



AGENDA REPORT

TO: G. Harold Duffey
Interim City Administrator

FROM: David Ferguson
Interim Director, Oakland
Public Works

SUBJECT: PMWeb Software Contract/License
Extension/Renewal

DATE: March 9, 2023

City Administrator Approval

Date: Mar 10, 2023

RECOMMENDATION

Staff Recommends That City Council Adopt A Resolution Authorizing the City Administrator To:

(1) Amend the Installation, License And Maintenance Agreement With PMWeb, Inc. To Extend The Term from December 31, 2023, Through December 31, 2028, For A Total Not To Exceed Contract Amount Of Three Million One Hundred And Twenty-Seven Thousand And Five Hundred Dollars (\$3,127,500) For Support Services, Functionality, Licenses, Training, And Enhancements For The PMWeb Applications; And

(2) Waive the Multi-Step Proposal Solicitation And The Local Business And Small Local Business Program Utilization Requirement

EXECUTIVE SUMMARY

Approval of the proposed resolution will authorize the City Administrator to extend the contract term for the Capital Improvement Project Portfolio & Project Management software system (CIP PPM System) with PMWeb, Inc., along with PMWeb's implementation subcontractor, HKA, for an amount not to exceed three million one hundred twenty-seven thousand five hundred dollars (\$3,127,500) through December 2028, which includes annual licenses, configuration, support, training, and enhancements for the PMWeb application over the next five years.

PMWeb was selected in 2019, as a result of a formal Request for Proposal Process (RFP) to provide the software that will be used by the Oakland Department of Transportation (OakDOT) and Oakland Public Works (OPW) to track the lifecycle of the City of Oakland (City) capital improvement program (CIP) projects through each phase. The software system project is under the development and implementation phase, with planned production deployment scheduled for April 2023.

The PMWeb software system will add value to the day-to-day management of City CIP construction projects for city-owned infrastructure, buildings, and other projects that require the use of a project management software system. Specifically, PMWeb is needed to provide better

planning, designing, contract management, project management, scheduling, supervision, interdepartmental collaboration, and managerial oversight of City capital projects. The system

will serve as a single point of access and information for tracking projects through each critical phase and will aid management and staff in delivering projects on time and within budget. The system will provide powerful tools for calculating and tracking the performance of projects and performance metrics, and PMWeb will provide greater transparency by interfacing with public-facing websites.

REASON FOR URGENCY

The PMWeb project, managed by OPW and OakDOT in close cooperation with the Information Technology Department (ITD), began in February 2020, and during development, staff identified required increase in scope and the need to customize critical processes identified by OPW and OakDOT. Therefore, OPW and OakDOT business leads redefined and reprioritized the scope, and the project restarted in March 2022. The original contract capacity amount will be reached by June 2023 and needs to be increased to include additional user licenses and additional configuration work identified for needed modules and reports. The PMWeb project is critical to the operation of OPW and OakDOT as CIP budgets and City construction activities have increased significantly over the last several years to roughly \$283 million.

BACKGROUND / LEGISLATIVE HISTORY

The acquisition of a project management software program is essential to ensure that staff can manage, efficiently maintain visibility on existing and future projects, and to serve as a repository for completed projects and associated data. This need becomes even more critical to the operation of OPW and OakDOT as CIP budgets and City construction activities have increased significantly over the last several years to roughly \$283 million, as shown in Tables 1 and 2 below.

Table 1. 2021-23 CIP Projects and Summary by Category

2021-23 CAPITAL IMPROVEMENT PROJECTS

Funded Requests Summary by Category

Source	Budget		Total
	2021-22	2022-23	
Buildings and Facilities	14,471,387	43,130,471	57,601,858
Parks & Open Spaces	1,229,000	0	1,229,000
Sanitary Sewer / Wastewater	23,265,780	23,185,089	46,450,869
Storm Drainage & Watershed	3,277,481	0	3,277,481
Transportation	85,304,236	88,824,000	174,128,236
<i>Total</i>	<i>\$127,547,884</i>	<i>\$155,139,560</i>	<i>\$282,687,444</i>

