



## STAFF REPORT

**DATE:** July 16, 2019

**TO:** Ronald L. Olson, City Manager

**FROM:** Willie Resto, Executive Director of Information Technology Services

**SUBJECT:** Enterprise License Agreement with Azteca Systems, LLC

### **BACKGROUND AND FINDINGS:**

The Cityworks software component is the foundation of the computerized asset management system. It is designed to streamline business processes for essential service functions including: managing work orders, performing scheduled inspections, receiving citizen service requests, retrieving asset maintenance histories, and creating standardized reports for expense summaries or budget preparation.

The City currently owns 65 Cityworks Asset Management System (AMS) licenses at an annual maintenance cost of \$45,540. The annual license and maintenance agreement was renewed in February 2019. Since then, an additional 20 licenses have been requested from various departments. If purchased individually, each license will cost \$1,000 which will bring the total of licenses purchased this fiscal year to \$65,540. An Enterprise License Agreement (ELA), which allows unlimited licenses, costs \$60,000.

Based on population level and current product usage, Azteca Systems, LLC has agreed to allow the City of Killeen to immediately enter into an ELA at no additional cost this fiscal year. The cost will be a tiered increase over the next two fiscal years. The amount required in FY 19/20 (ELA - year two) will be \$52,000 followed by \$60,000 for FY 20/21 (ELA - year three). Once the City has reached the \$60,000 mark, the annual maintenance amount will hold at that rate until a reevaluation based on City population occurs. The ELA cost breakdown by population is \$60,000 for a City population of 100,001 to 150,000 and \$75,000 thereafter.

### **THE ALTERNATIVES CONSIDERED:**

The following alternatives were considered:

- 1) Defer the Enterprise License Agreement to future fiscal years and not add more users in fiscal year 2019.
- 2) Defer the Enterprise License Agreement and purchase user licenses as needed at a rate of \$1000.00 per license annually and pay annual maintenance cost based on the number of licenses in use.
- 3) Enter into an Enterprise License Agreement with Azteca Systems LLC for unlimited user licensing of the Cityworks Asset Management System Software.

**Which alternative is recommended? Why?**

City staff recommends Alternative 3; the Enterprise Licensing Agreement will accommodate the number of licenses needed now and allow for future growth while having the least fiscal impact. This option is considered the best value for the City.

**CONFORMITY TO CITY POLICY:**

According to the City of Killeen’s Purchasing Manual Appendix G, a sole source procurement exception is authorized for an item or service that is only available from one vendor. Cityworks software, maintenance, and support are only available from the manufacturer Azteca Systems. Supporting documentation is included.

**FINANCIAL IMPACT:**

**What is the amount of the expenditure in the current fiscal year? For future years?**

Fiscal Year 18/19 \$45,540  
Fiscal Year 19/20 \$52,000  
Fiscal Year 20/21 \$60,000

**Is this a one-time or recurring expenditure?**

This is a recurring annual expense.

**Is this expenditure budgeted?**

Yes, in account# 627-2705-419.42-43.

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

Yes, the annual fee was paid in February 2019, no additional fees will be paid in FY2019.

**RECOMMENDATION:**

Staff recommends that City Council authorize the City Manager, or designee, to execute an Enterprise Licensing Agreement with Azteca Systems, LLC, and further that the City Manager, or designee be expressly authorized to execute any and all change order or supplemental agreements within amounts set by state and local law.

**DEPARTMENTAL CLEARANCES:**

Public Works  
Purchasing  
Finance  
Legal

**ATTACHED SUPPORTING DOCUMENTS:**

Quote  
Certificate of Interested Parties