

**CITY OF OAKLAND**  
**AGENDA REPORT**

TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: Public Works Agency  
DATE: March 9, 2010

**RE: Resolution Waiving Advertising And The Request For Proposal/Qualification Requirements, And Amending Resolution No. 78246 C.M.S., Passed December 16, 2003, Which Authorized A Maintenance Agreement With AssetWorks, Inc. In Connection With The Fleet Management System, To Authorize The City Administrator To Extend The AssetWorks, Inc. Maintenance Agreement For Up To Three Years, On An Annual Basis, In The Amount Of Thirty Three Thousand Dollars (\$33,000), Plus Five Percent (5%) Annually, For A Total Contract Cap Of One Hundred Four Thousand Thirty Three Dollars (\$104,033)**

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**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 and purchase annual maintenance and support of FleetFocus FA, the City's fleet management system ("Fleet Management System"), from AssetWorks, Inc., the company that owns the Fleet Management System application.

The City of Oakland, Public Works Agency (PWA), Equipment Services Division has been using the Fleet Management System software to manage all work performed on the city's fleet since 2005. The software enables staff to generate and track work orders, track parts needed for the repair and maintenance of the city's fleet, and interface with the city's Oracle financial system.

City Council Resolution No. 78246 C.M.S. authorized the purchase and implementation of the Fleet Management System software. The attached resolution for which staff recommends authorizes the City Administrator to continue with an annual contract extension and make payment for on-going maintenance and support, including regular software updates, troubleshooting and consultation related to the use of the software.

**FISCAL IMPACT**

The maintenance and support of the Fleet Management System software is an on-going operating cost estimated at \$33,000 annually, escalated at five percent per year. The funds are budgeted in Operations and Maintenance budget of the PWA Equipment Services Division in the internal service fund Fund 4100 - Equipment Services, Organization 30541 - Equipment Services, Account 54930, Program IN01 - Fleet Maintenance.

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## BACKGROUND

On December 16, 2003, City Council Resolution Number 78246 C.M.S. authorized the purchase of the FleetFocus FA fleet management system for PWA Equipment Services Division from MAXIMUS. Go Live with the new system occurred in May 2005, while Go Live of the interfaces with Oracle Financials occurred in July 2006. The software implementation was thus completed.

Since the software implementation, staff has used the Fleet Management System to track over 63,000 work orders on vehicles, including the use of 258,000 parts. Every time work is done on a City of Oakland vehicle, or a part is issued to a City of Oakland vehicle, 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.

In 2008, the City of Oakland upgraded the application to include the functionality of new modules – notifications, dashboards, enterprise portal; and expanded use of new features in other modules, specifically the shop portal, supervisor portal, and motor pool.

FleetFocus FA and related entities were acquired by Constellation Software, Inc. from MAXIMUS on October 1, 2008. The business unit now operates as AssetWorks, Inc.

## KEY ISSUES AND IMPACTS

Enterprise software, such as the Fleet 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 Fleet Management System software follows this model.

The dollar amount and annual interval of the software maintenance and support for the Fleet Management System is specified in the contract with MAXIMUS/AssetWorks. The City of Oakland has paid for the annual maintenance and support of the Fleet Management System each year. The proposed resolution authorizes the purchase of annual maintenance and support of the system for 3 more years. Staff has found it critical to have the technical support and upgrades available, and has found AssetWorks to be an effective, valued business partner.

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

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## **PROGRAM /PROJECT DESCRIPTION**

PWA Equipment Services Division has been using the Fleet Management System software to manage all work performed on the city's fleet since 2005. The software enables staff to generate and track work orders, track parts needed for the repair and maintenance of the city's fleet, and interface with the city's Oracle financial system. The Fleet Management System is critical to the day-to-day operations of the Equipment Services Division and the accountability of fleet services.

## **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 fleet 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.

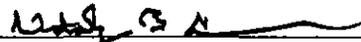
## **DISABILITY AND SENIOR CITIZEN ACCESS**

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

**ACTION REQUESTED OF THE CITY COUNCIL**

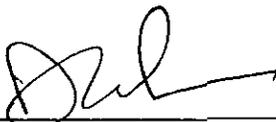
Staff recommends the approval of a resolution authorizing the City Administrator, or his designee, to waive the advertising and request for proposal/qualification procedures and purchase maintenance and support of the Fleet Management System from AssetWorks, Inc., the company that owns the Fleet Management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

Respectfully submitted,

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

Prepared by:  
Stephanie Hom, Agency Administrative Manager

APPROVED AND FORWARDED TO THE  
FINANCE AND MANAGEMENT COMMITTEE:

  
\_\_\_\_\_  
Office of the City Administrator

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## OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

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**RESOLUTION WAIVING ADVERTISING AND THE REQUEST FOR PROPOSAL/QUALIFICATION REQUIREMENTS, AND AMENDING RESOLUTION NO. 78246 C.M.S., PASSED DECEMBER 16, 2003, WHICH AUTHORIZED A MAINTENANCE AGREEMENT WITH ASSETWORKS, INC. IN CONNECTION WITH THE FLEET MANAGEMENT SYSTEM, TO AUTHORIZE THE CITY ADMINISTRATOR TO EXTEND THE ASSETWORKS, INC. MAINTENANCE AGREEMENT FOR UP TO THREE YEARS, ON AN ANNUAL BASIS, IN THE AMOUNT OF THIRTY THREE THOUSAND DOLLARS (\$33,000), PLUS FIVE PERCENT (5%) ANNUALLY, FOR A TOTAL CONTRACT CAP OF ONE HUNDRED FOUR THOUSAND THIRTY THREE DOLLARS (\$104,033)**

WHEREAS, the City Council previously approved Resolution No. 78246 C.M.S. authorizing the purchase and implementation of a fleet management software system ("Fleet Management System"), including a maintenance agreement for the system with Assetworks, Inc. (Previously Maximus Asset Solutions); and

WHEREAS, Equipment Services Division, Public Works Agency, has been using the Fleet Management System to manage all work performed on the city's fleet since 2005; and

WHEREAS, the Fleet Management System enables staff to generate and track work orders and parts needed for the repair and maintenance of the City's fleet, and interface with the city's Oracle financial system; and

WHEREAS, the Fleet Management System is a critical and necessary tool in managing the day-to-day operations and accountability of fleet services and it is in the City's best interest to retain AssstWorks, Inc., who are the owners of the Fleet 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 Fleet Management System is estimated at \$33,000 annually, escalated at five percent (5%) per year; and

WHEREAS, funding for the annual maintenance and support costs are budgeted in Fund 4100-Equipment Services, Organization 30541-Equipment Services, Account 54930-Professional Services, Program IN01-Fleet Maintenance; and

WHEREAS, the Fleet 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 Fleet Management System software will continue to be used as the City's fleet services 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 Fleet Management System, and so waives said requirements; and be it

FURTHER RESOLVED: That the City Administrator is authorized to extend the contract for technical maintenance and support services with Assetworks, Inc. for the Fleet Management System on an annual basis for up to three years, in an estimated annual amount of thirty three thousand dollars (\$33,000), escalated at five percent (5%) per year, for a total contract cap of one hundred four thousand thirty three dollars (\$104,033).

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

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