Summary by Category

\$282,687,444 total

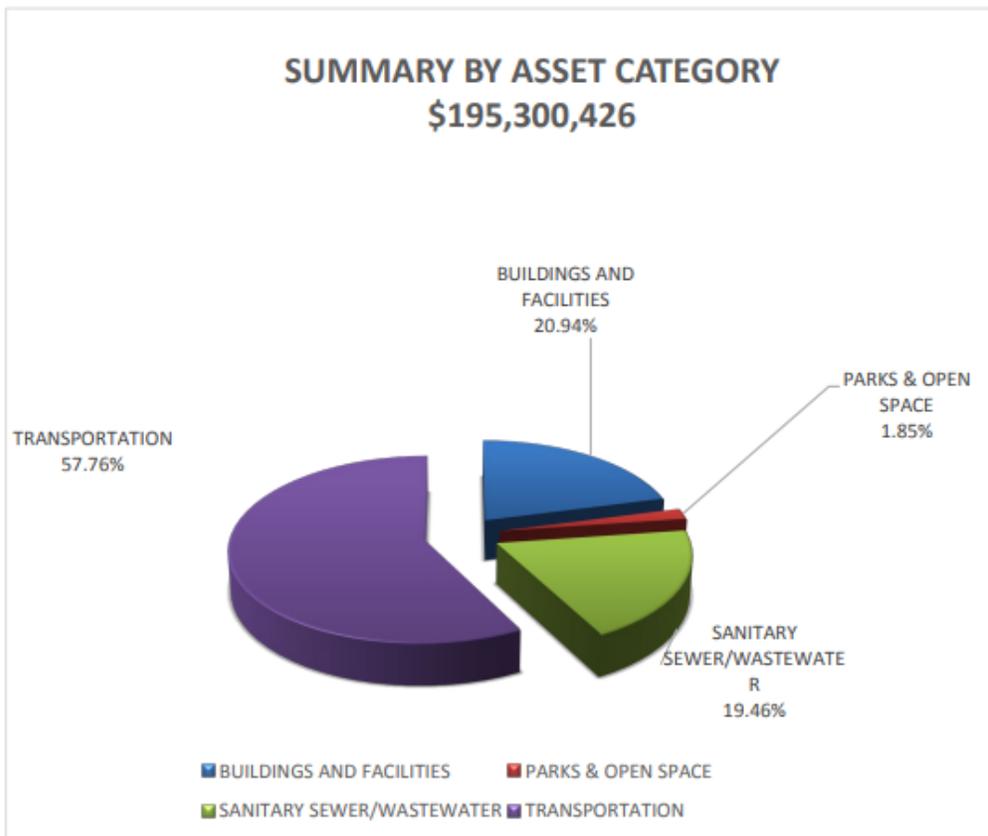


- Buildings and Facilities
- Sanitary Sewer/Wastewater
- Transportation
- Parks & Open Spaces
- Storm Drainage & Watershed

Table 2. 2019-21 CIP Projects and Summary by Category

**2019-21 CAPITAL IMPROVEMENT PROJECTS
 Funded Requests Summary by Asset Category**

Asset Category	Budget		Total
	2019-20	2020-21	
BUILDINGS AND FACILITIES	24,451,730	16,439,280	40,891,010
PARKS & OPEN SPACE	3,608,507	0	3,608,507
SANITARY SEWER / WASTEWATER	18,350,263	19,647,646	37,997,909
TRANSPORTATION	56,029,000	56,774,000	112,803,000
Total	\$102,439,500	\$92,860,926	\$195,300,426



This is an upward trend that is expected to continue through upcoming budget cycles.

In November 2017, a cross functional team convened, including staff responsible for planning, designing, bidding, and managing construction of City projects to identify the business need and functional requirements for the CIP PPM system. The team identified system requirements and

prioritized those requirements into three delivery phases at the managerial and staff task levels. In October 2018, OPW, OakDOT and ITD issued a joint RFP for a CIP PPM system to meet the identified needs. Six firms responded to the RFP, including PMWeb, CIP Planner, EPM Solutions, E-Builder, DR McNatty, and Virtual Project Manager.

The six written proposals were reviewed and scored by a panel of one OakDOT Agency Administrative Manager, two OPW and OakDOT Division Managers, one shared OakDOT/OPW Project Manager, and one shared OakDOT/OPW Business Analyst III. The evaluative criteria included scoring the ability of each proposed system to meet the functional requirements listed in the RFP, the company's experience with similar technology project implementations, and a profile of the company's staff. The written proposal submitted by PMWeb had the highest average score and four of five reviewers ranked PMWeb as their first choice with the remaining reviewer ranking PMWeb second. The three highest scoring proposing companies were invited to conduct a scored demonstration of their software solution. The three proposers chosen for live product demonstrations were PMWeb, CIP Planner, and EPM Solutions.

