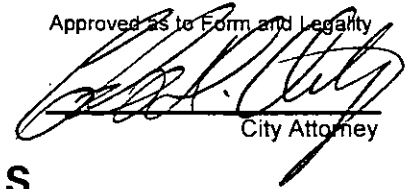
Respectfully submitted,



BROOKE A. LEVIN
Interim Director, Public Works Agency

Reviewed by:
Jason Mitchell
Interim Assistant Director
Public Works Agency

Prepared by:
Ken Bailey
Equipment Services Manager
Public Works Agency



City Attorney

2013 OCT 31 PM 3:33 RESOLUTION No. _____ C.M.S.

Introduced by Councilmember _____

A RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR OR HER DESIGNEE TO: 1) EXECUTE A FIVE-YEAR EXTENSION OF THE CURRENT MAINTENANCE AGREEMENT BETWEEN THE PUBLIC WORKS AGENCY'S EQUIPMENT SERVICES DIVISION AND ASSETWORKS, INC. FOR THE TERM OF JANUARY 1, 2014 THROUGH DECEMBER 31, 2018 IN AN AMOUNT NOT TO EXCEED THREE HUNDRED AND THREE THOUSAND TWO HUNDRED AND TWELVE DOLLARS (\$303,212.00) FOR FLEET MANAGEMENT SOFTWARE MAINTENANCE AND SUPPORT ASSOCIATED WITH THE DEPARTMENT'S FLEET MANAGEMENT SYSTEM SOFTWARE, AND 2) WAIVE THE COMPETITIVE REQUEST FOR PROPOSALS/QUALIFICATIONS (RFP/Q) PROCESS, THE ADVERTISING AND BIDDING REQUIREMENTS, AND THE LOCAL AND SMALL LOCAL BUSINESS ENTERPRISE PROGRAM (L/SLBE) PROVISIONS ASSOCIATED WITH SAID MAINTENANCE AGREEMENT

WHEREAS, the Public Works Agency's Equipment Services Division seeks authorization to execute a five-year extension of its current maintenance agreement with AssetWorks, Inc. for fleet management software maintenance and support; and

WHEREAS, since 2005, the Public Works Agency has used the proposed Fleet Management System Software from AssetWorks, Inc. to manage all work performed on the City's fleet; enabling staff to generate and track work orders and parts needed for the repair and maintenance of the City's fleet; and

WHEREAS, the timeframe for the newly proposed agreement term with AssetWorks, Inc. will be for the period of January 1, 2014 through December 31, 2018, in a cumulative amount not to exceed \$303,212.00; and

WHEREAS, the City Council previously approved Authorizing Resolution No. 78246 C.M.S., dated December 16, 2003 and Authorizing Resolution No. 82635 C.M.S. dated March 16, 2010 which authorized the execution of two prior multi-year service agreements with AssetWorks, Inc. for fleet maintenance software services; and

WHEREAS, Oakland Municipal Code (OMC) section 2.04.050 requires formal advertising and competitive bidding when the City purchases services, supplies or combination thereof required by the City which exceeds \$50,000.00; and

WHEREAS, OMC section 2.04.050 l. 5 permits the Council to waive these requirements upon a finding and determination that it is in the best interests of the City to do so; and

WHEREAS, OMC section 2.04.051.A requires staff to conduct a competitive RFP/Q selection process for the procurement of professional services; and

WHEREAS, OMC section 2.04.051.B authorizes the City Council to waive the RFP/Q requirement upon a finding that it is in the best interests of the City to do so; and

WHEREAS, staff notes that the basis for the requested waivers are that specialty fleet maintenance system software is typically, and most effectively, maintained and supported by the software system's manufacturer; and

WHEREAS, staff further notes that an additional basis for the requested waivers is that the Fleet Management System application software and related equipment are all proprietary service components of AssetWorks, Inc., and

WHEREAS, staff also contends that an additional basis for the requested waivers is that the City has no plans on replacing its existing fleet management system software in the foreseeable future; now, therefore be it

RESOLVED, that the City Council authorizes the City Administrator, or her designee, to execute a five-year extension of the current maintenance agreement between the Public Works Agency's Equipment Services Division and AssetWorks, Inc. for the term of January 1, 2014 through December 31, 2018 for fleet management software maintenance and support associated with the Department's Fleet Management System Software, and be it

FURTHER RESOLVED, that funds slated to cover all costs associated with the proposed five-year annual licensing and maintenance agreement shall stem from the City of Oakland's Internal Service Fund (4100), Equipment Services Administration Org. (30541), Fleet Management Program Code (IN01); and be it

FURTHER RESOLVED, that the City Council finds that pursuant to Oakland Municipal Code sections 2.04.050.1.5 and 2.04.051.B, for the reasons stated above and in the report accompanying this resolution, that it is in the best interests of the City to waive the advertising, competitive bidding and competitive RFP/Q process for products and services to be purchased under the proposed agreement and that the City Council thereby authorizes the waiver of said requirements; and be it

FURTHER RESOLVED, that the City Council hereby waives the L/SLBE provisions associated with the proposed agreement; and be it

FURTHER RESOLVED, that the City Administrator, or her designee, is hereby authorized to complete all required negotiations, certifications, assurances, and documentation required to accept, modify, extend and/or amend the maintenance agreement, except for any increase in the contract cost; and be it

FURTHER RESOLVED, that the City Attorney shall review and approved the proposed maintenance agreement and any and all other vendor service agreements as to form and legality, and copies of the agreement(s) shall be filed with the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, GALLO, GIBSON McELHANEY, KALB, KAPLAN, REID, SCHAAF and
PRESIDENT KERNIGHAN

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California