



CITY COUNCIL ACTION REPORT

March 30, 2010

TO: John Szerlag, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance and Administration
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SUBJECT: Bid Waiver – Hansen Information Technology Replacement

Background

- The City currently utilizes the Hansen Information Technology System implemented in 2002, for the following applications:
 - Water Billing
 - Business and Dog Licensing
 - Asset Management and work orders for maintenance of Water, Sewer, and Streets
 - Customer Service Requests
 - Infrastructure Inspections (Hydrant, Sewer CCTV)
 - Inventory Management
- This system has served to improve many processes at the DPW including a method to track work order and service request activity in a central repository. However, improvements in technology and increased demands require that both the hardware and software be upgraded.
- There are several options available to upgrade/replace this system. Those options are outlined in Attachment A and clearly indicate it is not in the city's best interest to seek formal bids, but rather split the functions between two systems:
 - BS&A for Water Billing, Business Licensing and Dog Licensing
 - Azteca's Cityworks system for all other functionality
- The advantages of these systems are as follows:
 - A solid vendor presence in Michigan
 - Production software that utilizes current technology with proven installations
 - Improved user interface
 - GIS integration
 - Web based software
 - Ability to incorporate software assisted workflow
 - Improved tools for integration and interoperability with other systems
- In an effort to reduce maintenance and environmental costs (electricity, cooling) plus provide additional business continuity/disaster recovery, Information Technology plans to consolidate the many physical servers currently housed in the server room into a virtualized environment. The server and server software that is being purchased for the implementation of the Hansen replacement systems will be leveraged to house and manage the consolidated servers.

Financial Considerations

- Funds are budgeted and available in the operating capital accounts of the Information Technology Fund and capital accounts of the Water Fund.
- Choosing alternate systems rather than upgrading Hansen results in a savings of approximately \$228,330 in implementation services.

Legal Considerations

- The contract award is contingent on the recommended vendors' submission of proper contract and supplemental documents, including insurance certificates, and all other specified requirements.

Policy Considerations

- Upgrading the Asset Management and Utility billing systems expands the electronic function and allows for more efficient use of time for DPW staff, and for anyone entering service requests. **(Goal II)**
- Enhance the flow of communication internally by providing easier and expanded access to information by integrating with GIS and improving the user interface. **(Goal IV)**

Recommendation

- City management is requesting authorization to purchase replacement software as outlined in Attachment C for an estimated total cost of \$171,670 with a yearly software maintenance fee of \$60,750 that may change annually based on the CPI.
- In addition, City management is requesting authorization to purchase necessary hardware from Hewlett Packard and other software from CDW-G for an estimated total cost of \$30,535 utilizing approved purchasing procedures.

ATTACHMENT A

Hansen Upgrade/Replacement Alternatives

1. Upgrade to Hansen V8

As part of our annual maintenance contract we are entitled to the latest version of their software. However, we would still be responsible to purchase consulting services for implementation and conversion. This is a major revision of their software and would be analogous to implementing a new system.

Cost:	Services	\$400,000
	Maintenance	62,000 per year

2. Leverage Current Vendors

It is always preferable to integrate as many functions into existing systems as possible, rather than introduce a new vendor and new system for several reasons:

- Users are already familiar with the interface, thus training becomes much easier
- Reduces the need for interfaces between systems
- Provides possible savings on maintenance

We currently utilize two vendors that offer Utility Billing Solutions: New World Systems and BS&A Software. New World Systems provides our Financial and HR/Payroll software. BS&A provides Permitting, Taxes, Assessing, Special Assessments, Delinquent Personal Property and Cemetery Maintenance. Both vendors provided demonstrations to our Water Department staff and unanimously BS&A was identified as the most robust and effective product. BS&A also offers Business and Animal Licensing.

