



CITY OF LONG BEACH

C-12

DEPARTMENT OF TECHNOLOGY SERVICES

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September 14, 2010

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute an agreement and all related documents with BMC Software Distribution, Inc., to provide various enterprise server software licenses and technical support services for a one-year term with an option to renew for two additional one-year terms, subject to approval of the City Manager, in an amount not to exceed \$111,878 annually. (Citywide)

DISCUSSION

The Technology Services Department (TSD) supports the City's enterprise server that runs a variety of critical business applications, including financial management, budget preparation, human resources, payroll, and utility information and billing systems. In addition to the application software, the enterprise server uses system support software to perform technical functions, including administering databases, managing programs and executing and monitoring transactions. The application software does not operate without the technical support software. For the past several years, the City has used a combination of software from BMC Software Distribution, Inc. (BMC), CA, Inc., and IBM Corporation to perform these technical functions. Current agreements with these providers expire on September 30, 2010.

A request for proposals (RFP) for licenses and support services was advertised on the City website notifying 505 potential proposers to secure the most favorable pricing for this acquisition. Of those proposers, 15 downloaded the RFP via the electronic bid system. The RFP document was also made available from the Purchasing Division, located on the seventh floor of City Hall, and from the Division's website at www.longbeach.gov/purchasing. In addition, an RFP announcement was included in the Purchasing Division's weekly update on Open Bid Opportunities, which is sent to 30 local, minority and women's business groups. One proposal was received by the advertised due date of June 28, 2010. The sole proposer is not a Minority-owned Business Enterprise (MBE), a Woman-owned Business Enterprise (WBE), a Small Business Enterprises (SBE), or a Long Beach Business (Local). As the sole respondent, BMC Software Distribution, Inc., of Houston, TX, is recommended to provide software upgrades, renew licenses and provide technical support services.

The proposed cost of the new BMC agreement is \$111,878 for one year, with the option to renew for two additional one-year periods at the same cost. Should both renewal options be exercised, the total cost will be \$335,634 for the three-year period. The proposed agreement includes a non-appropriation clause providing protection from additional cost or penalties associated with non-renewal should the City Council not appropriate funding in support of the second or third years of the agreement. Under the proposed agreement, software costs for this function will be reduced by approximately \$22,700 per year.

This matter was reviewed by Deputy City Attorney Gary J. Anderson on August 16, 2010, and Budget Management Officer Victoria Bell on August 20, 2010.

TIMING CONSIDERATIONS

City Council action is requested on September 14, 2010, as the current software license and technical support services agreement expires September 30, 2010.

FISCAL IMPACT

Expenditures for the one-year term will not exceed \$111,878. Sufficient funds are budgeted in the General Services Fund (IS 385) and in the Technology Services Department (TS) to support this activity. There is no impact to jobs associated with this request.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CURTIS TANI
DIRECTOR OF TECHNOLOGY SERVICES

APPROVED:



PATRICK H. WEST
CITY MANAGER