The demonstrations were reviewed by 22 staff, including end-users comprised of civil engineers, transportation engineers, assistant transportation engineers, CIP coordinators, engineering technicians, budget and grants administrator, business analyst III, project manager, technology program manager, supervising civil engineers, agency administrative manager, information systems technology manager III, and project manager II. The demonstrations were evaluated for project lifecycle management, project, portfolio, and executive level dashboards. reporting and analytical tools; ease of data input and the ability to customize input forms and workflows; risk management and issues tracking; document and contract management features. and the overall ease of use for executives, management, staff, and system administrators. The demonstration conducted by PMWeb scored highest with 18 of 22 reviewers, with the remaining four ranking PMWeb second. PMWeb scored highest in the demonstration phase of the evaluation.

Under both reviews - the written proposal evaluation and software demonstration - PMWeb scored the highest and demonstrated that their solution is the best fit to meet OPW and OakDOT needs.

City Council Resolution No: 87778 CMS (July 9, 2019) authorized the purchase and implementation of the PMWeb software. PMWeb served as the primary consultant, with HKA as a sub-contractor responsible for configuring and implementing the software.

City staff, in collaboration with HKA, began configuring the system in February 2020 and later took a break to regroup to refine the requirements of the project. This was necessary to maximize efficient use of project resources, and to ensure critical business processes and functional system requirements were defined and prioritized so that system workflows could be developed within the framework of the PMWeb software.

Configuration, testing, and training recommenced in March 2022. Since its recommencement, the PMWeb project has completed ten sprint cycles of staff input and configuration, and several of those sprints have completed testing. City staff expect to complete configuration and testing by April 2023, at which time training will occur and the launch of the software will take place.

ANALYSIS AND POLICY ALTERNATIVES

Currently, OPW and OakDOT staff use various methods for tracking projects. OPW uses an antiquated Access Database that is cumbersome and difficult to use. OakDOT utilizes a series of Excel spreadsheets to track projects. PMWeb will significantly enhance CIP coordination within and between departments.

There are two main aspects to PMWeb: (1) PMWeb provides day-to-day project management and tracking capabilities, including scheduling, project budgeting, contracting, interdepartmental workflow management and (2) PMWeb can consolidate and aggregate project data to provide portfolio-level metrics with the use of executive-level dashboards. PMWeb provides an easy-to-access listing of projects and their statuses, progress, fiscal metrics, and more; improved plan review, comment and approval through automating routing, review and sign-off procedures; improved project scheduling, resource loading, and tracking of time charged against projects; improved RFP/RFQ coordination, bidding, proposal management and contract issuance; and clear methods for tracking project issues, risks, and public inquiries. Continuing to conduct the CIP planning and project management work without a tracking software system would be contradictory to best management practices.

Authorizing the City Administrator to have the option of extending the license, maintenance, and professional services agreements with PMWeb, Inc., and its authorized business partner, HKA, advances the Citywide priorities of vibrant, sustainable infrastructure, and responsive, trustworthy government by ensuring that PMWeb serves as a data repository for existing, future, and completed capital improvement projects. The system would streamline the responses to public records requests or claims and increases public transparency.

Waiver of Advertising, Bidding and Competitive Request for Proposal/Qualifications and the Local Business/Small Local Business Utilization Requirements

Staff recommends that, pursuant to OMC Section 2.04.042 D, the City Council finds and determines that it is in the best interests of the City to waive multi-step proposal solicitation competitive selection requirement and the Local Business/Small Local Business Utilization requirements for the above Information Technology purchase and expenditures.

To pivot to a different software system would cause significant disruption to years of hard work conducted by staff to manage this implementation project and to what is soon to become core functionality of project management in Oakland Public Works Department and the Department of Transportation. Switching to a new system would result in a substantial fiscal impact, as doing so would necessitate a large human and financial capital investment for new system implementation and training.

PMWEB was procured through a competitive RFP/RFQ bidding process as stated in the original contract that Council approved in Resolution 87778 CMS. We have completed configuration sprints, development, and testing of several system modules, and we are on track for a soft launch of the software for use this Spring.

Ordinance number 13640 and 13647 C.M.S. requires a minimum 50-percent (50%) Local Business Enterprise/Small Local Business Enterprise ("LBE/SLBE") participation for all

purchase of commodities, goods and associated services for contracts valued at or over fifty thousand dollars (\$50,000) when there are at least three certified business listed in the industry, trade, or profession that constitutes a major category of work.

However, the Council may waive the City’s LBE/SLBE requirements for the purchase of commodities, goods, services, supplies or combination thereof due to a lack or limited availability of SLBEs or LBEs pursuant to Part I of Oakland’s Local and Small Local Business Enterprise Program guidelines adopted by Ordinance No. 13647 C.M.S. and because it is in the best interests of the City to do so.

Staff has not been able to identify any or a limited availability of certified LBE/SLBEs that can perform the programming, development, implementation, and professional services to the City that are required under this contract to maintain critical public services. Thus, staff requests that the Council waive the LBE/SLBE utilization requirements for this proposed contract award on this basis and because it is in the best interests of the City to do so because of the reasons discussed in this report.

