



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: SEPTEMBER 11, 2023

SUBJECT: FIRST AMENDMENT TO SOFTWARE AS A SERVICE AGREEMENT FOR ANNUAL MAINTENANCE/SUBSCRIPTION FEES FOR A METER DATA MANAGEMENT SYSTEM WITH SMARTWORKS, A DIVISION OF N. HARRIS COMPUTER CORPORATION EXTENDING THE TERM FOR FIVE YEARS COMMENCING ON OCTOBER 1, 2023, IN A TOTAL FIVE-YEAR AMOUNT OF \$1,490,000, AND WITH AUTOMATIC TWO-YEAR TERM RENEWALS THEREAFTER

ISSUE:

Consider approving a First Amendment to Software as a Service Agreement for a Meter Data Management System with SmartWorks, a Division of N. Harris Computer Corporation, extending the term for five years commencing on October 1, 2023, in a total five-year amount of \$1,490,000, and with automatic two-year term renewals thereafter.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the First Amendment to the Software as a Service Agreement for a Meter Data Management System with SmartWorks, a Division of N. Harris Computer Corporation, extending the term for five years commencing on October 1, 2023, in a total five-year amount of \$1,490,000, and with automatic two-year term renewals thereafter; and
2. Authorize the City Manager, or designee, to execute the First Amendment and contract extensions (renewals), including making minor non-substantive changes, and to sign all documents and instruments necessary to complete the transactions in accordance with all purchasing policies.

BACKGROUND:

In January 2019, the Board of Public Utilities Awarded RFP 1837 – Advanced Metering Infrastructure (AMI) and Meter Data Management System (MDMS). The Software as a Service Agreement was awarded to SmartWorks, a Division of N. Harris Computer Corporation, for a Meter Data Management System, related equipment, implementation services, and hosting fees in an amount not-to-exceed \$ 1,754,677 for a five-year term.

DISCUSSION:

The System was implemented as part of the AMI project in 2019, including a five-year term annual maintenance agreement at a cost of \$1,754,677. Staff have successfully renegotiated the annual maintenance term and fees with SmartWorks, resulting in a cost reduction for ratepayers. The First Amendment to the Software as a Service Agreement with SmartWorks is for a five-year term starting October 1, 2023, followed by automatic two-year renewal periods. The total five-year cost is \$1,490,000.

Purchasing Resolution 23914, Article Four: Informal Procurement, Section 403 “Exceptions” states “Competitive Procurement shall not be required for Information Technology software maintenance and license renewals; training; advertising; or professional recruitment services where the Manager is satisfied that the best price, terms and condition for the Procurement thereof have been negotiated.”

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 23914.

The Innovation and Technology Director concurs with this report.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 6 - Infrastructure, Mobility and Connectivity and 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.

1. **Community Trust** – Riverside is transparent and makes decisions based on sound policy, community engagement, involvement of City Boards & Commissions, and timely and reliable information. Reliability and consistent system performance are crucial to instill confidence in customers. MDMS products should be designed to handle large data volumes efficiently without downtime or data loss.
2. **Equity** – RPU endeavors to provide safe and reliable services to its customers. RPU’s investments in individual parts of the software system improved the reliability of the overall system, thereby providing an equitable benefit to all customers.
3. **Fiscal Responsibility** – Riverside is a prudent steward of public funds and ensures responsible management of the City’s financial resources while providing quality public services to all. This contract was renegotiated to receive the best prices for the software and services.
4. **Innovation** – This item provides the maintenance of critical software ensuring day-to-day operations of the City’s business systems so they can continuously and effectively work.
5. **Sustainability & Resiliency** – Riverside is committed to meeting the needs of the present without compromising the needs of the future and ensuring the City’s capacity to persevere, adapt and grow during good and difficult times alike. Ensuring accurate data collection and processing is essential for building trust. MDMS systems must implement robust data validation and error-checking mechanisms to avoid incorrect billing and reporting.

FISCAL IMPACT:

The total fiscal impact over five years is \$1,490,000. The annual cost of \$298,000 is available in the Business Systems Software Budget Account No. 6004000-425700. Funding in future years will be included as a part of the biennial budget process.

Prepared by: Carlie Myers, Utilities Assistant General Manager/Business and Customer Services
Approved by: Todd M. Corbin, Utilities General Manager
Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. First Amendment to the Software as a Service Agreement
2. Presentation