Cost:	Software	\$54,320
	Services	61,350
	Maintenance	11,800

3. Review Systems in Use by Other Michigan Government Entities.

Another approach to finding replacement software is to take a look at what Oakland County and other cities in Michigan are using. Oakland County has purchased a product call Cityworks from Azteca Systems, Inc. that provides GIS-centric Asset Management. One of the challenges we have faced is how to interface more and more systems into the city's Geographic Information System (GIS). Our web based approach to GIS has been very successful in providing an easy interface to find and update information. Cityworks utilizes the ESRI technology that is the basis for this system and directly ties work orders and service requests to GIS. Azteca Systems, Inc is in fact an ESRI business partner and was their 2009 ESRI Worldwide Business Partner Conference Partner of the Year. In addition to Oakland County, there are a number of other Michigan customers. See Attachment B for a complete list.

Information Technology as well as DPW and Engineering staff has attended demonstrations of this web based product. The ease of use, flexibility and workflow are key features that will help improve processes and efficiencies in relation to Service Requests and Asset Management.

Oakland County purchased a County wide license so that they could offer Cityworks to all the CVTs at an affordable price. For the City of Troy that cost would be \$16,367 per year for 5 years and capped at CPI from that point forward plus \$150,000 for implementation/conversion fees. This option has been given a lot of consideration. However, there are several limitations to this approach:

- The current implementation of the County's asset management system currently only covers Service Requests and Work Orders against Water, Sewer & Storm Utilities.
- The County's current system doesn't include the ability to track maintenance against street infrastructure such as pavement, street lighting and street sign maintenance, as well as other maintenance activities that are carried out and currently tracked by the city such as tree, parks and irrigation system maintenance. The County could not confirm when or if these will be implemented. In order to eliminate Hansen all maintenance functions must be implemented in another system.
- Oakland County has committed to implementing several cities that currently do not have asset management systems as well as the Oakland County Drain Commission. Our concern is that the County

will not be able to adequately support the sophisticated and mature requirements of an agency the size of Troy without a great deal of loss in functionality and level of service.

- Other departments that have had to rely on Oakland County have warned about control and access issues. This would certainly limit IT's ability to provide the response and service for reports and implementation of new features or assets when requested.

As an alternative to utilizing Oakland County's contract, Azteca Systems was approached for pricing for the City to purchase a Cityworks license directly. As an Oakland County municipality they offered to waive all licensing costs, leaving only implementation service fees and annual maintenance. Services would be provided by Woolpert, Azteca's platinum business partner.

Cost:	Software	\$0	(A savings of \$222,940)
	Services	\$50,000	
	Maintenance	\$48,950 per year	

ATTACHMENT B

Cityworks Michigan Customers

City of Ann Arbor
City of Battle Creek
Canton Township
City of Dearborn
City of Fenton
Fenton Township
Genesee County Drain Commission
Genesee County Road Commission
Grand Blanc Township
City of Grand Rapids
City of Grosse Pointe Woods
Holland Board of Public Works
City of Kentwood
Livingston County Drain Commission
Meridian Township
City of Midland
Oakland County (All County Departments as well as being offered to all municipalities within Oakland County)
City of Romulus
City of Traverse City
Van Buren Township
Waterford Township
Wayne County
City of Westland

ATTACHMENT C

Project Costs

Application Software

Description	Software	Services	Annual Maintenance
BS&A Utility Billing, Business and Animal Licensing	\$54,320	\$61,350	\$11,800
Azteca Cityworks	\$0		48,950
Woolpert		56,000	
Total	\$54,320	\$117,350	\$60,750

Server Hardware and Software

	Vendor	Cost
HP Proliant Blade Server	Hewlett Packard (REMC)	5,240
Microsoft Windows 2008 Datacenter (2)	CDWG (NIPA Contract)	3,240
Windows 2008 CALs (336)	CDWG (NIPA Contract)	6,605
Microsoft SQL Server 2008	CDWG (NIPA Contract)	3,850
VM Ware vSphere	CDWG (NIPA Contract)	4,600
Technical Services and Training to implement VMWare	CDWG (NIPA Contract)	7,000
TOTAL		\$30,535