



## Legislation Text

---

**File #:** 18-397, **Version:** 1

---

*Report Prepared by: Michael Machado, GIS Coordinator - Public Works*

**SUBJECT:** Approval of Small Government Enterprise License Agreement (SG-ELA) with Environmental Systems Research Institute, Inc., (Esri), and Waiver of the Competitive Bidding Requirement (Sole Source)

### REPORT IN BRIEF

Considers entering into a three-year agreement with Environmental Systems Research Institute, Inc., (Esri) for GIS software licenses and maintenance.

### RECOMMENDATION

**City Council** - Adopt a motion waiving the competitive bidding requirements as stated in Section 3.04.210 of the Merced Municipal Code for the Sole Source Purchase of software licenses and maintenance; and, authorizing the City Manager or Assistant City Manager to execute the necessary documents.

### ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to conditions outlined by Council; or,
3. Deny; or
4. Refer to staff for reconsideration of specific items; or,
5. Continue to a future meeting.

### AUTHORITY

Charter of the City of Merced, Section 200; Merced Municipal Code Section 3.04.210 - Exemptions for Competitive Bidding.

### CITY COUNCIL PRIORITIES

As provided for in the 2018-19 Adopted Budget.

### DISCUSSION

#### Background

Several divisions within the Public Works Department have expanded their use of the Esri GIS platform. Examples include field crews using the Esri Collection Application to log work completed in the field. The Trees Division uses the software to catalogue tree data, including locations of newly planted trees and condition of existing trees. The Sewer/Storm Drains divisions also use the field software to log inspections and schedule maintenance activities. Other divisions, including Water

and Water Quality Control are actively developing the software to meet their needs in the field.

Due to an increase in use and interest, the current Esri GIS platform cannot support the needs of the City. Therefore, in order to meet future needs, more Esri GIS software licensing is needed. With an upgrade to the Enterprise License Agreement, other Public Works Divisions, including Refuse and Streets, will be able to use the software to aid in daily operations.

### Description

Esri SG-ELA is a contract in which a customer commits to a set fee for a specified period of time (three years) in exchange for a set of unlimited software and maintenance. Services and training are typically included.

A major benefit of Esri SG-ELA is that it is more cost effective than adding software licenses to the current system. For example, included with the Esri SG-ELA are 250 Level 2 ArcGIS Online Named User accounts. Without the SG-ELA, the cost of one Level 2 ArcGIS Online Named User is \$450 annually. The total cost for 250 user accounts without the SG-ELA would be \$112,500 yearly; over three years the cost of these user accounts would be \$337,500. Comparatively, the total cost of the Esri SG-ELA over the three year agreement term is \$120,000. The City would realize a savings of \$217,500 over the three-year period based on the cost these user accounts.

Additionally, Esri SG-ELA will offer a number of other benefits. These include a considerable reduction in administrative costs, providing maintenance on all Esri software deployed under the agreement, offering complete flexibility to deploy software products when and where needed, and lastly increasing collaboration between City departments by providing greater access to data across all City divisions.

Esri is the sole source provider of all U.S. domestic Small Municipal and County Government Enterprise Agreements (see Attachment 3). As such, staff is requesting waiving the competitive bidding requirements in order to upgrade the existing Esri licensing and provide for annual maintenance services.

## **IMPACT ON CITY RESOURCES**

Funding for the first year of the agreement has been included in the FY 2018/2019 adopted budget for Public Works. This includes a split between Water, Sewer, Storm Drains, Water Quality Control, Refuse, Trees, Streets, and Administration. Year two and three of the contract will be budgeted for in Fiscal Years 2019/2020 and 2020/2021.

## **ATTACHMENTS**

1. Enterprise License Agreement
2. Price Quote
3. Sole Source Letter