FISCAL IMPACT

The license and maintenance agreement appropriations are split between OPW and OakDOT. Funds are available for FY 22-23 in Grant Clearing (Overhead) Fund (7760), Org (30181) Management Information Systems Unit, PWA Overhead Clearing Project (1001288), and OakDOT Overhead Clearing Project (1003336). In future years of the contract, appropriations will be included in the Budget contingent upon the availability of funding.

A breakdown of the project costs and contract value cost are included in **Table 3** and **Table 4**

Table 3: Contract Purchase Order Summary

Description	Cost
Original Approved Contract Amount (Resolution No: 87778 CMS (July 9, 2022))	\$882,000
Proposed Additional Contract Amount	\$2,245,500
Proposed Total Contract Value After Extension	\$3,127,500

Table 4: Project Cost Summary Breakdown

Description	Cost Per Unit	Qty	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
PMWeb Toolbox - Development Package S&M Renewal			\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
PMWeb SaaS - Dedicated Server Renewal			\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
SaaS User Licenses	1500	100		\$180,000	\$180,000	\$180,000	\$180,000	\$180,000

File Storage				\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Application development by HKA			\$100,000	\$200,000	\$200,000	\$200,000	\$200,000	\$150,000
Contingency (25% of professional fees)				\$50,000	\$50,000	\$50,000	\$50,000	\$37,500
Sub Total			\$108,000	\$440,000	\$440,000	\$440,000	\$440,000	\$377,500
TOTAL								\$2,245,500

PUBLIC OUTREACH / INTEREST

A legal advertisement for the original RFP for the CIP PPM System was published in the East Bay Times, Oakland Post, El Mundo, World Journal, and the Korea Times. Furthermore, as the actual system is purchased, configured, and implemented, it facilitated enhanced transparency by enabling easy publishing of project information from the OPW and OakDOT portfolio of projects to public-facing websites.

COORDINATION

This report was prepared in coordination with OPW, OakDOT, Budget Bureau, and the City Attorney’s Office.

SUSTAINABLE OPPORTUNITIES

Economic: This project benefits the local economy by improving efficiencies through expanding the accountability and performance of City project management. The PMWeb system will enhance efficient use of public funds for construction of new or repairs to existing infrastructure and facilities owned by the City. The system will also streamline the planning, design, bidding, and construction phases of CIP work, realizing savings in the staff time investments during each of these project phases. Continuing to conduct CIP planning and project management work absent a tracking software would be counter to best practices.

Environmental: PMWeb will enhance tracking and management of capital construction projects for the City’s sanitary sewer collection system, the stormwater collection system, and watershed restoration, amongst other projects. The system will aid staff in tracking California Environmental Quality Act (CEQA) requirements for construction projects, along with brownfield remediation, and other environmental requirements as they arise. The system will increase compliance with the Environmental Protection Agency (EPA) Sewer Consent Decree for the rehabilitation and minor CIP work required for the sanitary sewer collection system.

Race & Equity: PMWeb will track the locations of proposed capital improvement projects and those under construction, improving analysis of locations the City is making CIP investments, improved transparency for the public to check the status of projects online,

improved planning for CIP repair work at City-owned facilities, and improved planning during the preparation of CIP budget proposals. The system will provide necessary data for informed decision-making that will incorporate recently updated and adopted CIP prioritization criteria that aim to enhance equitable investments in City-owned assets.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator or Designee To:

(1) Amend the Installation, License And Maintenance Agreement With PMWeb, Inc. To Extend The Term from December 31, 2023, Through December 31, 2028, For A Total Not To Exceed Contract Amount Of Three Million One Hundred And Twenty-Seven Thousand And Five Hundred Dollars (\$3,127,500) For Support Services, Functionality, Licenses, Training, And Enhancements For The PMWeb Applications; And

(2) Waive the Multi-Step Proposal Solicitation And The Local Business And Small Local Business Program Utilization Requirement

For questions regarding this report, please contact Sameera Shaikh, Business Analyst III, at 510-238-2908

Respectfully submitted,

David Ferguson
David Ferguson (Mar 10, 2023 09:05 PST)

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Attachments (6):

- A: Phase 2 PMWeb Estimate
- B: PMWeb Annual SAAS Invoice FY 3_24
- C: PMWeb Proposal- City of Oakland 100 Full User & 25 Guest User Licenses-02-07-2023
- D: Availability Analysis CIP Portfolio PMWEB
- E: PMWeb Authorized Implementers
- F: Fund Availability