

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 23, 2011

Board Item: 2-A-5

**Contract with IBM for MAXIMO software licensing and support**

Action by Consent

Action

Information

Denver Water began utilizing IBM's MAXIMO software in 1996 and has, particularly during the past five years, significantly expanded its use of the software. This is a trend we fully anticipate will continue and, based on an analysis of our defined business needs in the areas of work and asset management, project that by 2013 Denver Water will have 825 users of MAXIMO. Over the past several years we have been communicating with IBM about various licensing options to provide for Denver Water's growing use of this software. These discussions were particularly intensive during the last six months in concurrence with a software compliance audit, and have resulted in what we consider favorable terms for securing the 825 license entitlements and accompanying technical support. The five-year term of the contract also allows us to lock in pricing, and gain immediate access to the needed licensing entitlements, while spreading the payment over the full term of the contract as follows:

2011: \$628,890  
2012: \$568,776  
2013: \$804,761  
2014: \$485,388  
2015: \$519,364

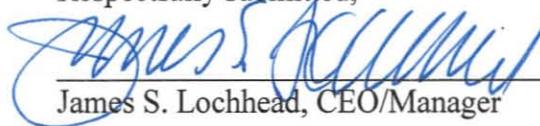
Adequate funds are in the budget for this year's obligation and no variance will be required.

Recommendation:

It is recommended that the Board approve this contract with IBM for MAXIMO software licensing and support at a total amount not to exceed \$3,007,179.

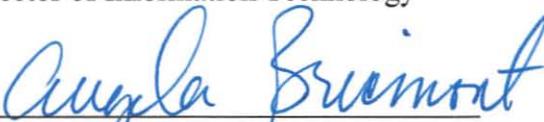
**Approvals:**

Respectfully submitted,

  
James S. Lochhead, CEO/Manager



Chris Dermody,  
Director of Information Technology



Angela Brichmont,  
Director of Finance



Patricia Wells,  
General Counsel