

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JANUARY 9, 2017

ITEM NO: 11

SUBJECT: SECOND 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 THREE YEARS, FOR A TOTAL COST OF \$345,000

ISSUE:

Approve the Second 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 three years, for a total cost of \$345,000.

RECOMMENDATION:

That the Board of Public Utilities approve the Second Amendment to the First Addendum of the Software License Agreement No. 2006-224 with Telvent USA, LLC, in the amount of \$345,000, for a three year period ending on October 31, 2019.

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 with Telvent USA, LLC (formerly Telvent USA Corporation) to add a three-year Enterprise License Addendum 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 was cost 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 Software License Agreement to extend the Enterprise License Agreement to November 1, 2016 at no additional costs. As such, an annual payment amount was not included in the IT Department budget.

During the FY 2016/2018 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 this time, RPU is the only department utilizing the ArcFM desktop software.

DISCUSSION:

Presented before the Board for consideration is the approval of the Second Amendment to the First Addendum to the Enterprise License Agreement for ArcFM licensing. This Amendment extends the existing license for three additional 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. In addition, the licensing provides support for the Computer Aided Design and Mechanical Engineering (CADME) GIS data extraction process. This extraction process synchronizes data between the legacy CADME environment and the modern ArcGIS environment. Support for this process, as well as for future integrations, is critical for the smooth migration from legacy systems to modern enterprise applications. Future integrations that are anticipated include integration with OSIssoft PI and a new GIS Viewer technology as part of the CADME replacement.

FISCAL IMPACT:

Sufficient funds are available in the account numbers listed in Table 1 below for the first and second year costs totaling \$230,000. The third year will be incorporated in future year's budgets. The total fiscal impact is \$345,000 over a three year period.

Table 1: Year 1 Cost Breakdown

Department	Year 1 Total	Account No.
RPU Electric	65,550	6105000-425700 Software Purchasing / Licensing
RPU Water	49,450	6210000-425700 Software Licensing
	115,000	

Table 2: Total 3 Year Cost Breakdown

	Year 1	Year 2	Year 3	Total
Total Agreement	115,000	115,000	115,000	345,000
Electric (57% of remaining)	65,550	65,550	65,550	196,650
Water (43% of remaining)	49,450	49,450	49,450	148,350

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 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: Second Amendment to First Addendum to Software License Agreement No. 2006-224