



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: FEBRUARY 27, 2017

ITEM NO: 7

SUBJECT: THIRD AMENDMENT TO PROFESSIONAL VENDOR SERVICES AGREEMENT WITH OPEN SYSTEMS INTERNATIONAL INC. OF MEDINA, MINNEAPOLIS, FOR THE 2013 SCADA SYSTEM UPGRADE PROJECT TO ADD ADDITIONAL SOFTWARE SUPPORT AND PATCH MANAGEMENT FOR THE ELECTRIC SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEM, IN THE AMOUNT OF \$698,073 FOR A TOTAL CONTRACT COST OF \$1,646,630 - WORK ORDER NO. 1720060 IN THE AMOUNT OF \$700,000

ISSUES:

Approve the Third Amendment to the Professional Vendor Services Agreement with Open Systems International, Inc. (OSI) of Medina, MN for the 2013 SCADA System Upgrade Project to add software support and patch management for the Electric Supervisory Control and Data Acquisition system, for an additional cost \$698,073, total contract cost of \$1,646,630, and approve Work Order No. 1720060 in the amount of \$700,000.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the Third Amendment to the Professional Vendor Services Agreement with Open Systems International, Inc. 2013 SCADA System Upgrade Project to add software support and patch management for the Electric Supervisory Control and Data Acquisition (SCADA) system , in the amount of \$698,073; and
2. Approve Work Order No. 1720060 in the amount of \$700,000.

BACKGROUND:

On August 2, 2013, the Board of Public Utilities (Board) approved the Electric SCADA system hardware, software and network upgrade project (Electric SCADA System Upgrade Project), and awarded a contract to Open Systems International, Inc. for the SCADA software upgrades, term of the contract to June 30, 2015, in the amount of \$785,307.

On June 27, 2016, the Board approved the First Amendment to the Professional Vendor Services Agreement with Open Systems International, Inc., adding additional services to update the electrical network simulation models in the amount of \$101,500, total contract \$886,807 and extending the contract to November 30, 2022.

On November 28, 2016, the Board approved a Second Amendment to the Professional Vendor Services Agreement with Open Systems International, Inc., to secure an OSI Soft Pi System interface to integrate Electric SCADA databases for the Operational Data Management System (ODMS) Project in the amount of \$61,750, total contract of \$948,557

DISCUSSION:

The electric SCADA system is a key operational tool for the continuous safe and reliable operation of the Riverside electric transmission and distribution grid. SCADA (short for Supervisory Control and Data Acquisition) is a sophisticated software based system used primarily by the system operators to provide real-time information and remote control of many system functions and devices. Remote control improves response time, and reduces costs over manual operations. Like all major software systems, the manufacturer provides frequent updates related to system performance, cyber security, and functionality. SCADA requires continual software support and patch management services to remain fully operational and compliant at all times.

The electric SCADA system is an Open Systems International, Inc. proprietary product. As a result, Open Systems International, Inc. is the only vendor qualified to provide maintenance, support, updates, and patch management of the software. Riverside Public Utilities staff negotiated with Open Systems International, Inc. to provide the best possible software support and patch management services pricing when the SCADA System Upgrade Project agreement was negotiated in 2013. The software support and patch management services was not included in the base scope approved by the Board. The table below provides detail and cost of the software support and patch management contemplated by this Board action.

2013 SCADA UPGRADE PROJECT APPENDIX D - PRICE FORM						
DESCRIPTION	YR 1	YR 2 *	YR 3 *	YR 4 *	YR 5 *	YR 6 *
Coverage Period	Nov 2016-17	Nov 2017-18	Nov 2018-19	Nov 2019-20	Nov 2020-21	Nov 2021-22
Monarch Software Support	\$79,353	\$81,734	\$84,186	\$86,711	\$89,313	\$91,992
Patch Management	\$28,567	\$29,424	\$30,307	\$31,216	\$32,153	\$33,117
Annual Cost	\$107,920	\$111,158	\$114,493	\$117,927	\$121,466	\$125,109
Total Six (6) Years Cost	\$698,073					

* Years 2-6 are subject to escalation of 3% or CPI Index (whichever is higher), for the same scope of services

The Purchasing Services Manager concurs that the recommended actions comply with the City of Riverside's Purchasing Resolution No. 22576.

FISCAL IMPACT:

Work Order No. 720060, in the amount of \$700,000, is for the cost of services through the end of the contract on November 30, 2022. To be approved for full amount and first two years of cost of services. Future years will be budgeted annually. Sufficient funds are available in Professional Services Account No. 6100000-421000 for fiscal year 2016/17, \$107,920, and fiscal year 2017/18, \$111,158. Future costs will be included in the budget process for each fiscal period for services through the end of the contract.

Prepared by: George Hanson, Utilities Assistant General Manager/Energy Delivery
 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

Attachment: Third Amendment to Professional Vendor Services Agreement with Open Systems International, Inc.