

**CITY OF TEMPE  
REQUEST FOR COUNCIL ACTION**

**Council Meeting Date: 06/09/2016  
Agenda Item: 5B12**

**ACTION:** Approve a thirty-one month sole source contract renewal for software maintenance and support services with Environmental Systems Research Institute for computer-based mapping software that is used City-wide through the Enterprise Geographic Information System.

**FISCAL IMPACT:** Total cost of this contract will not exceed \$415,576 during the thirty-one month contract period. Sufficient funds have been appropriated in General Fund cost center 1991 (IT Administration) for the anticipated expenditures. The City will pay for software maintenance and support services on an annual basis.

**RECOMMENDATION:** Approve the contract renewal.

**BACKGROUND INFORMATION:** Environmental Systems Research Institute (ESRI) provides licensing and annual support for computer-based mapping software that is used City-wide with the Enterprise Geographic Information System.

This procurement is considered a sole source because ESRI is the only company that can provide software updates and support for these products.

Contractor Performance

The performance of Environmental Systems Research Institute, Inc. was rated by City staff on the following criteria:

Criteria	Rating
Personnel are responsive, cooperative, and available	A
Overall quality of products or services delivered	A
Timeliness of performance	A
Quality of follow-up in resolving complaints or problems	A
Firm's promptness in submitting accurate invoices	A

(A = Exceeds Standards; B = Meets Standards; C = Below Standards)

Renewal Costs

In an effort to reduce costs, the City re-negotiated a long-term contract renewal with ESRI that resulted in savings of approximately \$135,734. The following table displays the renewal fees through 2018. The City has the option of modifying this renewal to add or remove ESRI products and services at any time during this 31-month term. The table below shows the 3-year renewal amounts approved by Council last year along with the re-negotiated 3-year renewal amounts. The City will receive a credit for a portion of the fees already paid out for the current year (1<sup>st</sup> year).

Renewal Period	Renewal Term	Previous Rate	Re-negotiated Rate	Savings
1 <sup>st</sup> Year	December 11, 2015 through December 10, 2016	\$140,530.00	\$92,576.00	\$47,954.00
2 <sup>nd</sup> Year	December 11, 2016 through December 10, 2017	\$189,175.00	\$161,500.00	\$27,675.00
3 <sup>rd</sup> Year	December 11, 2017 through December 10, 2018	\$221,605.00	\$161,500.00	\$60,105.00

**ATTACHMENTS:** Vendor Agreement.

**STAFF CONTACT(S):** Dave Heck, Deputy Internal Services Director - Information Technology, (480) 350-8777