

Council Meeting of
July 7, 2009

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the City Council:

**SUBJECT: Communications and Information Technology – Authorize
purchase of computer software on an as-needed basis.**

Expenditure: Not-to-exceed \$100,000

RECOMMENDATION

Recommendation of the Information Technology Director that City Council authorize the purchase of Microsoft and other computer software on an as-needed basis for an amount not-to-exceed \$100,000 from Compucom for the period of July 1, 2009, to June 30, 2010.

Funding

Funding is available in the PC Replacement Fund, Capital Projects, and departmental operating budgets.

BACKGROUND

Since June, 2004, the City has purchased standard desktop software from Compucom through its Microsoft State and Local Government Enterprise Agreement, (Contract # C2004-096). This agreement covered the following City standard software: Microsoft Office Professional (Word, Excel, PowerPoint, Outlook E-Mail, Publisher, and Access database); Microsoft Client Access Licenses (CAL) (allows desktop PCs to access network servers to perform activities such as e-mail reading/storage and reading/saving files to the network drives); SMS CAL (System Management Services) and, SQL CAL (allows desktop PCs to access network databases). The annual cost of this five-year agreement is \$156,236.03. Our Microsoft State and Local Government Enterprise Agreement expires on June 30, 2009. The City will own all licenses covered under the City's Microsoft agreement that are available for general release as of June 30, 2009.

The City also purchased non-standard desktop and server software (Adobe Acrobat, MS Project 2007, Visio, SQL server, Client Access Licenses (CAL), etc.) from Compucom through its Microsoft Select Agreement. These purchases varied between \$25,000 to \$40,000 per year.

ANALYSIS

At the completion of our Microsoft State and Local Government Enterprise Agreement, (Contract # C2004-096), on June 30, 2009, the City will own 1,117 current versions of Microsoft standard software licenses. The Communications and Information Technology Department projects that these current software versions will last the City for at least three to five years.

Staff does not anticipate taking advantage of the "upgrade to the latest version" benefit included in the cost of the Microsoft Enterprise agreement program. The cost of renewing a Microsoft State and Local Government Enterprise Agreement for another five years is \$920,966. This includes the new sharepoint software that has been added into the agreement. Staff does not anticipate implementing sharepoint software in the near future. Software upgrades frequently occurred in the past as new features and reliability enhancements were being deployed. As Office software matured, the software enhancements do not require upgrades as often. Purchasing desktop and server software licensing on an "as needed" basis from the Microsoft Select agreement will save a minimum of \$149,208 over the five-year period as compared to purchasing licenses through a five-year Microsoft Enterprise agreement.

Section 22.3.19 of the City of Torrance Municipal Code states: "Exception; Computer and Networking Hardware and Software Purchases. The provisions of this Article do not apply to contracts for the purchase of computer and networking hardware and software. The purchase of computer and networking hardware and software will be done pursuant to regulations and procedures established by the City Manager." This exception allows the City to develop a relationship with a single vendor and motivate that vendor to provide strong customer service through the incentive of contract renewal. Additionally, computer hardware provided by a single vendor for an extended period gives the City more consistency among the City's hardware inventory. It also allows the City to purchase high quality products at the best price.

It is recommended that the City Council authorize the purchase of Microsoft and other computer software on an as-needed basis from Compucom for the period of July 1, 2009 to June 30, 2010 in an amount not-to-exceed \$100,000.

Respectfully submitted,



RICHARD SHIGAKI
Information Technology Director

CONCUR:



LeRoy J. Jackson
City Manager