



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 16, 2024**

FROM: INNOVATION AND TECHNOLOGY DEPARTMENT **WARDS: ALL**

SUBJECT: APPROVE THE THREE-YEAR ENTERPRISE LICENSING AGREEMENT (ELA) WITH ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC., (ESRI) OF REDLANDS, CALIFORNIA, FOR THE TERM OF JULY 1, 2024 THROUGH JUNE 30, 2027, IN THE AMOUNT OF \$1,445,000

ISSUE:

Approve the three-year Enterprise Licensing Agreement (ELA) with Environmental Systems Research Institute, Inc., (ESRI) of Redlands, California, for the term of July 1, 2024 through June 30, 2027, in the amount of \$1,445,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the three-year Enterprise Licensing Agreement (ELA) with Environmental Systems Research Institute, Inc., (ESRI) of Redlands, California, for the term of July 1, 2024 through June 30, 2027, in the amount of \$1,445,000;
2. Approve additional change order authority of up to 15% of the total contract amount; and
3. Authorize the City Manager or designee to execute all documents pursuant to the ELA with ESRI, including making minor non-substantive changes, including annual renewals.

BACKGROUND:

The City of Riverside implemented a CADME (Computer Aided Drafting, Mapping and Engineering) electronic mapping system between 1989 and 1996 for approximately \$15 million. The City first subscribed to an ESRI Enterprise Licensing Agreement (ELA) in 2006 to provide licensing, maintenance and support for a suite of geographic information systems (GIS) technologies related to CADME. Many City departments including Police, Fire, Community and Economic Development, and Public Utilities use GIS services such as data maintenance and processing of approximately 400 data layers to serve their customers.

As the sole provider of these technologies, the City has maintained an agreement with ESRI in the years since. Due to the patented and proprietary nature of ESRI technologies, it would neither be efficient nor cost effective to seek new providers at this time.

DISCUSSION:

The proposed ESRI ELA includes ArcGIS Desktop, ArcGIS Desktop Extension, ArcGIS Enterprise, Enterprise Extensions, ArcGIS Engine, ArcGIS Engine extensions, ArcGIS Developer, ArcGIS Runtime Analysis Extensions, Utility Network, Hub Premier, Drone2Map, Parcel Fabric, and Tech Support Access in addition to several Mapping and Charting solutions licenses.

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.

Purchasing Resolution No. 24101, Article Six: Acquisition of Goods, Section 602 Exceptions states, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances: ... (q) When the Procurement is for the renewal of maintenance, license(s), support, or a similar need for existing technology systems, including hardware, and the items procured are from the owner/developer of the software/hardware or from a sole source provider, and the Manager is satisfied that the best price, terms and conditions have been negotiated."

Purchasing Resolution No. 24101, Article Seven: Acquisition of Services, Section 702 Exceptions states, "Competitive Procurement through the Informal Procurement and Formal Procurement process shall not be required in any of the following circumstances: ... (t) When the Procurement is for the annual maintenance, license(s), support, or similar need for current technology systems, including hardware, and the items procured are from the owner/developer of the software/hardware or from a sole source provider, and the Manager is satisfied that the best price, terms and conditions have been negotiated."

The Purchasing Manager concurs that the recommendations to authorize the purchases are in compliance with Purchasing Resolution 24101, Sections 602(q), and 702(t).

STRATEGIC PLAN ALIGNMENT:

This item contributes to Strategic Priority 6 - Community Well-Being and Goal 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.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – After careful review of existing technologies and due to the patented

and proprietary nature of ESRI technologies, entering into another ELA would be both efficient and cost effective.

2. **Equity** – All City employees benefit from IT making research driven decisions based on industry trends and the City's specific needs. This benefits Riverside residents and the community who benefit from reliable and available services.
3. **Fiscal Responsibility** – This purchase is being made following extensive negotiations between city staff and the vendor.
4. **Innovation** – Project utilizes latest technologies and/or innovative strategies; partnerships are leveraged with other entities.
5. **Sustainability & Resiliency** – This purchase is imperative to the ongoing success of the City's technological infrastructure, which serves the community daily.

FISCAL IMPACT:

The total fiscal impact of the action is \$1,445,000. Fiscal Year 2024/25 funds are available in the General Fund, Innovation Division, Software Maintenance/Support account number 2440000-424310. Appropriations for future fiscal years will be included in the Department's Budget submissions for those fiscal years to be presented to the City Council for approval.

	FY 24-25	FY 25-26	FY 26-27	Total
Annual Fee	\$470,000	\$475,000	\$500,000	\$1,445,000

Prepared by:	Jessica Gordon, IT Administrative Services Manager
Approved by:	George Khalil, Chief Innovation Officer
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Edward Enriquez, Assistant City Manager/ Chief Financial Officer/City Treasurer
Approved as to form:	Phaedra A. Norton, City Attorney

Attachment: Agreement