



Legislation Details (With Text)

File #: 21-1042 **Version:** 1 **Name:**
Type: Consent Calendar **Status:** Agenda Ready
File created: 7/22/2021 **In control:** Council and Authorities Concurrent Meeting
On agenda: 10/26/2021 **Final action:** 10/26/2021
Title: Action to Authorize the City Manager to Negotiate and Execute a Digital Services Agreement with Siemens Industry, Inc.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
10/26/2021	1	Council and Authorities Concurrent Meeting	Approved	

REPORT TO COUNCIL

SUBJECT

Action to Authorize the City Manager to Negotiate and Execute a Digital Services Agreement with Siemens Industry, Inc.

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

Since 2010, Silicon Valley Power (SVP) has used the Siemens EnergyIP (EIP) Meter Data Management (MDM) software to manage meter data. The MDM software converts raw meter data for use with the City's billing system and customer bills and is a critical software for over-the-air meter data collection and to create electric bills for the City's customers. This is a complex system requiring integration with the City's Customer Information System (CIS) for 60,000 service delivery points, 250 bill rate codes, and 200 billing routes throughout the City for all residential, commercial, and industrial customers. Previously, SVP has contracted with Omnetric for the same product. Omnetric is a Siemens Company. The name, but not the product, has changed as part of a company reorganization.

The MDM system is complex and required approximately seven years to install and develop to perform at a level fully adequate for production use for over the air billing by SVP and the Municipal Services Division of the Finance Department. Therefore, staff recommends an upgrade versus conducting a competitive Request for Proposal (RFP) process to potentially replace the system in its entirety.

DISCUSSION

SVP recommends executing an agreement with Siemens Industry, Inc. for an upgrade to the existing MDM system for improved serviceability, reduced times required for daily operational tasks, and to

remove older systems no longer supported by the Original Equipment Manufacturers (OEMs). In addition, staff recommends five years of annual subscription fees to provide systems support and keep the licenses current plus five additional one-year options to extend the agreement for a total of ten years.

This proposed agreement will be negotiated in collaboration with the City Attorney's Office and is anticipated to include a scope of services for integration, a service level agreement for ongoing support, data privacy terms, and system and product specifications.

ENVIRONMENTAL REVIEW

The actions being considered do not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378 (b)(2) in that the contracts involve continuing maintenance activities.

FISCAL IMPACT

The anticipated cost for the Digital Services Agreement with Siemens Industry, Inc. is anticipated not to exceed \$500,000 in Fiscal Year 2021 - 2022 for implementation services and subscription (license) services for the first year. Subscription services in future years are based on the number of meters. The per meter fee will increase three percent (3%) per year and based on the current number of meters is anticipated to range from \$135,000 in the first year to \$160,000 in the fifth year. Additional services such as additional data export and other reporting needs may be required and additional meters are likely to be added over the years due to anticipated growth (commercial, industrial, and residential). The total cost for a five-year period is anticipated not to exceed \$1.2 million.

Funds for implementation are budgeted in the Implementation of Advanced Metering Infrastructure (AMI) Capital Project (project #2111) in the Electric Utility Capital Fund. Funds for subscription services are budgeted in the Utility's Operating Budget for Contractual Services (software subscriptions). Funds required for this agreement in future years will be included in proposed budgets for those corresponding years.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>>.

RECOMMENDATION

Authorize the City Manager to:

1. Negotiate and execute a Digital Services Agreement with Siemens Industry, Inc. for an initial term of five years for professional services to upgrade the EnergyIP (EIP) Meter Data Management (MDM) software system plus subscription (license) and support fees not to exceed \$1,200,000, subject to the appropriation of funds;
2. Execute five additional one-year options to extend the initial term of the agreement for ongoing subscription (license) and support fees, subject to the appropriation of funds; and
3. Add or delete licenses and services consistent with the scope of the agreement and allow future

rate adjustments subject to request and justification by Siemens Industry, Inc., approval by the City, and the appropriation of funds.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager