



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: SEPTEMBER 6, 2022**
FROM: INNOVATION AND TECHNOLOGY **WARDS: ALL**
DEPARTMENT
SUBJECT: COMMVAULT ENTERPRISE SUBSCRIPTION LICENSES

ISSUE:

Purchase of Commvault subscription licenses in exchange for currently city-owned perpetual licenses for citywide backup management systems from Carahsoft Technology Corp in the amount of \$115,179.60 for one-year.

RECOMMENDATIONS:

That the City Council:

1. Approve the purchase of Commvault subscription licenses under the NASPO ValuePoint Master Agreement No. AR2472 for citywide backup management systems in the amount of \$115,179.60 for a one-year term in exchange for city-owned perpetual licenses; and
2. Authorize the City Manager, or designee, to execute any additional documentation to effectuate and enforce this agreement, including making minor and non-substantive changes.

BACKGROUND:

In September 2007, the Innovation and Technology Department purchased perpetual Commvault licenses from Dell Computer Corporation for a Commvault enterprise backup management system. Commvault allows the City to backup data from virtual and physical servers, applications, storage systems, cloud-based infrastructures, and mobile devices in a secure and unified manner.

Initial Purchase

Commvault licenses were purchased for backup of software and specific device agents (e.g. servers, storage hardware, etc.). The pricing model was based on a combination of the type of agents, the number of agents, and the data capacity needed. The total cost of the original implementation, including licenses, professional services, training, and maintenance was \$165,206. The annual cost for support and maintenance was approximately \$45,000.

Conversion to Capacity-Based Licenses

By 2015, the City's stored data had increased by 700% from approximately 15 TB to 105 TB. The City had also increased and upgraded the number and type of storage related devices (e.g. NetApp Storage Area Network, servers, etc.). To address the increases and complexity of the City's stored data, on March 24, 2015, the City Council approved a new Capacity License Conversion Agreement (CLA) with Commvault Systems, Inc. The new agreement allowed the City to move to a strictly capacity-based perpetual licensing model with no limitation on the type and number of storage devices. The City Council approval included a one-time cost of \$226,859 and estimated that total costs over a five-year period would be \$570,000. This included the license conversion, professional services and training, upgraded reporting capabilities, and annual maintenance costs (prorated cost of \$27,606 for the first year and an estimate of \$85,000 for subsequent years).

Annual Maintenance for Licenses

The annual maintenance package for Commvault licenses includes 24x7 access to the Commvault Technical Assistance Center; 24x7 access to Commvault's Maintenance Advantage self-help website; notification of critical software updates, product enhancements, and new releases when available; e-support such as incident management; access to Commvault's knowledge database, Commvault books online, and the Commvault Forums; and access to support history reports. Annual maintenance can be purchased directly from Commvault or through Commvault partners for discounted pricing.

On July 25, 2017, City Council awarded Bid No. 7504 to Zones, Inc., for renewal of maintenance for Commvault enterprise data backup system in the amount of \$90,011.44. The annual maintenance has continued to be maintained through Zones, Inc.

DISCUSSION:

Subscription licensing, versus perpetual-owned licensing, has become the industry standard over time. This subscription model allows for more flexibility in license count, based on actual need, year-over-year. This specific exchange will save the City approximately \$7,800 in year-one with continued savings in future years. The current cost of software maintenance/support for the existing perpetual licenses this year would have been \$123,035.12 due to organic growth in data incurred since 2017. The City's on-premises data has grown approximately 200% since 2017.

Organic growth of technology in the City is expected to continue. The subscription also converts a significant portion of the licensing to a new per virtual server licensing option. The City's virtual server count is growing slower than the organic growth in data; therefore this option is more cost effective. Finally, this license has factored in room for growth, as the Innovation and Technology department has plans to convert several technology services to virtual servers in FY 2022-2023.

Through research and due diligence, it was discovered that the City could expedite the purchase by procuring the licenses from Carahsoft Technology Corp., a reseller of Commvault licenses, through the NASPO ValuePoint Master Agreement No. AR2472. The NASPO multi-state cooperative purchasing program provides pre-negotiated discounts to participating agencies. This cooperative purchasing program has been competitively bid nationally and meets the City's procurement requirements under Purchasing Resolution 23812, Section 602(f), which states: "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances: ...(f) When Cooperative Purchasing

is available and undertaken or when Goods can be obtained through Federal, State and/ or other public entity pricing contracts or price agreements."

The Purchasing Manager concurs that the recommendation to approve is in compliance with Purchasing Resolution No. 23812, Section 602(f).

STRATEGIC PLAN ALIGNMENT:

The item contributes to Strategic Priority No. 6 *Infrastructure, Mobility & Connectivity* and Goal No. 6.2. - Maintain, protect, and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

The item aligns with each of the five cross-cutting threads as follows:

1. **Community Trust** – All Commvault enterprise backup management system purchases have been made with the involvement of necessary City Boards in the city's best interest to ensure the most cost-effective way to back-up City data.
2. **Equity** – This project benefits all city departments.
3. **Fiscal Responsibility** – This purchase will provide the City immediate and long-term savings. In addition, the purchase is being made utilizing the NASPO cooperative purchasing program which provides pre-negotiated discounts to participating agencies. This cooperative purchasing program has been competitively bid nationally.
4. **Innovation** – This purchase prepares for the future by allowing flexibility to up or down scale as needs change while not forcing the city to be locked in for more than an annual term. It adapts to the changing industry standard of subscription licensing versus the perpetual-owned model.
5. **Sustainability & Resiliency** – This purchase is in direct response to the technology continuity of operations plan. It is imperative to the success of the City's continuity of operations, providing additional redundancy, efficiency, cybersecurity, and increased processing speed of citywide applications for users.

FISCAL IMPACT:

The total fiscal impact of this action is \$115,179.60. Sufficient funds are budgeted and available in the General Fund, IT Operations, Software Maintenance/Support Account No. 2410000-424310.

Prepared by: George Khalil, Chief Innovation Officer
Certified as to
Availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
Approved by: Michael D. Moore, Interim City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachment:

1. Commvault Price Quotation
2. Commvault License Removal Form