



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JULY 28, 2015

FROM: INNOVATION AND TECHNOLOGY DEPARTMENT WARDS: ALL

SUBJECT: APPROVAL OF THIRD AMENDMENT TO THE ENTERPRISE LICENSE AGREEMENT WITH ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC. FOR \$920,000 TO EXTEND THE TERM OF THE AGREEMENT FROM JULY 1, 2015, TO JUNE 30, 2018

ISSUE:

Approval of the Third Amendment to the Enterprise License Agreement (ELA) with Environmental Systems Research Institute, Inc. (ESRI) in the amount of \$240,000 in fiscal year 2015/16, \$310,000 in fiscal year 2016/17 and \$370,000 in fiscal year 2017/18.

RECOMMENDATION:

That the City Council:

- 1) Approve the Third Amendment to the ELA with ESRI in the amount of \$240,000 in fiscal year 2015/16, \$310,000 in fiscal year 2016/17 and \$370,000 in fiscal year 2017/18;
- 2) Authorize the City Manager, or designee, to execute all documents pursuant to the Third Amendment to the ELA with ESRI, including making minor non-substantive changes, including annual renewals; and
- 3) Authorize change orders pursuant to the Third Amendment to the ELA with ESRI for up to 10%.

BACKGROUND:

The current ELA with ESRI was approved by the City Council on August 11, 2009. On August 14, 2012, the ELA was extended for three years and is now due for renewal. The ESRI ELA provides for licensing and maintenance for a suite of geographic information systems (GIS) technology related to the City's current GIS systems, including Computer Automated Design, Mapping and Engineering (CADME) and ArcGIS. Since the City already utilizes ESRI technologies that are patented and proprietary, it would not be cost effective at this time to shift to different providers.

The current annual cost for the ESRI ELA is \$240,000 and includes: 147 ArcGIS Desktop licenses, 148 ArcGIS Desktop extension licenses, 17 ArcGIS services licenses, two developer licenses and 1 ArcGIS Online Level 2 Subscription. ESRI has agreed to defer increases to the proposed Third Amendment to the ELA with ESRI for one year. The Third Amendment to the

ESRI ELA adds GeoEvent, which will allow the City to stream data in real time in a map format to assist in decision making through spatial analysis. For example, online outage maps would allow Riverside Public Utility staff to quickly deploy maintenance staff to the appropriate location. GeoEvent will be used during upcoming projects for the Fire, Police, and Public Utilities departments. Additionally, the Third Amendment adds an upgrade to Level 3 ArcGIS Online Subscription, which provides the City with 75 additional user licenses and 27,500 ArcGIS Online credits. The upgrade from Level 2 to Level 3 is needed to allow more City users to create online maps. Finally, the proposed Third amendment to the ELA with ESRI provides for unlimited access to new software products developed by ESRI and additional licenses at no additional cost.

The Innovation and Technology Department reviews hardware/software maintenance agreements annually to ensure that the products are still in use and the best price is negotiated for those services. Whenever possible, Innovation and Technology also consolidates systems and/or retires aging systems in an effort to keep annual technology related maintenance costs as low as possible. As a result of this effort, the Innovation and Technology Department has determined that it is necessary to continue procurement of software maintenance services through the City's ELA with ESRI. Specifically, if the City were to let the ELA with ESRI expire and purchase all of the licenses and products individually, the total cost of the Third Amendment over the three year term would cost the City an additional \$214,300.

Resolution No. 22576, Section 201(c), provides that competitive procurement is not required if the Purchasing Services manager determines that it would be in the best interests of the City to not do so. Here, because ESRI is the City GIS standard and basis for current GIS systems, the City's high level of satisfaction with ESRI's products and services, and the on-going need to have such services and maintenance, the Purchasing Services Manager has determined that such competitive procurement is not required and concurs with the recommendation in this report.

FISCAL IMPACT:

Sufficient funds have been included in the fiscal year 2015/16 Innovation and Technology Budget in account number 2400000-424310, software maintenance. The expenditures for fiscal year 2015/16 of \$240,000 have been allocated to other City departments through the annual cost allocation process. The fiscal year 2016/17 (\$310,000) and fiscal year 2017/18 (\$370,000) amounts will be included in the annual budget process for those fiscal years.

Prepared by:	Lea Deesing, Chief Innovation Officer
Certified as to availability of funds:	Brent A. Mason, Finance Director/Treasurer
Approved by:	Alexander T. Nguyen, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment:	Third Amendment to ESRI ELA
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