



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: NOVEMBER 8, 2021

SUBJECT: SOFTWARE LICENSE RENEWAL WITH SCHNEIDER ELECTRIC SMART GRID SOLUTIONS, LLC, FORMERLY TELVENT USA, LLC (SCHNEIDER ELECTRIC), FOR A THREE-YEAR TERM IN THE TOTAL AMOUNT OF \$345,000

ISSUE:

Consider recommending that the City Council approve the expenditure for Addendum 2 to the Software License Agreement Contract No. 2006-224 with Schneider Electric Smart Grid Solutions, LLC, formerly Telvent USA, LLC (Schneider Electric), for a three-year term in the total amount of \$345,000.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Authorize the expenditure for Addendum 2 to the Software License Agreement Contract No. 2006-224 with Schneider Electric Smart Grid Solutions, LLC, for three-years, at an annual cost of \$115,000, in the total amount of \$345,000; and
2. Recommend that the City Council approve Addendum 2 Software License Agreement with Schneider Electric Smart Grid Solutions, LLC, and authorize the City Manager, or designee, to execute that agreement including making minor non-substantive changes.

BACKGROUND:

On June 20, 2006, the City executed an agreement with Telvent USA, LLC (formerly Miner and Miner, Consulting Engineers, Inc.) for a gap analysis for the design of a computerized Geographic Information System (GIS) at a cost of \$27,630. The agreement includes Software License Agreement Contract No. 2006-224.

On November 18, 2011, the Board approved the First Addendum to the Software License Agreement (SLA) with Telvent USA, LLC (formerly Telvent USA Corporation) to add a three-year Enterprise License Agreement (ELA) at an annual cost of \$115,000 for ArcFM licensing. ArcFM provides an easy-to-use interface for viewing, editing, mapping, and management of spatial data. Riverside Public Utilities (RPU) funded the first two years of the agreement. The third year was incorporated into the Innovation and Technology (IT) Department budget. However, the cost was allocated back to RPU via the City's annual cost allocation process.

On June 6, 2014, the Board approved the First Amendment to the First Addendum to the SLA to extend the ELA to November 1, 2016, at no additional cost. As such, an annual payment amount was not included in the IT Department budget.

During the Fiscal Year 2016/17 - 2017/18 biennial budget process, the IT Department requested that funds be reincorporated into the IT Department budget for the upcoming contract renewal. This request was submitted as a “Highest Priority” unfunded need but was not approved as part of the adopted budget, due to the City’s General Fund budget issues. At that time, and currently, RPU is the only department utilizing the ArcFM software.

On January 9, 2017, the Board approved the Second Amendment to the First Addendum of the SLA to extend the ELA for three years, to October 31, 2019, at an annual cost of \$115,000, for a total of \$345,000. The first- and second-year costs totaling \$230,000 were paid directly by RPU. The third year was incorporated into IT’s Fiscal Year 2018/2019 budget. The cost is allocated back to RPU through the City’s annual cost allocation process.

The Third Amendment to the First Addendum of the SLA to the ELA was executed on April 28, 2017. The Third Amendment authorized the removal of ArcFM Server Standard and replaced it with ArcFM Web. There were no changes to the price or contract term.

On November 25, 2019, the Board approved the Fourth Amendment to the First Addendum of the Software License Agreement No. 2006-224 with Telvent USA, LLC, to extend the Enterprise License Agreement for the Geographic Information System for two-years, in the amount of \$230,000, for a total cost of \$947,630. These funds were also incorporated into IT’s budget and the cost was allocated back to RPU through the City’s annual cost allocation process.

DISCUSSION:

Presented before the Board is Addendum 2 which extends the existing license for an additional three years at an annual cost of \$115,000, for a total cost of \$345,000. The contract extension will allow the city to retain the same annual pricing provided since 2011 for three additional years.

The enterprise licensing of ArcFM enables RPU to deploy GIS desktop software on multiple computers for editing and viewing utility data within an Esri ArcGIS software environment. Specifically, ArcFM is an extension to ArcGIS desktop for performing utility-specific workflows including utility modeling. In addition, ArcFM provides a web-component for display of the utility data called ArcFM Web. Support for this process, as well as the future integrations, is critical for the smooth migration from legacy systems to modern enterprise applications.

Section 602(n) of Resolution 23256 allows for an exception to competitive procurement “When the Procurement is for the renewal of maintenance, license(s), support or a similar need for existing technology systems, including hardware, and the items procured are from the owner/developer of the software/hardware or from a sole source provider, and the Manager is satisfied that the best price, terms and conditions have been negotiated”.

The Purchasing Manager concurs that the recommendation is in compliance with Purchasing Resolution 23256, Section 602 (n).

STRATEGIC PLAN ALIGNMENT:

This item contributes to the following Envision Riverside 2025 City Council Strategic Priorities:

Strategic Priority 4, Environmental Stewardship

- Goal 4.2. Sustainably manage local water resources to maximize reliability and advance water reuse to ensure safe, reliable and affordable water to our community.

Strategic Priority 6, Infrastructure, Mobility & Connectivity *Wonderware Software for RERC and Springs*

- Goal 6.2. Maintain, protect and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.
- Goal 6.4 Incorporate Smart City strategies into the planning and development of local infrastructure projects.

The item aligns with each of the five cross-cutting threads as follows:

1. **Community Trust** – ArcFM software provides a current and accurate view of assets which is key to maintaining a utility infrastructure. Utility asset management enables electric utilities to manage landbase data, critical assets, tracking age, usage, and maintenance history. Proactive monitoring of utility infrastructure and assets will minimize the risk of equipment failure and its negative impact on local community and businesses, such as power outages or water main outages due to the aging equipment, helping to improve community trust.
2. **Equity** – ArcFM software will ensure that the utility infrastructure can safely and effectively operate and provide reliable electricity benefitting the entire city.
3. **Fiscal Responsibility** – Maintaining the operating efficiency of the water and electric utility assets using ArcFM software will avoid service interruptions and potential costly upgrades in the future. It also ensures that the water and power distribution will remain in operation and avoid potential fines for non-compliance with various regulations.
4. **Innovation** – ArcFM is a complete out-of-the-box enterprise GIS solution designed to meet the needs of utilities including electric and water. This innovative solution maintains and tracks the lifecycle of critical assets and landbase data.
5. **Sustainability & Resiliency** – The ArcFM software ensures that the utility infrastructure is able to operate in the most effective way possible without any disruptions in services.

FISCAL IMPACT:

The total fiscal impact is \$115,000 annually, for a total three-year agreement of \$345,000. Sufficient funds are available in the IT Department's budget, Account No. 2440000-424310 for year 1.

Funding in future years will be included as a part of the biennial budget process under the IT

Department budget. The cost is allocated back to RPU via the City's annual cost allocation process.

Prepared by: George Khalil, Chief Innovation Officer
Approved by: Todd M. Corbin, Utilities General Manager
Approved by: Kris Martinez, Interim Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Certifies availability
of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Attachments:

1. Addendum 2 - Software License Agreement
2. Presentation