

CITY OF OAKLAND

AGENDA REPORT

2010 MAR 11 PM 3: 54

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Public Works Agency
DATE: March 23, 2010

RE: **Resolution Waiving Advertising And The Request For Proposal/Qualification Requirements, And Authorizing The City Administrator to Enter Into A Maintenance Agreement With Azteca Systems, Inc. In Connection With The Cityworks Work Management System, For Up To Three Years, On An Annual Basis, In The Amount Of Fifty-Five Thousand Dollars (\$55,000), Plus Three Percent (3%) Annually, For A Total Contract Cap Of One Hundred Seventy Thousand Dollars (\$170,000)**

SUMMARY

Staff recommends the approval of a resolution authorizing the City Administrator, or his designee, to waive the advertising and request for proposal/qualification procedures to purchase annual maintenance and support of the Cityworks computerized maintenance management system ("Work Management System"), from Azteca Systems, Inc., the company that owns the Work Management System software.

City Council Resolution No. 80847 C.M.S. authorized the purchase and implementation of the Work Management System, which was the result of a competitive request for proposal process. The attached resolution authorizes the City Administrator to continue with an annual Update and Support Agreement and make payment for on-going maintenance and support, including regular software updates, trouble-shooting and consultation related to the use of the software.

The City of Oakland Public Works Agency (PWA) implemented the Cityworks software in 2009. The software is used to manage work performed on the city's physical infrastructure assets (e.g., streets, sidewalks, sewers, storm drains, trees, traffic signals, street lights, signs, buildings; and illegal dumping and graffiti removal). The software enables staff to track service requests from the public and reactive and proactive work orders performed by staff, and to manage the history, work, and costs associated with maintaining these assets.

FISCAL IMPACT

The maintenance and support of the Work Management System software is an on-going operating cost estimated at \$55,000 annually, escalated at a maximum of three percent per year. Funding is included in the FY 2009-11 Amended Budget and will be requested during the FY 2011-13 budget development process. The funds are budgeted in the Operations and Maintenance budget of the PWA Administration (organization code 30181), within PWA's

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Overhead Fund (7760), and within PWA's professional services contract account (account 54930).

BACKGROUND

On September 18, 2007, City Council Resolution No. 80847 C.M.S. authorized the purchase and implementation of the Work Management System, Cityworks, for PWA from VESTRA Resources, Inc. ("VESTRA"), following a competitive Request for Proposals process. VESTRA served as the prime consultant, with Azteca Systems, Inc. as a sub-contractor providing the software.

There are two main components to the Cityworks system: (1) tracking service requests from the public, as well as internal customers, and (2) tracking work orders performed by staff, which may or may not originate from service requests.

Phase 1 of implementation was completed in March 2009 and included tree services, illegal dumping removal, drainage and East Oakland park maintenance. Phase 2 of implementation was completed in November and December 2009 and included park maintenance, graffiti abatement, sewers, streets and sidewalks, traffic signals and street lights, street signs and striping and building maintenance. The software implementation was thus completed. In addition, the project implementation included the installation of 126 automated vehicle locator (AVL) units in PWA vehicles such that staff may readily identify the location of these vehicles for day-to-day operational efficiencies as well as for emergency response.

For the one year period since the software implementation, PWA staff has used Cityworks to track over 30,000 service requests and 24,000 work orders. Every time PWA receives a request for service or works on a physical infrastructure asset as defined above, information is tracked in this system. This is critical to the day-to-day operations of PWA and the accountability of the work performed in PWA.

KEY ISSUES AND IMPACTS

Enterprise software, such as the Work Management System, 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 annual maintenance and support fee is typically about 20-25 percent of the one-time license cost, and is sold directly by the software manufacturer. The Cityworks software follows this model.

The dollar amount and annual interval of the software maintenance and support for the Work Management System is incorporated in the contract with VESTRA, authorized by City Council Resolution No. 80847 C.M.S., and has been approved by Azteca Systems, Inc. The proposed resolution authorizes the purchase of annual maintenance and support of the system for three (3)

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more years. Staff has found it critical to have the technical support and upgrades available, and has found Azteca Systems, Inc. to be an effective, valued business partner. There is no other vendor authorized to provide the necessary maintenance and support for Cityworks.

Oakland Municipal Code section 2.04.051.A requires advertising and the solicitation of proposals or qualifications for the purchase of professional technical services such as maintenance and support of computerized systems of this type. However, as described above, enterprise software is typically and most effectively maintained and supported by the software manufacturer. Therefore, the Oakland Municipal Code, Section 2.04.051.A is not practicable or in the City's best interest in this circumstance.

PROGRAM /PROJECT DESCRIPTION

PWA has successfully implemented the Work Management System in 2009 and is currently using the software to track all service requests and manage all work performed on the City's physical infrastructure assets (i.e., streets, sidewalks, sewers, storm drains, trees, traffic signals, street lights, street signs and striping, buildings, and illegal dumping and graffiti removal). The Work Management System enables staff to generate and track service requests and work orders, including labor, equipment, and material expenses. Cityworks is critical to the day-to-day operations of the PWA and the accountability of the agency.

SUSTAINABLE OPPORTUNITIES

Economic:

The annual maintenance and support allows for continued use of software that tracks the production of City staff. Losing access to technical support, bug fixes, and version upgrades would be more expensive. Managing the physical infrastructure assets without this software would be counter to best practices and the recent Public Works Performance Audit released in April 2009.

