



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Materials Management

CM: Todd Hileman

DATE: October 17, 2017

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas providing for, authorizing, and approving software maintenance and server patch management services for continued vendor support for Denton Municipal Electric Supervisory Control and Data Acquisition (SCADA) software modules. It is essential for the City of Denton to keep current subscription and maintenance with the software vendor in order to ensure availability of upgrades, software fixes, and access to knowledge and support resources. Open Systems International, Inc. is the sole-source vendor for continued upgrade, support and maintenance for the SCADA software suite. Therefore this system is available from only one source and in accordance with Chapter 252.022 of the Texas Local Government Code, procurement of commodities and services that are available from one source are exempt from competitive bidding; and if over \$50,000 shall be awarded by the governing body; and providing an effective date (File 4074 awarded to Open Systems International, Inc. in the three (3) year not-to-exceed amount of \$416,392.22). The Public Utilities Board recommends approval (4-0).

FILE INFORMATION

Denton Municipal Electric (DME) uses the SCADA software suite on a daily basis for monitoring and controlling substations with distribution and transmission equipment. This software provides real-time load readings to Garland Power and Light and the Electric Reliability Council of Texas (ERCOT). DME also uses the generation short-term load forecast and market operations module to efficiently participate in the ERCOT regional market. DME uses SCADA to meet State and Federal regulatory requirements for electric system operations and reliability.

It is essential for the City of Denton to keep current subscription and maintenance with the software vendor in order to ensure availability of upgrades, software fixes, and access to knowledge and support resources. The Technology Services department could not identify any local vendors that could provide software maintenance for this application. Therefore, procuring this maintenance from the above vendor is the best value for the City of Denton

Open Systems International, Inc. is the sole-source vendor for continued upgrade, support and maintenance for the SCADA Monarch Support software suite (Exhibit 3). Section 252.022 of the Local Government Code provides that procurement of commodities and services that are exempt from competitive bidding, if over \$50,000, shall be awarded by the governing body. The City has an established contract in place with OSI with negotiated terms and conditions that was approved on December 2, 2008. This would extend the maintenance and support for an additional three years.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On October 9, 2017, the Public Utilities Board recommended approval to forward this item to the City Council for consideration.

RECOMMENDATION

OSI Annual Maint/Support	Year 1	Year 2 (7%)	Year 3 (7%)
Monarch Support Gold	\$51,095.00	\$54,671.65	\$58,498.66
Patch Management	\$29,000.00	\$31,030.00	\$33,202.10
Monarch Support Adder	\$37,650.00	\$40,285.50	\$43,105.48
Total	\$117,745.00	\$125,987.15	\$134,806.24
10% Contingency	\$11,774.50	\$12,598.71	\$13,480.62
Grand Total (\$416,392.22)	\$129,519.50	\$138,585.86	\$148,286.86

Technology Services recommends awarding to Open Systems International, Inc. for SCADA software maintenance and server patch management services a three (3) year not-to-exceed amount of \$416,392.22.

PRINCIPAL PLACE OF BUSINESS

Open Systems International, Inc.
Medina, MN

ESTIMATED SCHEDULE OF PROJECT

This will be a three (3) year award from November 1, 2017 through October 31, 2020.

FISCAL INFORMATION

Funding is budgeted in Technology Services operating account number 830900.6504 for server patch management services and Denton Municipal Electric operating account numbers for SCADA software maintenance starting October 1, 2017.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Public Infrastructure
Related Goal: 2.3 Promote superior utility services and facilities

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Quote
Exhibit 3: Sole Source Letter

Exhibit 4: Public Utilities Board Minutes

Exhibit 5: Ordinance

Respectfully submitted:

Karen Smith, 349-8436

Purchasing Manager

For information concerning this acquisition, contact: Melissa Kraft, 349-7823, Chief Technology Officer