# City of Fresno

## Legislation Details (With Text)

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| **File #:** | ID17-1478 | **Version:** 1 | **Name:** | | |
| **Type:** | Action Item | | **Status:** | | Passed |
| **File created:** | 10/24/2017 | | **In control:** | | City Council |
| **On agenda:** | 11/9/2017 | | **Final action:** | | 11/9/2017 |

| | |
|---|---|
| **Title:** | Actions related to purchasing software from Infor, Inc.:<br>1.      RESOLUTION - Approving an Exception to Formal Bidding Procedures to Award a Sole Source Agreement to Infor, Inc.<br>2.      Award a purchase agreement in the amount of $155,272.45 to Infor, Inc., for Enterprise Asset Management software at the Regional Wastewater Reclamation Facility.  (Citywide) |
| **Sponsors:** | Department of Public Utilities |
| **Indexes:** | |
| **Code sections:** | |
| **Attachments:** | 1. EAM Reso.pdf, 2. 2017-10-27 MEMO - Sole Source EAM Final.pdf, 3. Infor - Order Form.pdf, 4. Infor - Software License Agreement.pdf, 5. Infor - Annual Software Support - 2017.pdf |

| Date | Ver. | Action By | Action | Result |
|---|---|---|---|---|
| 11/9/2017 | 1 | City Council | approved | Pass |

## REPORT TO THE CITY COUNCIL

**November 9, 2017**

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

**THROUGH:**  BRIAN S. SPINDOR, PE, Assistant Director
Department of Public Utilities, Water/Wastewater Divisions

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

## SUBJECT

Actions related to purchasing software from Infor, Inc.:
1. RESOLUTION - Approving an Exception to Formal Bidding Procedures to Award a Sole Source Agreement to Infor, Inc.
2. Award a purchase agreement in the amount of $155,272.45 to Infor, Inc., for Enterprise Asset Management software at the Regional Wastewater Reclamation Facility.  (Citywide)

## RECOMMENDATION

Staff recommends that Council affirm the City Manager's recommendation to dispense with the formal procurement procedures to award a sole source purchase agreement to Infor, Inc., and award a purchase agreement in the amount of $155,272.45 to Infor, Inc., for Enterprise Asset Management (EAM) software at the Regional Wastewater Reclamation Facility (RWRF).

## EXECUTIVE SUMMARY

The Department of Public Utilities (Department), Wastewater Management Division (WMD) is currently utilizing Infor's EAM to manage the operation and maintenance of vertical assets at the RWRF. The Department is seeking to add additional software seat licensing to increase the number of users who can utilize the software. The increase in seat licenses will be extended to the Department of Public Utilities, Water Division to manage the operations and maintenance of vertical assets in the electrical and production sections, Surface Water Treatment Facility, and for inventory control in the Water Division's warehouse.

## BACKGROUND

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.
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| Qty | Description |
|---|---|
| 10 | Concurrent Seats |
| 2 | Concurrent Requestor |
| 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 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 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.

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 | $96,000.0 | $1,920.00 | $48,000.00 | $48,000.00 |
| | *Annual Maintenance* | | $768.00 | $19,200.0 | $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. | $1,497.50 | $74,875.00 | $74,875.00 |
| | *Annual Maintenance* | | $599.00 | $29,950.0 | $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. | | $155,272.4 | $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.

## ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act Guidelines Section 15378 this item does not qualify as a "project" and is therefore exempt from the California Environmental Quality Act requirements.

## LOCAL PREFERENCE

Local preference was not considered because the software is being procured by a sole source process.

## FISCAL IMPACT

This project will have no impact to the General Fund. Funding has been appropriated in the FY 2018 Water Division budget under CIP WC87.

Attachments:
Resolution
Sole Source Memo
Order Form
Software License Agreement
Software Support Agreement