



**Purchasing Contract
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 53
AGENDA DATE: Thu 07/29/2004
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SUBJECT: Authorize negotiation and execution of Amendment No. 7 to the contract with HANSEN INFORMATION TECHNOLOGIES, INC., Sacramento, CA, for a 3-year software maintenance agreement in an amount not to exceed \$80,458 for the 1st year and \$86,058 each for the 2nd and 3rd year, and for approximately seven additional software licenses in an amount not to exceed \$22,500, for a total revised contract amount not to exceed \$1,024,306.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$80,458 for the initial annual maintenance agreement is available in the Fiscal Year 2003-2004 Approved Operating Budget of the Austin Water Utility. Funding for the remaining 2 years of maintenance and the additional software licenses is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Purchasing
DEPARTMENT: for Austin Water Utility;

DIRECTOR'S
AUTHORIZATION: Vickie Schubert

FOR MORE INFORMATION CONTACT: Maureen McKeon, Buyer Supervisor/974-2001

PRIOR COUNCIL ACTION: March 9, 2000-Council approved original contract with Hansen Information Technologies, Inc., for the upgrade of current version (6.0) to version 7.5 of Hansen CMMS (Computerized Maintenance Management System) in an amount not to exceed \$465,250.

June 14, 2001-Council approved Amendment No. 3 to the contract with Hansen Information Technologies, Inc., for the purchase of 10 additional licenses in an amount not to exceed \$30,175 and to add three 1-year extension options for maintenance of the Hansen Computerized Maintenance Management System in an amount not to exceed \$73,440 per extension for a total contract amount not to exceed \$740,745.

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: This contract was awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract amendment is for the purchase of three years of software maintenance service for the Computerized Maintenance Management System (CMMS) Version 7.6 beginning August 1, 2004, and for up to 7 additional software licenses.

The Austin Water Utility (AWU) uses Water, Sewer, Plant, Customer Service and Advanced Inventory modules of the CMMS in its operations. This Hansen application software is used by the Austin Water Utility Pipeline and Operations business unit to assist with the management of the daily maintenance tasks of the crews and their work assignments, the inventory and asset systems to support the crews, and their work orders. Additionally the software is integrated with the GIS application to provide GIS images and work order information to crews and treatment plant staff.



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By committing to a 3-year Maintenance Agreement rather than one year with two extension options, AWU will be able to save an anticipated \$10,122 over the 3-year term (based on an estimated 2% increase in the Consumer Price Index). AWU anticipates needing the 7 licenses (4 additional Water Module licenses and 3 additional Sewer Module licenses) in the second year due to growth. Maintenance costs will increase in the second and third years due to the purchase of additional licenses.

In September 1994, Council approved negotiation and execution of a contract with Hansen Information Technologies, Inc. for the purchase of a Work Management System (version 6.0) for a total contract amount not to exceed \$337,000. In March 2000 Council approved negotiation and execution of a new contract for \$465,250 for the upgrade to the 7.5 version of the system. In June 2001 Council authorized amendment number 3 to the contract to add 10 additional licenses and to purchase a year of maintenance with 2 extension options.

Hansen Information Technologies, Inc is the owner and copyright holder for the software. The company does not have distributors for its software.

CONTRACT COST BREAKDOWN

Contract for upgrade to 7.5 Version	\$465,250
Amendment No. 1 (Change Start Date)	No Cost
Amendment No. 2 (Additional Maintenance)	\$ 25,000
Amendment No. 3 (Additional Licenses)	\$ 30,175
(1st Year Maintenance)	\$ 73,440
Amendment No. 4 (2nd Year Maintenance extension- including 2% CPI increase)	\$ 74,909
Amendment No. 5 (3rd Year Maintenance extension- including 1.4% CPI increase)	\$ 75,958
Amendment No. 6 (Additional Licenses)	<u>\$ 4,500</u>
TOTAL	\$749,232

PROPOSED AMENDMENT 7

Current Contract amount	\$ 749,232
Purchase of 7 additional licenses	\$ 22,500
Purchase of 3-Year Maintenance agreement	<u>\$ 252,574</u>
REVISED TOTAL	\$1,024,306