Agenda Report

January 22, 2018

TO: Honorable Mayor and City Council

FROM: Department of Information Technology

SUBJECT: **AUTHORIZATION TO ENTER INTO A CONTRACT WITH ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC. (ESRI) FOR AN ENTERPRISE LICENSE AGREEMENT OF GIS SOFTWARE**

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed contract is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3);

2. Authorize the City Manager to enter into a contract with Environmental Systems Research Institute, Inc. (ESRI) for an Enterprise License Agreement (ELA) of GIS software in an amount not to exceed $400,000 for a period of three and a half years. Competitive bidding is not required pursuant to City Charter section 1002(C), contracts for labor, material, supplies, or services available from only one vendor; and

3. Grant the proposed contract an exemption from the competitive selection process of the Competitive Bidding and Purchasing Ordinance, Chapter 4.08 of the Pasadena Municipal Code, pursuant to Section 4.08.049(B) contracts for which the City's best interests are served.

BACKGROUND:

The City first implemented a Geographical Information System (GIS) in 2001, primarily to support the City's utility and planning services. At that time, software from Environmental Systems Research Institute, Inc. (ESRI) was selected as the City's enterprise GIS solution, and remains the leading GIS on the market today, used by other municipalities such as the city of Los Angeles, Los Angeles County, Burbank, Glendale, Rancho Cucamonga, Riverside County, and the state of California. This software is an open and interoperable GIS technology platform that provides mapping, analysis, and data management. The software has become integral in many City

departments such as Water and Power, Public Works, Planning and Community Development, Transportation, Police, and Public Health.

ESRI GIS software is a proven technology used by crime analysts, epidemiologists, planners, inspectors, engineers, chemists, technicians, application developers as a decision support tool and as an information management system for essential business applications including public safety dispatch, licensing, permitting, asset management, 311 customer support, and vehicle routing. Over 300 GIS datasets consisting of water, power, and fiber utility networks, public safety data, parking meters, traffic signals, address points, parcels, zoning, political boundaries, street centerline, sewer lines, and trees are managed with the ESRI software.

In support of the department uses above, the City currently spends over $66,000 annually towards ESRI software licensing and maintenance. However, with the capabilities that GIS has to offer, the demand for access to the ESRI software by departments is growing, and the current model of procuring licenses as they are needed is no longer cost effective. Moving to an enterprise licensing and support model to expand access to the ESRI software citywide makes sense from both financial and operational perspectives.

An ESRI Enterprise License Agreement (ELA) will provide better overall value and allow the City to pay an annual fixed price in exchange for software, maintenance, services, and training. The main benefits of moving to an ELA model are:

- Expands access to software currently available to only 7 of the 16 City departments by allowing unlimited software licensing
- Increases the number cloud-based ArcGIS Online licenses from 38 to 2,000
- Reduces the per unit software license cost
- Removes technology barriers to enhanced staff collaboration, and supports collaboration and mutual aid efforts with neighboring cities using an ESRI ELA
- Provides the technology and licensing to maintain Fire's Accreditation requirements
- Reduces administrative processing time for multiple annual renewals
- Simplifies the provision of software licensing, maintenance, services, and training for staff

Additionally, unrestricted access to software, maintenance, services, and training through an ELA will result in further integration of GIS within City business functions, provision of easy to use, intuitive tools and applications available anywhere on multiple devices, delivery of near real time information, outreach through social media platforms, expansion of 3D visualization capabilities, improvements to the accessibility and timeliness of information for staff and the public, and the development of highly supportive analysis and metrics for insightful decision-making and strategic planning.

Therefore, staff recommends authorization of a three and a half year contract in the amount of $400,000 to cover the annual cost of ESRI software licensing and

maintenance, estimated at $100,000, and provide the flexibility to add new products and services that may provide a benefit to the City during the contract period.

COUNCIL POLICY CONSIDERATION:

The proposed three and a half year contract provides for a consistent annual budget for ESRI GIS products and significant savings on these products through an ELA, as opposed to purchasing these separately. Therefore, it is consistent with City Council's strategic planning goal to maintain fiscal responsibility and stability.

ENVIRONMENTAL ANALYSIS:

The proposed contract is exempt from CEQA per section 15061(b) (3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed action is for software licenses and services and will not result in any new development or physical changes.
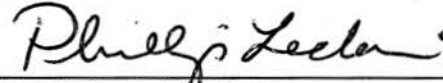
FISCAL IMPACT:

The maximum cost of this action will be $400,000 over three and a half years. It is anticipated that $16,242 of the cost will be spent during the current fiscal year, which will be addressed by the utilization of existing budgeted appropriations in DoIT operations account 50114008-811400 (IT Ops-GIS). The remainder of the costs will be spent over the next 3 fiscal years, where annual licensing and maintenance will be $100,000. With current costs totaling over $66,000, there is a net increase of $34,000 annually. However, approximately $18,000 of this increase will be offset by the elimination of software licensing costs that will be replaced by products through this ELA. Therefore, the net overall increase will be around $16,000 annually.

Beginning in FY 2019, the $100,000 annual cost will be included in the DoIT operating budget and distributed to departments through the GIS fixed rate. This is different than in prior years, where almost seventy-five percent of the annual costs are budgeted and paid directly by departments requiring licensing. Licensing required by DoIT has been included in the GIS fixed rate and charged back annually to all departments. There are no indirect or support costs anticipated because of this contract.

The following table presents an overall contract summary for the three-year period:

FY2018 Contract Amount	$ 16,242
Future Contract Amount	$ 383,758
Total Fiscal Impact	$ 400,000

Respectfully submitted,

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