

# Agenda Report

**TO:** CITY COUNCIL

**DATE:** AUGUST 15, 2005

**FROM:** CITY MANAGER

**THROUGH:** MUNICIPAL SERVICES COMMITTEE

**SUBJECT:** AUTHORIZATION TO ENTER INTO A CONTRACT WITH MWH AMERICA INC., FOR IMPLEMENTATION OF A GEOGRAPHIC INFORMATION SYSTEM - PHASE II, IN AN AMOUNT NOT TO EXCEED \$5,799,733.

## **RECOMMENDATION**

It is recommended that the City Council:

- i) Authorize the City Manager to enter into a contract, without competitive bidding pursuant to City Charter Section 1002(F), contracts for professional or unique services with MWH America Inc., for implementation of Geographic Information System – Phase II, in an amount not to exceed \$5,799,733.
- ii) It is further recommended that the City Council grant the proposed contract an exemption from the Competitive Selection Process of the Competitive Bidding and Purchasing Ordinance, pursuant to Pasadena Municipal Code Section 4.08.049(B), contracts for which the City's best interests are served.
- iii) Authorize an additional appropriation of \$2,199,733 to the GIS project; \$1,429,826 from the unappropriated Power Fund balance to CIP project 3005, and \$769,906 from the unappropriated Water Fund balance to CIP project 1009.

## **BACKGROUND**

A Geographic Information System (GIS) is a computer-based system that is designed to work with data referenced by spatial or geographic coordinates. In other words, a GIS is both a database system with specific capabilities for spatially-referenced data, as well as a set of operations/applications for analysis of the data.

Over the past several years, the City has taken a phased approach to the implementation of a GIS. In 2002, the City completed phase I of the project with implementation of a digital land base system and browser application which effectively brought the GIS to all city staff. As an example, the Planning & Development Department currently uses the system in the lobby of the Permit Center to create maps of properties, generate labels for radius mapping for mailings, and make mock up map displays of proposed zoning changes.

Phase II of the GIS project, which builds on Phase I and utilizes the initial land base investment, calls for the conversion of the Water and Power Department's utility infrastructure data and drawings into the GIS as well as the development of several applications to support Water and Power operations.

In 2003 the firm of MWH America Inc., (MWH) was selected through a competitive selection process to assist the Water and Power Department in designing Phase II of the project. MWH is a firm with a local presence in Pasadena. In April 2004, MWH completed its multi-volume study. The study details the current technological environment in the Water and Power Department and provides a blueprint for designing and implementing phase II of the GIS project including the creation of ten key applications for the Department. These applications are considered operationally essential as the Department embarks on its aggressive capital improvement programs for the water and power systems.

Rather than undertake another competitive selection process in order to select a vendor to implement the design developed by MWH, staff believes that it would be in the City's best interests to contract directly with MWH to implement GIS phase II. There are several reasons supporting this recommendation. As discussed above MWH was originally chosen as part of a competitive selection process earlier in the development of the GIS, a process that involved an evaluation of the capabilities of the various vendors and a determination as to which had the best understanding of the needs of a utility.

Complex technology projects, such as GIS, are extremely difficult to contract for. Developing a clear and specific scope of services, testing procedures and acceptance criteria, even with the MWH study as a guide, would be a major challenge. Even then, there is no guarantee that once a firm is selected issues regarding what is expected in the scope of services won't arise. One reason why technology projects are often subject to cost escalation is that there is less than clear understanding of expected functionality and what it takes to provide it.

Contracting with MWH would reduce this risk as well as move the project forward in a timely manner so as to support capital improvements to the water and power systems. MWH spent virtually hundreds of hours analyzing the operations of the Water and Power Department and designing a GIS tailored to the Department's

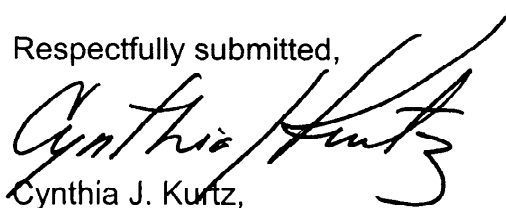
needs. Given this, the City is unlikely to identify another consultant with the same level of understanding. Moreover, while it is true that the City could make MWH's study available to other potential vendors, the study is far more complex than a simple set of specifications that could be filled by a qualified firm.

MWH has made a proposal to the City for the implementation of GIS phase II. The firm is proposing to implement all elements, including hardware, software and custom programming at a total cost of \$5,523,556. Staff is requesting a five percent contingency of \$276,177 should the Department request additional work not currently contemplated by the study. It is possible that by undertaking a competitive selection process, the City could possibly identify another vendor for the project at a lesser cost, however, given the risk factors associated with using a vendor less familiar with the needs of the Water and Power Department, staff recommends contracting directly with MWH.

### **FISCAL IMPACT**

There is currently available funding of about \$3,600,000 provided in the FY 2006 CIP budgets 3005 and 1009. The balance of the funding is available in the unappropriated Power Fund fund balance-401, and the unappropriated Water Fund fund balance-402.

Respectfully submitted,



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