



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: MAY 22, 2017

ITEM NO: 12

SUBJECT: SAS MASTER LICENSE AGREEMENT TO LICENSE THE SAS OFFICE ANALYTICS SOFTWARE PACKAGE IN THE AMOUNT OF \$98,320 FOR ONE YEAR

ISSUE:

Approve the Master Software License Agreement with SAS Institute Inc. for an Enterprise server version of the SAS Office Analytics software platform in the amount of \$98,320 for one year.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the Master Software License Agreement and Supplement Agreement with SAS Institute Inc. to license an Enterprise server version of a bundled SAS Office Analytics software platform on behalf of Riverside Public Utilities for an initial amount of \$98,320 which includes the primary software licensing costs (\$65,870), supplemental software installation and training support (\$11,950), and anticipated Innovation and Technology Department hardware costs (\$20,500); and
2. Authorize the City Manager, or his designee, to execute the Master Software License Agreement and Supplement Agreement with SAS Institute Inc.

BACKGROUND:

Statistical Analysis System (SAS) is one of the most widely adopted statistical analysis and data processing software packages commercially available. Within the Power Resources Division, SAS has been used as an instrumental tool for data analysis, processing, reporting and advanced analytics for the last six years.

DISCUSSION:

Riverside Public Utilities (RPU) currently pays for ten SAS desktop (individual PC) licenses. A key goal of the Utility 2.0 data analytics paradigm is to significantly increase the number of employees who have access to this analytical software platform. However, under the current SAS licensing arrangement, RPU needs to purchase a new PC SAS license for each additional analyst who wishes to use the software. Due to the need for additional licensing, the Power Resources Division investigated the advantages of alternatively licensing a SAS Office Analytics Server platform, rather than continuing to purchase additional PC licenses. This server based SAS suite includes all of the PC SAS functionalities, along with the additional advantages of a server-based enterprise environment that would *extend SAS to all staff across the entire utility.*

The SAS Office Analytics server licensing agreement will initially cost \$65,870 for enterprise licenses and will have a future ongoing annual maintenance support cost of \$20,342. RPU currently pays \$18,639 for

ongoing annual maintenance support for the ten PC licenses; every new PC license costs RPU approximately \$5,000 in initial licensing fees and \$1,800 in additional annual maintenance support fees. Staff estimates that if RPU expects to add just three additional SAS licenses per year for the next three years, switching to a server license will save money.

The Power Resources Division would like to give ten additional employees access to the SAS software platform. Additionally, at least fifteen employees within the Finance, Public Benefits and Operations Technology Divisions would benefit from access to the software platform. Under the assumption that RPU acquires 25 additional SAS licenses over the next two years, the utility will save more than \$127,000 in licensing costs by switching over to a server licensing option.

There are three additional reasons for moving to a SAS Enterprise server platform at this point in time:

1. *Collaborative Development Environment*

The SAS server environment will facilitate a common code development environment and the centralized administration of versions and users. These features can help increase the adoption rate amongst staff while simultaneously reducing the number of staff hours needed to maintain the overall software platform.

2. *IT Governance and Security*

Under the current deployment of PC SAS licenses, the Innovation and Technology Department (IT) has no visibility to the software and utility staff has no centralized repository to store and secure mission critical data. In contrast, a SAS Server environment will provide for a centralized metadata server with significantly enhanced data governance and security. Data governance and security is extremely problematic in a non-enterprise environment; centrally located server platforms generally represent the only effective way to ensure that adequate data security requirements are effectively enforced.

3. *Operational Technology Considerations*

The Operational Technology Division is currently overseeing the RPU-wide deployment of the Open Software International (OSI-Pi) software platform. Given RPU's current need to implement improved data processing and analytics under the Utility 2.0 paradigm, this represents an opportune time to deploy an enterprise analytics platform in conjunction with (and in support of) the OSI-Pi roll-out.

SOFTWARE AND HARDWARE COST ESTIMATES:

The following table shows a breakdown of the proposed software and hardware costs associated with the licensing and installation of the SAS Office Analytics Enterprise server software.

Product	Description	Cost
Software	SAS Office Analytics – Enterprise Server with SAS/ETS, Access to Oracle, Access to OSI-Pi	\$65,870
Bundled Services	Includes installation and configuration service and two days of training/knowledge transfer	\$11,950
City IT Infrastructure	Hardware cost contribution to increase density within existing City Datacenter VMWare infrastructure	\$20,500
	Total Cost:	\$98,320

This is sole source procurement for goods, because RPU needs to expand the licensing of an existing software product and this software is only available through SAS Institute Inc. Under Section 201(c) of City Council Resolution No. 22576, formal competitive procurement is not required if the procurement

can only be obtained from a sole source or timely from a single source and the City's Purchasing Services Manager is satisfied that the best price, terms and conditions for the procurement have been negotiated. Here, the procurement can only be obtained from a single source, for the reasons noted above, and the City's Purchasing Services Manager is satisfied that the best price, terms and conditions for the procurement have been negotiated.

The SAS Master License Agreement provides for the annual renewal of the SAS Office Analytics software package upon payment of the annual maintenance support fee. In future years, the SAS maintenance support fees will be approved by the Board of Public Utilities as part of the annual Purchase Order approval report, subject to allocation of these maintenance support costs in future budget cycles.

FISCAL IMPACT:

The initial amount of \$98,320 includes the primary software licensing cost (\$65,870), supplemental software installation and training support (\$11,950), and anticipated IT hardware costs (\$20,500). Sufficient funds are available in the Power Resources Division Software Purchase/Licensing Account No. 6120000-425700 and Professional Services Account No. 6120000-421000.

Prepared by: Daniel E. Garcia, Utilities Assistant General Manager/Resources
Approved by: Girish Balachandran, Utilities General Manager
Approved by: John A. Russo, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Certifies availability
of funds: Laura Chavez-Nomura, Utilities Assistant General Manager/Finance

Attachments:

1. SAS Master Software License Agreement
2. Presentation