



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Authorize Amending the Existing Contract with The Arcanum Group for the Infor Enterprise Asset Management Licensing and Maintenance and Support for the Water Pollution Control Plant and Related Actions Regarding Purchasing Additional Licenses and Renewing Existing Licenses and Maintenance and Support Services (F20-115)

#### **REPORT IN BRIEF**

Approval is requested to amend the existing contract with The Arcanum Group of Denver, CO, increasing the contract amount from \$633,961.00 to \$667,206 for licensing and maintenance and support for the Enterprise Asset Management (EAM) System. Approval is also requested to delegate authority to the City Manager to renew the maintenance and support contract for five (5) additional one-year periods with an available Value Added Reseller (VAR) for this system, within budgeted funding.

#### **EXISTING POLICY**

Pursuant to Section 2.08.040 of the Sunnyvale Municipal Code, City Council approval is required for the procurement of goods and/or services exceeding \$100,000 in any one transaction.

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

#### **BACKGROUND AND DISCUSSION**

On March 28, 2017, City Council approved the implementation of the Infor Enterprise Asset Management (EAM) system in the amount of \$365,047 (including the first year of licenses) and three additional years of licensing, maintenance and support in the amount of \$268,914 for the Water Pollution Control Plant (WPCP) (RTC No. 16-1065) for a total four year agreement. The total cost of \$633,961 was funded by Project 831670 - Asset Management Program in the Wastewater Management Capital Subfund. The current EAM system by Infor has met and is expected to continue to meet the expectations for managing assets throughout the WPCP. The current contract for the purchase of the system and year one to three of support will be expiring on April 11, 2021. The system is currently a Software as a Service (SaaS), and with the City aligning these types of solutions for up to a 10-year model, it is important to extend the licensing, support and maintenance of this existing system to realize the best value for the City.

During the EAM implementation process, staff were presented with an opportunity to upgrade the individual user licenses to enterprise licenses and mobile access licenses. During implementation, a limited number of enterprise and mobile licenses were implemented to determine the feasibility of migrating to a subscription of enterprise and mobile licenses for all potential users of the EAM system at the WPCP. After evaluation of the usage of enterprise and mobile licenses, staff concluded that these licenses will provide considerable benefit and efficiencies to staff's current workflow and access to the system.

Therefore, staff is recommending upgrading all licenses to the enterprise and mobile access model and to amend the existing maintenance and support contract for up to an additional five one-year periods, up to available budget amounts. The additional one-time purchase of the enterprise and mobile licenses will be included in the Year 4 renewal cost. Additionally, staff is requesting the City Manager to have authority to increase the amount of licenses, up to available budget amounts.

Staff is also aware that additional Value Added Resellers (VAR) are available in the marketplace that provide maintenance and support the Infor EAM system licenses. With approval of the additional five years of maintenance and support for the EAM system, staff is requesting that the City Manager have delegated authority to negotiate the renewal of license subscriptions with Infor or its VARS for maintenance and support for all future years.

### **FISCAL IMPACT**

The additional licenses and on-going licenses renewal cost of \$33,245 is available in the General Services - Technology and Communication Services Subfund.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, Sunnyvale Public Library and Department of Public Safety; and by making the agenda and report available at the Office of the City Manager and on the City's website.

### **RECOMMENDATION**

Take the follow actions:

- Authorize the City Manager to execute the First Amendment to an existing contract with The Arcanum Group, in substantially the same format as Attachment 1 to the report, increasing the not-to-exceed contract amount by \$33,245 for a new not-to-exceed contract amount of \$667,206; and
- Authorize the City Manager to purchase additional licenses and renew existing licenses and maintenance and support for five (5) additional one-year periods with Infor or its VARS, within budgeted amounts.

Prepared by: Gregory S. Card, Purchasing Officer

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Kathleen Boutté Foster, Chief Information Officer

Reviewed by: Ramana Chinnakotla, Director of Environmental Services

Reviewed by: Jaqui Guzmán, Deputy City Manager

Approved by: Kent Steffens, City Manager

**ATTACHMENT**

1. Draft Amendment to Software Agreement