



AGENDA MEMORANDUM

Action Item for the City Council Meeting of December 7, 2021

DATE: December 7, 2021

TO: Peter Zanoni, City Manager

FROM: Bill Mahaffey, Director of Gas Operations
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KorTerra Inc. Service Agreement for Gas Operations

CAPTION:

Resolution authorizing a 36-month service agreement, with an additional 36-month renewal option, with KorTerra Inc. of Chanhassen, Minnesota for an estimated amount of \$89,394.00, with a total estimated amount not to exceed \$178,788.00 if the option period is exercised, for the purchase of software access to the KorWeb 811 line locate work order management and database services for Gas Operations, effective upon issuance of notice to proceed, with FY 2022 funding in the amount not to exceed \$22,348.50 available in the Gas Fund.

SUMMARY:

This resolution authorizes a three-year agreement with KorTerra, Inc, in the amount of \$89,394 for access to the web-based KorWeb work order management software. This purchase provides software for regulatory compliance in receiving and managing excavation work order notifications.

BACKGROUND AND FINDINGS:

KorTerra provides damage prevention software to help mitigate risk and ensure safety. The system allows for the processing of 811 line locate work orders, tracking and reporting asset damages meeting regulatory compliance.

The Gas Department has been using the KorWeb work order management system since 2010. The web-based software is used to receive and manage an annual average of

33,000 excavation notices. The line locating service is carried out by the Gas Department and done in support of the gas, water, wastewater, and stormwater infrastructure. Therefore, the cost of the software is borne by the Gas Department but the Utilities Department and Stormwater Division compensate the Gas Department when KorWeb software is used in support of their respective projects.

PROCUREMENT DETAIL:

This is a sole source procurement. KorTerra is the sole owner and creator of the KorWeb 811 work order management systems and database services and holds exclusive rights to the software. There are no other distributors or resellers of KorWeb. Additionally, the purchase is exempt from bidding requirements as it is necessary to preserve or protect the public health or safety of the City's residents.

ALTERNATIVES:

An alternative is to receive notifications directly from the one-call notification center and track all excavation notifications manually which would be inefficient and require additional staff resources.

FISCAL IMPACT:

The fiscal impact for Gas Operations is an amount of \$22,348.50 for FY 2022, with the remaining cost to be budgeted in future years through the annual budget process.

FUNDING DETAIL:

Fund:	4130 Gas Fund
Organization/Activity:	34000 Gas Administration
Mission Element:	022 Gas Distribution System
Project # (CIP Only):	N/A
Account:	530000 Professional Services

RECOMMENDATION:

Staff recommends approval of this resolution authorizing a three-year service agreement with KorTerra as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet
Service Agreement
Resolution