



CITY OF LONG BEACH

DEPARTMENT OF TECHNOLOGY SERVICES

C-17

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September 7, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Second Addendum to Agreement No. 26981 With Computer Associates International, Inc., to Provide Software Licenses and Maintenance (Citywide)

DISCUSSION

The Technology Services Department (TSD) supports the City's enterprise server, or mainframe, which runs a variety of business applications including public safety, finance, utility information and billing. In addition to the application software, there are system software programs required for technical functions of the mainframe including job scheduling, computer performance monitoring, security, and disk and tape storage management.

In September 2000, the City entered into Agreement No. 26981 with Computer Associates to purchase licenses and maintenance services for several system programs required for technical functions over a three-year period. The agreement was renewed for one year in September 2003 with a purchase order and addendum because the annual cost dropped below \$100,000 after we eliminated maintenance services on selected programs to reduce costs.

The agreement is now due for renewal, and we are requesting a second addendum to the original agreement with Computer Associates. Since last year, we have found that maintenance services on a system program that was eliminated must be reinstated. Also, the license agreement amount is based on the current computer processor capacity level. Our plan is to upgrade the existing processor in FY 05 because current performance is slow in running critical jobs. Expanding the processor capacity requires a modification to the current license and maintenance fee structure.

It should be noted that a new processor would not only resolve the slow performance issue, but would also allow us to optimize the total cost of ownership over its useful life. The new technology provides the flexibility to reduce processor capacity when applications move off the mainframe in the future. As a result, we would be able to reduce our costs for operating system software programs required by the mainframe vendor. Currently, the existing server does not have this scaleable option.

This matter was reviewed by Senior Deputy City Attorney Donna F. Gwin and Budget Management Officer David Wodynski on August 25, 2004.

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TIMING CONSIDERATIONS

The purchase order term expires on September 29, 2004. Accordingly, City Council action is requested at the meeting scheduled on September 7, 2004.

FISCAL IMPACT

Expenditures for the three-year term will not exceed \$115,990 annually. Sufficient funding has been budgeted in the General Services Fund (IS 385) in the Technology Services Department (TS).

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute the second addendum to Agreement No. 26981 with Computer Associates International, Inc., for various enterprise server software licenses and maintenance services for a term of three years in an amount not to exceed \$115,990 annually.

Respectfully submitted,



CURTIS TANI
DIRECTOR OF TECHNOLOGY SERVICES

CT:ds

APPROVED:


for _____
GERALD R. MILLER
CITY MANAGER