SUBJECT: Purchase of Projectmates software from Systemates, Inc. for an initial cost of $182,260 and year two cost of $94,750 for Project Management Software

AGENDA OF: March 4, 2025

ASSEMBLY ACTION:
Adopted without objection 03/18/25 -EMW

AGENDA ACTION REQUESTED: Present to the Assembly for consideration.

Route To:	Signature
Purchasing Director	X R u s t i n K r a f f t 2/19/2025 Signed by: Russ Krafft
Public Works Director	Recoverable Signature X T o m A d a m s , P E Signed by: Tom Adams
Finance Director	Recoverable Signature X C h e y e n n e H e i n d e l Signed by: Cheyenne Heindel
Borough Attorney	X N i c h o l a s S p i r o p o u l o s 3/10/2025 Signed by: Nicholas Spiropoulos
Borough Manager	Recoverable Signature X C h e y e n n e H e i n d e l Signed by: Cheyenne Heindel
Borough Clerk	Recoverable Signature X L o n n i e M c K e c h n i e Signed by: Lonnie McKechnie

ATTACHMENT(S): Pricing Quote
　　　　　　　　　　Fiscal Note
　　　　　　　　　　Waiver of Formal Bidding (2pg)

SUMMARY STATEMENT: Following the passing of the bond packages in November 2024, the Project Management Division of Public Works identified a need to consolidate project tracking, document sharing and payment processing into a single platform to increase productivity, accuracy and efficiency within the division.

Currently the projects are tracked using spreadsheets and several project management software platforms. These platforms vary based on the designer and contractor and require staff to have knowledge of several different platforms and perform a high level of manual data transfers. This proposed software will consolidate all the processes into one single platform and integrate directly with the

Borough's legacy systems such as Logos.net. As projects are released, designers and contractors will be issued a user license for tracking and transfer of information such as submittals, requests for information, deviation requests and pay requests/invoices.

Upon review of several platforms, Projectmates was determined to be to most comprehensive and integrated directly with the legacy systems.

It is the desire of the Project Management Division to use the new system on the recently approved bond projects as well as budgeted capital projects moving forward with the possibility to transition existing projects to the new platform as well.

To facilitate this rapid deployment, a manager's waiver to formal bidding was requested and approved (attached). In accordance with MSB 3.08.320, this action memorandum satisfies the requirements set forth in MSB 3.08.350.

Initial annual cost of this software is $182,260 which includes licensing, training, and set up. Year two cost of $94,750. Future years will be negotiated with an expected 3%-5% annual increase in licensing.

RECOMMENDATION OF ADMINISTRATION: Approve the purchase as outlined in this legislation.

MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE

Agenda Date: _3/4/2025_

SUBJECT: Purchase of Projectmates software from Systemates, Inc. for an initial cost of $182,260 and year two cost of $94,750 for Project Management Software

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT YES NO
AMOUNT REQUESTED $182,260 *	FUNDING SOURCE Misc. Capital Projects/FY26 and FY27 IT Operating budget *
FROM ACCOUNT # 480.000.000 4xx.xxx/100.150.xxx. 4xx.xxx*	PROJECT# 47528
TO ACCOUNT:	PROJECT # 47528
VERIFIED BY: Recoverable Signature X Liesel Weiland Signed by: Liesel Weiland	

EXPENDITURES/REVENUES: **(Thousands of Dollars)**

OPERATING	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Personnel Services						
Travel						
Contractual		93.0*	94.7*			
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL	89.3					

REVENUE						

FUNDING: **(Thousands of Dollars)**

General Fund		93.0*	94.7*			
State/Federal Funds						
Other	89.3					
TOTAL	89.3	93.0*	94.7*			

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) *$89,260 due at signing, then $93,000 due 7/1/2025 from IT budget which is subject to appropriation and approval. $94,750 due 7/1/2026 from IT budget which is subject to appropriation and approval.

