



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: DECEMBER 3, 2019**

**FROM: INNOVATION AND TECHNOLOGY DEPARTMENT    WARDS: ALL**

**SUBJECT: FOURTH AMENDMENT TO FIRST ADDENDUM OF SOFTWARE LICENSE AGREEMENT NO. 2006-224 WITH TELVENT USA, LLC TO EXTEND ENTERPRISE LICENSE AGREEMENT FOR THE GEOGRAPHIC INFORMATION SYSTEM FOR TWO YEARS, IN THE AMOUNT OF \$230,000, FOR A TOTAL COST OF \$947,630**

## **ISSUE:**

Approve 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.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve 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 an additional two years, at an annual cost of \$115,000, for an amount of \$230,000, for a total agreement cost of \$947,630; and
2. Authorize the City Manager, or designee, to execute all documents pursuant to the proposed purchase, including the ability to make minor non-substantive changes.

## **BOARD RECOMMENDATIONS:**

This report published on November 21, 2019, for the December 3, 2019, City Council meeting.

On November 25, 2019, the Board of Public Utilities will hear this item for consideration to recommend that City Council:

1. Approve the Fourth Amendment to the First Addendum of the Software License Agreement No 2006-224 with Telvent USA, LLC of Fort Collins, Colorado, to extend the Enterprise License Agreement for the Geographic Information System for two years, at an annual cost of \$115,000, for an amount of \$230,000 for a total agreement cost of \$947,630; and

2. Authorize the City Manager, or designee, to execute all documents pursuant to the proposed purchase, including the ability to make minor non-substantive changes.

If the Board of Public Utilities approves to forward this item to City Council, staff requests that the City Council approve this item at the December 3, 2019, City Council meeting.

## **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 of Public Utilities (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 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. RPU was, and still 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 2018/2020 biennial budget.

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 the ArcFM Server Standard and replaced it with the ArcFMWeb. There were no changes to price or contract term.

## **DISCUSSION:**

The Fourth Amendment to the First Addendum to the ELA for ArcFM licensing extends the existing license for two (2) additional years at an annual cost of \$115,000, for a total cost of \$230,000. The contract extension will allow the City to retain the same annual pricing provided since 2011 for two (2) 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 ArcFMWeb. 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 Purchasing Resolution No. 23256 provides that competitive procurement through the informal or formal procurement process shall not be required 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 No. 23256, Section 602 (n).

### **FISCAL IMPACT:**

Sufficient funds are available in FY 2019-20 in the IT Department's budget in account 2440000-424310. The cost is allocated to RPU via the City's annual cost allocation process and sufficient funds are available in the Public Utilities Interfund Services Account 600300-884101. Funding for the subsequent year will be identified and allocated during development of the Fiscal Year 2020-22 biennial budget.

Prepared by: George Khalil, Chief Innovation Officer  
Certified as to  
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer  
Approved by: Lea Deesing, Assistant City Manager  
Approved as to form: Gary G. Geuss, City Attorney

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