

Agenda Report

March 20, 2017

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH MILSOFT UTILITY SOLUTIONS, INC. IN AN AMOUNT NOT TO EXCEED \$372,324 FOR SOFTWARE, TECHNICAL SUPPORT AND MAINTAINENCE OF THE OUTAGE MANAGEMENT SYSTEM FOR THE WATER AND POWER DEPARTMENT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project; and
2. Authorize the City Manager to enter into a purchase order contract without competitive bidding pursuant to the City Charter Section 1002(F), Contracts for Professional or Unique Services, with Milsoft Utility Solutions, Inc. to provide software, technical support and maintenance for the Outage Management System in an amount not to exceed \$372,324 for three years; and
3. Grant the proposed contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served.

BACKGROUND:

The Outage Management System ("OMS") is a vital component of the Water and Power Department's ("PWP") operations. This system was implemented in response to the November 2011 major windstorm that caused widespread outages throughout Pasadena, to improve system communication and monitoring of customer outages. It provides timely, consistent, and accurate power outage information to staff, residents, and businesses. The OMS is also able to provide detailed information about duration, location, and scope of planned or unplanned outages including progress

reports on restoration efforts for outages on the City's electrical distribution system. When outages occur, PWP relies heavily on the Business Logic Server (BLS); which is a web based application hosted by Milsoft and included in the Interactive Voice Response (IVR) support suite. The BLS allows staff to monitor real time IVR status for inbound and outbound calls. It can generate call reports, monitor call loads, create new or manage existing IVR inform messages, and perform customer notifications through outbound calling campaigns. The campaigns include general notifications, planned outage notifications and maintenance notifications.

On April 8, 2013, the City Council authorized the City Manager to enter into a four-year contract with Milsoft Utility Solutions, Inc. ("Milsoft") in an amount not to exceed \$578,113 to furnish and deliver software and services for the City's first OMS. The contract was a result of a Request for Proposals ("RFP") process that utilized a cross-functional team of PWP and City stakeholders to evaluate two proposals on the following criteria: compatibility with existing PWP applications, vendor qualifications and experience, responsiveness to RFP requirements, contract terms and conditions, cost of services, implementation schedule, local business and micro/small business.

The software and support services provided by Milsoft are listed below:

- Outage Management System Tools
- Engineering Analysis Software Suite
- IVR System, Support and Software Suite

Staff continues to effectively utilize the OMS and support services provided by Milsoft resulting in timely communication with all stakeholders, efficient restoration of power outages, and improved system reliability. Therefore, it is in the best interests of the City and PWP to maintain the existing system in place and extend the support services provided by Milsoft for three years, beyond the initial contract expiration date of April 8, 2017, without competitive bidding until the system encounters obsolescence and/or technical advances warrant significant investment in a new system.

Since the OMS was designed and implemented by Milsoft, the support services must be continued through Milsoft. Due to the proprietary and customized nature of this system, there was no further outreach done since there are no known local or other vendors that can provide the technical support and maintenance of the existing system.

Staff recommends that the City Council authorize the City Manager to enter into a purchase order ("PO") contract with Milsoft in a total amount not to exceed \$372,324 for three years. The total cost includes Milsoft support services (\$323,760) and a 15% contingency (\$48,564) to cover unforeseen costs related to emergencies on the electrical distribution system or future software feature enhancements. Entering into a multi-year agreement provides a cost savings of \$10,000 per year totaling \$30,000. Milsoft has consistently provided support and upgrades for the OMS system since its

implementation, for an amount totaling approximately \$540,646 since 2013. Milsoft has no other contracts with the City.

The proposed PO contract complies with Competitive Bidding and Purchasing Ordinance P.M.C. 4.08 and labor laws for projects or actions that are not construction and/or Public Works projects.

COUNCIL POLICY CONSIDERATION:

The proposed PO contract is consistent with the Public Facilities Element of the General Plan and supports the Council's goals to: upgrade security systems at all power distribution facilities that are consistent with currently accepted industry levels of security; and provide a high level of public service which adds to the quality of life in the City and increases its attractiveness through more efficient management of resources.

ENVIRONMENTAL ANALYSIS:

The issuance of a PO contract and the appropriation of funding for the OMS is an administrative action that would not cause either a direct physical change in the environment or any foreseeable indirect physical change in the environment. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

The maximum cost of this action is \$372,324. Funding for this action will be addressed by the utilization of existing budgeted appropriations in the Power Operating Fund (401) Other Contract Services account number 46405692-811400. The following table represents a summary of the spending for support services provided by Milsoft each year of the PO contract term.

Contract Year	Base Amount	15% Contingency	Total Amount
1 st Year (FY 2017 and FY 2018)	\$107,920	\$16,188	\$124,108
2 nd Year (FY 2018 and FY 2019)	\$107,920	\$16,188	\$124,108
3 rd Year (FY 2019 and FY 2020)	\$107,920	\$16,188	\$124,108
Total	\$323,760	\$48,564	\$372,324

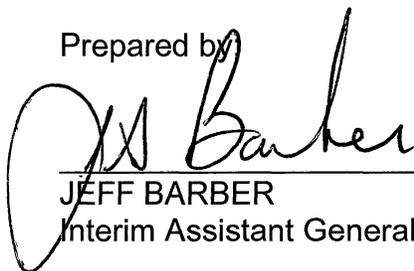
The approval of this action will have no impact to other operational programs or capital projects.

Respectfully submitted,



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