APPROVED BY:	Recoverable Signature X Cheyenne Heindel Signed by: Cheyenne Heindel

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Projectmates

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Schedule B

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Fee Schedule

1. Initial Setup		One-time	Annual
- Set up dedicated private environment in Microsoft Azure cloud		$7,400	
- Custom web address (https://MatSuGov.Projectmates.com)			
- Customized portal page to reflect your corporate branding			
- Provisioned for 300 projects and 500 GB storage			
	Sub-Total	**$7,400**	

2. Annual Licensing Fee	Quantity	One-time	Annual
- Total Named User Seats	**90**		$78,000
- Users with Reporting Access (requires named user acct)	**10**		
- Users with Site Admin Access (requires named user acct)	**2**		
- Upgrades, Updates and 24/7 server monitoring			
	Sub-Total		**$78,000**

3. Implementation*	Quantity	One-time	Annual
Implementation Technical Services			
- Number of Technical Services Hours up to:	**160**	$29,600	
Discovery/ Fact Finding Meeting			
- Meetings with client team and departmental SMEs			
- Collect sample documents, budgets, schedules, etc.			
- Discuss workflows, approval paths, routing, etc.			
Configuration			
- Configuration of Projectmates software, project templates			
- Validation Workshop			
- Role Play with client team, day in the life of a project			
- Walk through project from planning to close out in software			
All services performed online. Additional time and expenses will be billed for on-site meetings.	**Sub-Total**	**$29,600**	

4. Training*	Quantity	One-time	Annual
- Admin & Power User training: 3-hour web-based trainings	4	$4,900	
- User Training: 3-hour web trainings (up to 10 users)	3	$3,330	
- Escalated Support following implementation	2 Months	$3,480	
All services performed online. Additional time and expenses will be billed for on-site meetings.	**Sub-Total**	**$11,710**	

5. Add-On Menu (Not Included)		One-time	Annual
- Additional User licenses up to 100 users (10 user block) price per user		$100	$750
- Additional User licenses over 100 users (10 user block) price per user		$100	$600
- Additional Report Users (project user license purchased separately) per user		$100	$375
- Additional 3-hour web-based training session (up to 10 attendees)		$1,110	
- Additional pack of 10 hours of non-programming consulting (pre-paid)		$1,850	
- Additional pack of 100 GB storage			$600

Projectmates

6. Additional Features	Rate		Quantity	Amount	
	One-time	Annual		One-time	Annual
- 2D/3D/BIM/PDF Viewer & Markup module	$0	Included	1		Included
- Asset Planning	$3,300	$3,000	1	$3,300	$3,000
- Single Sign-On (SSO)	$3,700	$6,000	0	N/A	N/A
- Capital Planning	$6,600	$6,000	1	$6,600	$6,000
- Flat-file Integrations - Budget, Invoice, CO (Separate SFTP or Amazon S3 Account required to be hosted by client)	$7,400	$6,000	1	$7,400	$6,000
- Power BI Integration (Separate Power BI Account is Reqd.)	$5,850	$5,400	0	N/A	N/A
- Access to API	$14,800	$10,000	0	N/A	N/A
- DocuSign Integration (Separate DocuSign Account is Reqd.)	$1,200	$1,000	0	N/A	N/A
- GIS/ArcGIS ESRI Integration**	$3,300	$3,000	0	N/A	N/A
**Cost for Discovery / setup may vary based on requirements.			**Sub-Total**	**$17,300**	**$15,000**

Note: Technical Services are billed at $225 per hour. Billable hours for custom integrations and custom reports vary by Customer requirements. Actual Technical service hours will be determined after a SOW or work order is complete. A typical custom integration takes between 80-100 hours to complete.

7. Maintenance & Support   **Included**

Annual Software maintenance for free product updates, and upgrades, as well as live technical support for Site Admins (tier-2) via email, support portal or phone during support hours (Monday to Friday 8:30 am to 5:30 pm CST).

