



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: OCTOBER 28, 2024

SUBJECT: SOFTWARE LICENSE RENEWAL WITH SCHEIDER ELECTRIC SMART GRID SOLUTIONS, LLC, FOR A THREE-YEAR TERM IN THE AMOUNT OF \$362,537

ISSUE:

Consider recommending that the City Council approve the expenditure for Addendum 3 to the Software License Agreement Contract No. 2006-224 with Schneider Electric Smart Grid Solutions, LLC, for a three-year term in the amount of \$362,537.

RECOMMENDATIONS:

That the Board of Public Utilities recommend that the City Council:

1. Authorize the expenditure for Addendum 3 to the Software License Agreement Contract No. 2006-224 with Schneider Electric Smart Grid Solutions, LLC, of Chicago, Illinois, for a three-year term in the amount of \$362,537; and
2. Authorize the City Manager, or designee, to execute all necessary documents including, but not limited to, quotes, agreements, and addendums with the ability to make 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 included 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 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 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.

On January 9, 2017, the Board approved the Second Amendment to the First Addendum of the SLA, extending the ELA for three additional years, until October 31, 2019. The annual cost is set at \$115,000, totaling \$345,000 over the extension period. The first and second-year costs, amounting to \$230,000, were paid directly by RPU while the cost for the third year was included in IT’s 2018/2019 budget. This expense is subsequently 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 SLA, extending the ELA for the GIS by two-years at an annual cost of \$115,000, totaling \$230,000. These funds were also included in the IT budget, with cost allocated back to RPU through the City’s annual cost allocation process.

On November 8, 2021, the Board approved the Second Addendum to the SLA, extending the ELA until October 31, 2024, at an annual cost of \$115,000, bringing the total to \$345,000.

At that time, and currently, RPU is the only department utilizing the ArcFM software. The total amount to-date associated with this agreement and the various extensions is \$1,292,630.

DISCUSSION:

Presented before the Board is Addendum 3 which extends the existing license for three additional years for a total cost of \$362,537. The contract extension will allow the City to retain the same annual pricing in FY 2024-25 (an amount that remained unchanged since 2011). The optional second- and third-year renewals will have a 5% increase annually. This addendum, if approved will increase the total cost of this contract with all addendums to \$1,655,167.

Table 1: Annual Pricing for ArcFM Software with 5% annual increases.

	Year 1 November 1, 2024 – October 31, 2025	Optional Year 2 November 1, 2025 – October 31, 2026	Optional Year 3 November 1, 2026 – October 31, 2027
Total Annual Cost	\$115,000	\$120,750	\$126,787

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.

Purchasing Resolution 24101, Section 602 (Exceptions) states, “Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances...(r) 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 are procured from a vendor/reseller that was originally selected based on the City’s procurement standards, provided that 1) the contractor has been used continuously since such selection and 2) if there are not any non-substantive changes to the Procurement and 3) when it is determined by the Manager to be in the best interests of the City to do so.”

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution 24101, Section 602.

The Chief Innovation Officer concurs with staff’s recommendations and confirms that this item is in accordance with the City’s technology standards, guidelines and policies.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the following strategic priorities and goals from the Envision Riverside 2025 Strategic Plan:

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 5, High Performing Government

- Goal 5.4. Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

Strategic Priority 6, Infrastructure, Mobility & Connectivity 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 6.3. Identify and pursue new and unique funding opportunities to develop, operate, maintain, and renew infrastructure and programs that meet the community’s needs.
- 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 land base 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 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 land base data.
5. **Sustainability & Resiliency** – The ArcFM software ensures that the utility infrastructure can operate in the most effective way possible without any disruptions in services.

FISCAL IMPACT:

The total fiscal impact is \$362,537. Sufficient funds for the current Fiscal Year are available in the Riverside Public Utilities Electric account 6003000-884101. Additional funds for subsequent years are included in the FY 25/26 budget and will be included in future Fiscal Year budget preparations.

Prepared by: George Khalil, Chief Innovation Officer
Approved by: David A. Garcia, Interim 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: Jack Liu, Interim City Attorney

Attachment(s):

1. Addendum 3 - Software License Agreement
2. Presentation