

Mayor and Council Communication

DATE: 10/29/24

M&C FILE NUMBER: M&C 24-0940

LOG NAME: 60WATER NETWORK AND SCADA HARDWARE PROJECT

SUBJECT

(All) Authorize Non-Exclusive Purchase Agreements for the Water Department Infrastructure and Supervisory Control and Data Acquisition Protocols with Sequel Data Systems in a Combined Amount Up to \$1,700,000.00 and Four One-Year Renewal Options, with \$1,700,000.00 for the First Contract Year, and \$500,000.00 for Each Renewal Year

RECOMMENDATION:

It is recommended that the City Council authorize non-exclusive purchase agreements for the Water Department infrastructure and Supervisory Control and Data Acquisition protocols with Sequel Data Systems, using multiple State of Texas Department of Information Resources, and The Interlocal Purchasing System cooperative contracts for the combined amount up to \$1,700,000.00 and four one-year renewal options, with \$1,700,000.00 for the first contract year, and \$500,000.00 for each renewal year for the technology equipment, software, security, maintenance, training, and professional services, in support of the entire Water Department network and Supervisory Control and Data Acquisition for the Water Department.

DISCUSSION:

The Water Department currently uses Department of Information Resources (DIR) and The Interlocal Purchasing System (TIPS) cooperative contracts to purchase technology equipment, including Hewlett-Packard manufacturer branded products, computer peripherals, software, maintenance and professional services for the Water Department. This Agreement will allow Water to receive the best value for hardware, software upgrades, training, professional services and enhancements for the Water’s network, security, maintenance, and support, and allow for the addition of the Supervisory Control and Data Acquisition (SCADA) environment in Fiscal Year (FY) 25.

The SCADA environment will be completely overhauled and standardized on a single software platform beginning in FY25. This Water capital project will require hardware and network security infrastructure that is compatible and consistent with the rest of the Utility’s Information Technology (IT) environment, previously deployed by Sequel Data Systems. Water seeks to quickly obtain this equipment that is compatible with our current infrastructure that will protect both the Water network and servers as well as the SCADA systems while the Department transitions to the new configuration. We currently have a cooperative agreement with Sequel Data Systems in order to provide the best security, protection, maintenance and support for the Water Department network. Sequel Data Systems services are essential to protect the public water supply. This will allow Water to leverage the specific expertise of the current Vendor, Sequel Data Systems, that manages the current Utility business network and server configuration, to swiftly secure, maintain, and support the SCADA systems as well.

Cooperative Contracts	Expiration Dates
DIR-TSO-4160	10.2.24
TIPS-210101 Sequel Data	5.31.26
DIR-CPO-4881	1.16.29
DIR-TSO-4331	3.12.25
DIR-CPO-4444	1.23.25

Of the \$1,700,000.00, \$1,200,000.00 is for the initial hardware purchases to support the SCADA capital project in the first year, and \$500,000.00 annually will come from the Water IT Operating Fund. Therefore, the first year’s total expenditure will equal \$1,700,000.00, and each renewal year will equal \$500,000.00. The hardware purchases are being funded from (City Project No. 103086). Funds are being appropriated with Mayor & Council Communication 60WATER SCADA REPL REMONT on 10/15/2024. Funding is budgeted in the W&S Rev Bonds Series 2024, W&S Capital Projects and Water & Sewer Fund for the Water Department for the purpose of funding the SCADA REPLACEMENT project. The approval of this action provides purchasing authority up to 1.7 million dollars as specified.

Funding for the SCADA Replacement project are as depicted below.

Capital Fund Name	Project Name	FY2025 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2025 Budget
56019-W&S Rev Bonds Series 2021	103086 – SCADA REPLACEMENT PROJECT	\$1,875,097.00		\$0.00	\$1,875,097.00
56022-W&S Rev Bonds Series 2024	103086 – SCADA REPLACEMENT PROJECT	\$32,000,000.00	60WATER SCADA REPL REMONT	\$850,500.00	\$32,850,500.00
56002-W&S Capital Projects	103086 – SCADA REPLACEMENT PROJECT	\$791,992.00	60WATER SCADA REPL REMONT	\$8,595,336.00	\$9,387,328.00
TOTAL		\$34,667,089.00		\$9,445,836.00	\$44,112,925.00

COOPERATIVE PURCHASE - State law provides that a local government purchasing an item under a Cooperative Purchasing Agreement satisfies any state law requiring that the local government seek competitive bids for the purchase of the item. The State of Texas Department of Information Resources Cooperative and The Interlocal Purchasing System contracts have been competitively bid to increase and simplify the purchasing power of government entities.

SUCCESSOR CONTRACTS – In the event that the cooperative agreement is not renewed, staff would cease making purchases at the end of the last purchase agreement coinciding with the valid cooperative agreement. If the City Council were to not appropriate funds for a future year, staff would cease making purchases when the last appropriation expires, regardless of whether the then-current purchase agreement has expired. If the cooperative contract is extended, this Mayor & Council Communication (M&C) authorizes the City to purchase similar software and services under the extended contracts. If the cooperative contract is not extended, but a new cooperative contract is executed with Vendor with substantially similar terms as the previous cooperative contract, this M&C authorizes the City to purchase the services under the new cooperative contract.

PRICE ANALYSIS – DIR and TIPS pricing has been reviewed and compared with alternative Cooperative Contract sources and Staff determined that these DIR and TIPS contracts provide the best value. No guarantee has been made that a specific amount of hardware and/or software will be purchased.

ADMINISTRATIVE CHANGE ORDER - An administrative change order or increase may be made by the City Manager in the amount up to the maximum allowed under state law and the City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

M/WBE OFFICE - A business equity goal is not assigned when purchasing from an approved purchasing cooperative or public entity.

AGREEMENT TERM - Upon City Council's approval this Agreement shall begin on October 3, 2024 and expire on October 2, 2025.

RENEWAL OPTIONS - This Agreement may be renewed for up to four additional one-year terms at the City's option, in accordance with the DIR and/or TIPS Contracts. This action does not require City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal terms.

This project is located in ALL COUNCIL DISTRICTS.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current capital and operating budget, as previously appropriated, in the W&S Rev Bonds Series 2024 and W&S Capital Projects Funds for the SCADA REPLACEMENT PROJECT project and in the Water & Sewer Fund to support the approval of the above recommendation and award of the agreements. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

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