Environmental:

Council action approving the attached resolution is not expected to generate any environmental opportunities.

Social Equity:

Council action approving the attached resolution is not expected to generate any social equity opportunities.


DISABILITY AND SENIOR CITIZEN ACCESS

Council action approving the attached resolution is not expected to improve upon disability and senior citizen access.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends the approval of a resolution authorizing the City Administrator, or his designee, to waive the advertising and request for proposal/qualification procedures and purchase maintenance and support of the Work Management System called Cityworks from Azteca Systems, Inc., the company that owns the Cityworks application.

Respectfully submitted,

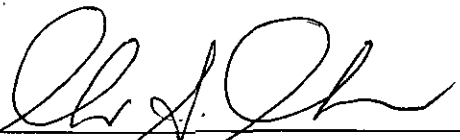


Vitaly B. Troyan, P.E., Interim Director
Public Works Agency

Reviewed by:
Stephanie Hom, Agency Administrative Manager

Prepared by:
John McCabe, Project Manager

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:

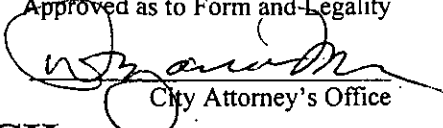


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FILED
OFFICE OF THE CITY CLERK
OAKLAND
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Approved as to Form and Legality


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION WAIVING ADVERTISING AND THE REQUEST FOR PROPOSAL/QUALIFICATION REQUIREMENTS, AND AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A MAINTENANCE AGREEMENT WITH AZTECA SYSTEMS, INC. IN CONNECTION WITH THE CITYWORKS WORK MANAGEMENT SYSTEM, FOR UP TO THREE YEARS, ON AN ANNUAL BASIS, IN THE AMOUNT OF FIFTY-FIVE THOUSAND DOLLARS (\$55,000), PLUS THREE PERCENT (3%) ANNUALLY, FOR A TOTAL CONTRACT CAP OF ONE HUNDRED SEVENTY THOUSAND DOLLARS (\$170,000)

WHEREAS, the City Council previously approved Resolution No. 80847 C.M.S. on September 18, 2007 authorizing the purchase and implementation of Cityworks, a maintenance management or work management system ("Work Management System"), including an update and support ("Maintenance Agreement") for the system; and

WHEREAS, the Work Management System implementation was completed in 2009; and

WHEREAS, the Public Works Agency, is using the Work Management System to manage all work performed on the City's infrastructure, including streets, sidewalks, sewers, storm drains, trees, traffic signals, street lights, street signs and striping, buildings, and illegal dumping and graffiti removal; and

WHEREAS, the Work Management System enables staff to generate and track service requests from the public as well as internal customers, and work orders performed by staff for the repair and maintenance of the City's physical infrastructure assets; and

WHEREAS, Azteca Systems, Inc. owns the Work Management System and are the providers of all future upgrades, bug fixes, trouble-shooting and similar maintenance and support services and is the only vendor authorized to provide this maintenance and support; and

WHEREAS, the Work Management System is a critical and necessary tool in managing the day-to-day operations and accountability of public works services and it is in the City's best interest to retain Azteca Systems, Inc., who are the owners of the Cityworks, the Work Management System software, to continue to provide technical maintenance and support related to the system; and

WHEREAS, Oakland Municipal Code section 2.04.051.A requires advertising and the solicitation of proposals or qualifications for the purchase of professional, technical or scientific services; and

WHEREAS, Oakland Municipal Code section 2.04.051.B permits the City Council to waive such advertising and solicitation requirements upon a finding that it is in the best interest of the City to do so; and

WHEREAS, the cost of on-going maintenance and support of the Work Management System is estimated at \$55,000 annually, escalated at a maximum of three percent (3%) per year; and

WHEREAS, funding for the annual maintenance and support costs are budgeted in Fund 7760 – PWA Overhead, Organization 30181 – PWA Administration, Account 54930; and

WHEREAS, the Work Management System software is sold with a one-time license fee, coupled with an annual fee that covers software maintenance and support; and

WHEREAS, it is anticipated that the current Work Management System software will continue to be used as the City’s maintenance management system and there are no current or foreseeable plans to replace the system, and technical maintenance and support will be needed for the duration of the system’s operation; and

WHEREAS, the City Administrator has determined that the services to be provided under the contract are of a professional, scientific or technical and temporary nature, are in the public interest because of economy or better performance and shall not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

RESOLVED: That pursuant to Oakland Municipal Code section 2.04.051.B and for the reasons stated in the City Administrator’s report accompanying this resolution and stated above, the City Council finds that it is in the City’s best interest to waive the advertising and request for proposal/qualification procedures for the purchase of technical maintenance and support services for the Work Management System, and so waives said requirements; and be it

FURTHER RESOLVED: That the City Administrator is authorized to enter into the Update and Support Agreement for technical maintenance and support services with Azteca Systems, Inc. for the Work Management System on an annual basis for up to three years, in an estimated annual amount of fifty five thousand dollars (\$55,000), escalated at three percent (3%) per year, for a total contract cap of one hundred seventy thousand dollars (\$170,000); and be it

FURTHER RESOLVED: That the City Attorney shall review the contract for form and legality and a copy shall be placed on file in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20__

PASSED BY THE FOLLOWING VOTE:

- AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIHGAN, NADEL, QUAN, REID and PRESIDENT BRUNNER
- NOES-
- ABSENT-
- ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California