Totals		One-time	Annual
1. Initial Setup		$7,400	
2. Annual Licensing Fee			$78,000
3. Implementation		$29,600	
4. Training		$11,710	
6. Additional Features		$17,300	$15,000
Pro-rated Licensing Fees until June 30, 2025			$31,000
One-time Discount if signed by 3/14/25		-$7,400	-$7,750
Note: TX, NJ and WA Companies must pay sales tax, to be added to the invoice.	**Sub-Total**	**$66,010**	**$116,250**

Payment Plan

1st Year - date of contract execution to June 30, 2026		
- One-Time Fees for Setup and Implementation and Pro-rate w/ Discount - due at time of signing		$89,260
- Annual Licensing Fees, including Additional Features - due July 1, 2025		$93,000
	Total	**$182,260**

2nd Year - Annual Recurring beginning July 1, 2026		
- Annual Base Licensing Fee based on number of licenses purchased above		$78,000
- Annual Additional Features Fee based on features purchased above		$15,000
- Annual Review & Training (One 3-hour web-based training - up to 10 users)		$1,750
	Total	**$94,750**

Note: Initial Term: 2 years. After the initial term, no more than annually, Systemates may increase the fees by no more than seven percent (7%) of the then-current fee, unless otherwise agreed by the Parties. Agreement will automatically renew unless cancelled in accordance with the Agreement by either Party. Client will receive an invoice for the annual renewal with payment terms and actual amount due.

Commented [CB2]: Too high. 3-5% is more acceptable.

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MATANUSKA-SUSITNA BOROUGH
Purchasing Division
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purchasing@matsugov.us
www.matsugov.us

MEMORANDUM

Date: 2/19/2025

To: Michael Brown, Borough Manager
From: Russ Krafft, Purchasing Director
Subject: Request for Waiver of Formal Bidding – Project Management Software

This memo serves as a formal request for a waiver of the formal bidding procedures for the purchase of an integrated Project Management Software (Projectmates) This request is submitted in accordance with MSB Code 3.08.320(A), which authorizes the waiver of formal bidding procedures when compliance is impractical or when it is in the best interest of the Borough.

Background

The Project Management Division (PMD) provides a centralized and consistent approach to delivering capital improvement projects. PMD works closely with Borough departments and other partners to address the evolving needs of the community. In 2024, PMD managed over 160 projects valued at more than $300M, encompassing both completed and ongoing projects.

In November, Borough Voters approved two bond packages: one for education and another for transportation, leading to over $100M in bond sales for project funding in early 2025.

PMD currently relies on multiple spreadsheets and software tools per project to track and manage various aspects of project delivery.

The currently utilized tools for project management are inefficient, leading to:

- o Redundant data entry increasing the probability of errors and inconsistencies.
- o Difficulty tracking projects in real-time, affecting oversight of budgets and schedules.
- o Challenges in generating comprehensive, data-driven reports.

Rationale for Waiver

Several software solutions were investigated by Project Management. Projectmates offered the most complete solution that would integrate and consolidate all the workflow requirements and directly integrate with existing MSB software such as Logos.net (Financial reporting) By adopting Projectmates at the onset of new projects, the Borough can leverage its capabilities to improve efficiency in managing projects from the conception to closeout.

This action will enable quicker implementation and faster realization of benefits, especially with many large projects soon to begin from the bond packages and other funding sources. Implementing Projectmates will streamline project tracking, management, workflows, and reporting into a centralized system, addressing current inefficiencies and enhancing oversight, accountability, and efficiency. With the urgency of upcoming bond projects, quick adoption of this software will lend to more effective management and successful execution of these time-sensitive projects.

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Cost Breakdown:

Year 1 to include all set up and training	$182,260
Year 2 to include	$ 94,750

Reporting Obligations

In compliance with MSB Code 3.08.320(B), this waiver and its justification will be reported to the Borough Assembly, as per the requirements outlined in MSB 3.08.350.

The Purchasing Division requests a waiver of the formal bidding procedures for the design of the acquisition of project management software, Projectmates, as it is in the best interest of the Borough based on the information provided in this memo.

_____ APPROVE

_____ DISAPPROVE

_____   _____
Michael Brown, Borough Manager   Date