City of
FRESN☼

DEPARTMENT OF PUBLIC UTILITIES
MEMORANDUM

DATE: October 27, 2017

TO: WILMA QUAN-SCHECTER, City Manager
City Manager's Office

FROM: THOMAS C. ESQUEDA, Director
Department of Public Utilities

THROUGH: BRIAN S. SPINDOR, PE, Assistant Director
Department of Public Utilities

BY: JOHN TURNIPSEED, Project Manager
Department of Public Utilities, Water Division

SUBJECT: Approve a sole source purchase agreement with Infor for the purchase of additional Enterprise Asset Management (EAM) Software Seat Licensing within the Department of Public Utilities

The Department of Public Utilities (Department) seeks approval of the City Manager to dispense with the City's competitive bidding requirements for purchasing a sole source purchase agreement with Infor to increase Enterprise Asset Management (EAM) software seat licensing within the Department.

The Wastewater Management Division (WMD) had been using the Computerized Maintenance Management System (CMMS), Datastream MP2, for the operation and maintenance of assets since 1989. On January 5, 2006, Infor signed an agreement to acquire Datastream. Infor subsequently stopped supporting old versions of the system, and required clients to upgrade. In 2007 the WMD converted its existing MP2 licenses and purchased EAM "seats" for $33,906.00 and continues to maintain these licenses.

Qty	Description
10	Concurrent Seats
2	Concurrent Requestor Seats
1	Named Mobile Seat
1	Named Barcode Seat

The Department now seeks this competitive bidding exception to purchase additional product licenses to expand EAM's capabilities with additional Infor products. Due to the age and format of the existing agreement, a current order form, product license

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purchase, and support agreement must be prepared.

The additional licenses would allow the Water Division to utilize the following EAM modules, which are compatible with the City's existing software.

1. Asset Management – Record, maintain, structure, and standardize asset information. Capture the identity, configuration, and structure of physical assets, their complete technical and commercial configurations, and current position (either by location, functional position, or tag) as well as past locations and maintenance history

2. Work Management – Manage, plan, and monitor work and the resources necessary to complete work. Create standard, regular, and preventative maintenance (PM) work orders and schedules, and define work information such as supervisors, permits, qualifications, employees, shifts, tools, and checklists.

3. Materials Management – Determine the correct stocking levels to provide an acceptable service level of parts and supplies to meet anticipated demand from maintenance. Minimize the working capital invested in stocked parts and supplies and automate storage room management, purchase requisitioning, goods receipts and returns, parts repair, and record keeping.

4. Procurement Management – Manage the purchasing cycle from requisition creation, approvals, supplier selection, purchase order placement, and goods receipt through invoice matching. Ensure the selection of qualified suppliers and obtain best price and delivery terms.

5. Project Management – Automate the administration of the complete project process from initial budget and time-scale planning to completion of the final work. Facilitate comparison of actual status and progress of work, resource usage, and costs against a project plan.

Despite its best efforts, Staff has determined that Infor is the only vendor capable of supplying EAM as they are the software developer and do not have third party resellers for their software. Infor is the only seller of these licenses. With the approval of the sole source purchase agreement, the Department of Public Utilities will have the ability to make full use of the EAM software capabilities and allow for improved customer service, increased staff efficiency, and greater fiscal management.

The Department is able to utilize existing customer pricing with Infor rather than new customer pricing. This equates to an approximately 50% cost reduction and a savings of over $150,000 for the additional software licenses and ongoing annual maintenance as shown in Table 1.

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Table 1

#	Description	Additional Seats	New Customer Pricing		Existing Customer Pricing		Savings
			Per Seat Pricing	Total	Per Seat Pricing	Total	
1	Named Seat	25	$3,840.00	$96,000.00	$1,920.00	$48,000.00	$48,000.00
	Annual Maintenance		$768.00	$19,200.00	$422.40	$10,560.00	$8,640.00
2	Requestor Seat	2	$150.00	$300.00	$75.00	$150.00	$150.00
	Annual Maintenance		$30.00	$60.00	$16.50	$33.00	$27.00
3	Advanced Reporting Author	1	$1,049.00	$1,049.00	$187.50	$187.50	$861.50
	Annual Maintenance		$209.80	$209.80	$41.25	$41.25	$168.55
4	Advanced Reporting Consumer	25	$300.00	$7,500.00	$142.50	$3,562.50	$3,937.50
	Annual Maintenance		$60.00	$1,500.00	$31.35	$783.75	$716.25
5	Barcoding	1	$995.00	$995.00	$497.50	$497.50	$497.50
	Annual Maintenance		$199.00	$199.00	$109.45	$109.45	$89.55
6	Mobile	50	$2,995.00	$149,750.00	$1,497.50	$74,875.00	$74,875.00
	Annual Maintenance		$599.00	$29,950.00	$329.45	$16,472.50	$13,477.50
7	Language Manager	1	$0.00	$0.00	$0.00	$0.00	$0.00
	Annual Maintenance		$0.00	$0.00	$0.00	$0.00	$0.00
				$306,712.80		$155,272.45	$151,440.35

In July 2017, the WMD went through an EAM upgrade and is operating the most current
version of EAM. The Department seeks to leverage its current investment in EAM to
purchase additional licenses which will allow the Water and Wastewater Divisions to
utilize one CMMS to manage vertical assets and warehouse inventory. The alternative
is converting to a completely separate, new software system.

If you have any additional questions, or require any additional information and data,
please do not hesitate to contact me at ext. 8610.

✓ Approved _____ Denied

Wilma Quan-Schecter, City Manager