



Agenda Report

18-1078

Agenda Date: 8/28/2018

REPORT TO COUNCIL

SUBJECT

Action on an Enterprise Program Agreement and Corporate Family Software License and Services Agreement with OSIsoft, LLC

BACKGROUND

The Electric Utility Department, Silicon Valley Power (SVP), maintains and supports historical data infrastructure for electric utility operations, generation, and power trading. The data is collected and maintained in numerous systems, such as the Advanced Metering Infrastructure (AMI) and Geospatial Information System (GIS). Utilizing OSIsoft's (OSI) Plant Information (PI) historian software allows for seamless and secure data collection and configuration from these systems, assisting with compliance to regulations and streamlining SVP processes and procedures. OSIsoft has been providing service support through an Enterprise and Software License Agreement to the City for the past 14 years. The previous Agreement expired on April 24, 2017. Staff has been actively negotiating with OSIsoft regarding the terms for over a year and completed negotiations in June 2018. To achieve continuity the new Enterprise Program Agreement will need to be effective retroactive to April 24, 2017 for a 5-year term.

DISCUSSION

SVP has considered alternative solutions, such as Microsoft SQL Server and Oracle. These alternative solutions require an additional third party vendor for integration and transitioning to one of those alternative solutions would require significant staff time. By sole sourcing this procurement, per City Code section 2.105.160(b)(5)(E), and continuing to license with OSIsoft, the original equipment manufacturer and sole provider of the PI historian software, SVP will achieve significant cost savings for continued product service/support. In addition, SVP has found OSIsoft's performance more than satisfactory with OSIsoft continuing to develop the PI historian software, which has greatly enhanced SVP's data collection, storage, analysis, and presentation capabilities. SVP uses the data collected through the PI historian for troubleshooting, real time operational assessments, and billing functions. To continue SVP's high performance level, SVP has proactively been in discussion with OSIsoft to renew these agreements. The Corporate Family Software License Agreement governs the right for SVP to use the PI historian software and the Enterprise Program Agreement outlines the terms on how SVP and OSIsoft will conduct business.

By renewing these agreements, it will allow for unlimited licensing of data points and software, support of existing and new data infrastructure, including all of SVP's historical data requirements and replace aging systems. The ongoing license support and services will also cover design, installation, and technical support for a minimum of five years. No new services are being included at this time; however if OSIsoft develops additional applications, SVP will have access to those applications at no cost.

ENVIRONMENTAL REVIEW

This action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

The cost of the Enterprise Program Agreement with OSIsoft for years one and two will not exceed \$195,228, with a total not-to-exceed amount of \$488,070 over a five year term. The previous five year agreements totaled \$474,200, making this a slight increase of only \$13,870. The cost of the Enterprise Program Agreement is inclusive of the Corporate Family Software License and Services Agreement. Sufficient funds are available in the Electric Department Operating Contractual Services account and future year appropriations will be included as a part of the budget approval process.

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>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve and authorize the City Manager to execute an Enterprise Program Agreement and Corporate Family Software License and Services Agreement with OSIsoft, LLC retroactive to April 24, 2017 for installation, configuration, modifications and maintenance to OSIsoft, PI historian software and related systems, in an amount not-to-exceed \$488,070 over a five (5) year term.

Reviewed by: John C. Roukema, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Enterprise Program Agreement
2. Corporate Family Software License and Services Agreement