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CITY OF OAKLAND 2012 NOV 28 PM 12:12

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Vitaly B. Troyan, P.E.
Director, Public Works

SUBJECT: Cityworks Software Maintenance

DATE: October 29, 2012

City Administrator
Approval

Date

11/27/12

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that City Council adopt a resolution amending the contract with Azteca Systems, Inc., for the purchase of licensing, software maintenance services and software upgrades for the City's Cityworks Computerized Maintenance Management System (CMMS), increasing the contract amount by \$550,000.00 and extending the contract for an additional five-year term, and authorizing the City Administrator to waive advertising, competitive bidding and the request for proposals/qualifications requirements.

OUTCOME

The City of Oakland, Public Works Agency (PWA) has been using the CMMS software to manage all work performed on the City's infrastructure assets since 2009. The software enables staff to generate and track service requests and work orders; track labor, equipment, and materials needed for the repair and maintenance of the City's assets; calculate performance measures and respond to records requests; close the loop with the public; and interface with the SeeClickFix mobile application.

The CMMS that the City uses is an industry standard. The resolution will allow the City to continue to use the software and receive annual maintenance and support, and related services, for an additional five years.

BACKGROUND/LEGISLATIVE HISTORY

On September 18, 2007, City Council Resolution No. 80847 C.M.S. authorized the purchase and implementation of the CMMS, 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.

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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 the Call Center, tree services, illegal dumping removal, drainage, and one of three park maintenance zones. Phase 2 of implementation was completed in November and December 2009 and included Citywide 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. Since then, the use of Cityworks has expanded to other parts of PWA, including Transportation Services, the Recycling Hotline, materials testing lab, and surveyors. An interface between the SeeClickFix mobile app and Cityworks was launched in February 2012. Additionally, the Fire Department began piloting Cityworks in September 2012 to track service request resolution for wildfire prevention / vegetation management, and illegal dumping of hazardous materials.

Since the software implementation, staff has used Cityworks CMMS to track over 115,000 service requests and 165,000 work orders. Every time PWA receives a request for service or work 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 work performed in PWA.

City Council Resolution 82678 C.M.S. (April 20, 2010) authorized the City Administrator to continue with an annual contract extension and make payment for on-going maintenance and support, including regular software updates, trouble-shooting and consultation related to the use of the software, for a period of three years with the third of three payments due June 1, 2013.

ANALYSIS

Enterprise software, such as Cityworks CMMS, 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 CMMS software follows this model.

The dollar amount and annual interval of the software maintenance and support for the Cityworks CMMS 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. City Council Resolution 82678 C.M.S. (April 20, 2010) authorized the City Administrator to continue with an annual contract extension and make payment for on-going maintenance and support, including regular software updates, trouble-shooting and consultation related to the use of the software, for a period of three years with the third of three payments due June 1, 2013.

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The City of Oakland has paid for the annual maintenance and support of the Cityworks CMMS each year. The proposed resolution authorizes the purchase of annual maintenance and support of the system for an additional 5 years. It also increases the spending authority for related items and services.

Oakland Municipal Code (“OMC”) Section 2.04.050 requires advertising and bidding for contracts for the purchase of supplies, equipment, and computer software and the award to the lowest responsible, responsive bidder if award is made. Section 2.04.050 I. 5 provides an exception to the advertising and competitive bidding requirement of the OMC upon a finding and determination by the Council that it is in the best interests of the City to do so.

Additionally, OMC Section 2.04.051 A. requires that a competitive Request For Proposal (“RFP”) or Request For Qualifications (“RFQ”) selection process for award of contracts that exceed \$25,000 for professional service contracts and which are exempt from bidding under Section 2.04.050.1.1. OMC Section 2.04.051 B provides that the Council can waive the RPP/RFQ requirement if it finds that it is in the best interests of the City to do so.

Staff recommends that the City Council finds and determines that it is in the best interests of the City to waive formal advertising and bidding requirements for the purchase of the software license and upgrades, and to waive the RFP/RFQ selection requirement for the professional services aspect of this contract, because of the following reasons and circumstances.

Staff has found it critical to have the technical support and software 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 CMMS.

Enterprise software is typically and most effectively maintained and supported by the software manufacturer. Therefore, staff recommends that the advertising and the solicitation of proposals or qualifications for the purchase of professional technical services pursuant to Oakland Municipal Code, Section 2.04.051.A be waived.

COORDINATION

This report was prepared in coordination with PWA’s Agency Administrative Manager, Project Manager II, and Ken Gordon, Interim Director of the Department of Information Technology, to ensure that Cityworks CMMS would continue to be a supported system. The Budget office and City Attorney’s office also reviewed the report.

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COST SUMMARY/IMPLICATIONS

The maintenance and support of the Cityworks CMMS software is an on-going operating cost estimated at \$60,000 annually, escalated at three percent per year, total for PWA and for Fire's management of service requests for wildfire prevention / vegetation management and illegal dumping of hazardous materials.

Additionally, this resolution provides authority for additional related features and services, some of which may have a one-time cost and others of which may have a one-time cost coupled with an annual maintenance and support cost estimated at 20-25 percent of the one-time cost; or which may have no one-time cost but have an annual cost. For example, related services would likely have a one-time cost; expanding Cityworks CMMS beyond the current PWA and Fire users would likely have a one-time cost plus annual maintenance; and new features may be available with no one-time cost but instead an annual subscription cost. Approval of the resolution will allow the City to increase the term of the current contact with Azteca Systems, Inc. for software maintenance and support, and related services and features, for five additional years and an additional \$550,000 for a total contact amount not to exceed \$720,000.

Cityworks CMMS is used throughout PWA, so the funds will be sourced from the Operations and Maintenance budget of the PWA Administrative Services Department in the Fund 7760 - Grant Clearing, Organization 30181 - Management Information Systems, Account 52213 - Minor Computer Hardware and Software, Project A167710 - PWA Overhead Clearing, Program AD01 - Administration.

PWA has been using the Cityworks CMMS software to manage all work performed on the City's physical infrastructure assets since 2009. The software enables staff to generate service requests and work orders; track labor, equipment, and materials needed for the repair and maintenance of the City's assets; calculate performance measures and respond to records requests; close the loop with the public; and interface with the SeeClickFix mobile application. Cityworks CMMS is critical to the day-to-day operations of the PWA and the accountability of the work performed in PWA.

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 public's physical infrastructure assets without this software would be counter to best practices and the Public Works Performance Audit released by the City Auditor in April 2009.


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

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

For questions regarding this report, please contact Jason Mitchell, Agency Administrative Manager, at (510) 238-2908.

Respectfully submitted,

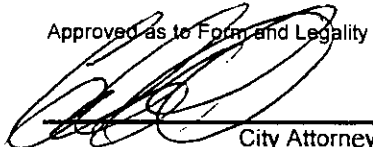


Vitaly B. Troyan, P.E.
Director, Public Works Agency

Prepared by:
John McCabe, Project Manager II
Business and Information Analysis Division,
Public Works Agency

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL



City Attorney

RESOLUTION No. _____ C.M.S.

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Introduced by Councilmember _____

RESOLUTION: (1) AMENDING THE CONTRACT WITH AZTECA SYSTEMS, INC., FOR THE PURCHASE OF LICENSING, SOFTWARE MAINTENANCE SERVICES AND SOFTWARE UPGRADES FOR THE CITY'S CITYWORKS COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM, (2) INCREASING THE CONTRACT AMOUNT BY \$550,000.00 AND EXTENDING THE CONTRACT FOR AN ADDITIONAL FIVE-YEAR TERM, AND (3) AUTHORIZING THE CITY ADMINISTRATOR TO WAIVE ADVERTISING, COMPETITIVE BIDDING AND THE REQUEST FOR PROPOSALS/QUALIFICATIONS REQUIREMENTS

WHEREAS, the City Council previously approved Resolution No. 80847 C.M.S. on September 18, 2007, following a competitive Request for Proposals process, authorizing the purchase and implementation of Cityworks, a computerized maintenance management system ("CMMS") or work management system from Azteca Systems, Inc., including an update and support agreement ("Maintenance Agreement") for the system; and

WHEREAS, the City Council previously approved Resolution No. 82678 C.M.S. on September 20, 2010 authorizing the City Administrator to enter into the Update and Support Agreement for technical assistance and support services with Azteca Systems, Inc. for the CMMS on an annual basis for up to three years, in an estimated 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

WHEREAS, the CMMS implementation was completed in 2009; and

WHEREAS, Public Works Agency uses the CMMS 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 Oakland Fire Department began piloting the CMMS in September 2012 to track service request resolution for wildfire prevention / vegetation management, and illegal dumping of hazardous materials; and

WHEREAS, the software enables staff to generate and track service requests and work orders; track labor, equipment, and materials needed for the repair and maintenance of the City's assets; calculate performance measures and respond to records requests; close the loop with the public; and interface with the SeeClickFix mobile application; and

WHEREAS, Azteca Systems, Inc. owns the CMMS 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 CMMS 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 CMMS software, to continue to provide technical maintenance and support related to the system; and

WHEREAS, it is anticipated that the current CMMS will continue to be used as the City's CMMS and there are no current or foreseeable plans to replace the system; and

WHEREAS, the current contract term is for a period of three years with the third of three payments due June 1, 2013 and an amount capped at \$170,000; and

WHEREAS, the City wishes to increase the term of the current contract with Azteca Systems, Inc. for software maintenance and support, and related services and features, for five additional years and an additional \$550,000, for a total contract amount not to exceed \$720,000; and

WHEREAS, Oakland Municipal Code ("OMC") Section 2.04.050 requires advertising and bidding for the purchase of supplies, equipment, and computer software and the award to the lowest responsible; responsive bidder if award is made; and

WHEREAS, Section 2.04.050 I. 5 provides an exception to said advertising, bidding and lowest bid award requirements upon a finding and determination by the Council that it is in the best interests of the City to do so; and

WHEREAS, OMC Section 2.04.051 A. requires that a competitive Request For Proposal ("RFP") or Request For Qualifications ("RFQ") selection process for award of contracts that exceed \$25,000 for professional service contracts and are exempt from bidding under Section 2.04.050.1.1. OMC Section 2.04.051 B provides that the Council can waive the RFP/RFQ requirement that it is in the best interests of the City; 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 the City Administrator is hereby authorized to amend the existing contract with Azteca Systems, Inc., by \$550,000, which brings the total contract amount not to exceed \$720,000, for maintenance and support, and related services and features, and for a total contract term not to exceed an additional five years; and be it

FURTHER RESOLVED, that pursuant to Oakland Municipal Code Section 2.04.050.A and OMC Section 2.04.051 B., the City Council finds and determines that it is in the best interests of the City to waive formal advertising and bidding requirements for the licensing and software purchase contract and the RFP/RFQ selection requirement for the professional technical software maintenance and support services aspect of this contract, because Azteca Systems, Inc. owns the CMMS and are the providers of all future upgrades, related features, bug fixes, trouble-shooting and similar maintenance and support services and is the only vendor authorized to provide this maintenance and support of the CMMS, which is a critical and necessary tool in managing the day-to-day operations and accountability of public works services.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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