



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: June 2, 2008

Approved

Christine J. Shippey

Date

6-6-08

**SUBJECT: SOFTWARE MAINTENANCE SERVICES FOR COMPUTER AIDED
DISPATCH ("CAD") SYSTEM**

RECOMMENDATION

Adoption of a resolution authorizing the Director of Finance to:

1. Execute any necessary documentation to purchase software maintenance services from Intergraph Corporation located in Madison, Alabama ("Intergraph") for the Computer Aided Dispatch ("CAD") System, with pricing obtained under the U.S. General Services Administration cooperative contract # GS-35F-0011-K with Intergraph ("GSA Agreement"); in an amount not to exceed \$288,120 for the period of July 1, 2008 through June 30, 2009.
2. Execute subsequent annual software maintenance agreements subject to the appropriation of funds.

OUTCOME

Provide continued software support and maintenance of the City's mission critical CAD System to ensure 24/7 operations for public safety.

BACKGROUND

On October 1, 2002, the City Council approved the purchase of a new state-of-the-art CAD System from Intergraph. Implemented in June, 2004, the CAD System provides automation of emergency communication for dispatchers serving Police and Fire units in the field. The initial software warranty/maintenance period under this agreement expired on June 30, 2005.

On June 28, 2005, Council approved the first of three options to renew the CAD software maintenance agreement and directed staff to return to Council before exercising any additional options and report on implementation of the system.

In June 27, 2006, a status report on the performance of the CAD system was presented to Council. This report was accepted along with the approval of the remaining two options to renew the CAD software maintenance agreement. The current term of the software maintenance agreement with Intergraph expires on June 30, 2008.

ANALYSIS

The software is proprietary and therefore must be renewed with Intergraph as the only provider of maintenance and support. The required software maintenance includes product upgrades and 24/7 help desk support services.

With the expiration of the original maintenance agreement with Intergraph, staff investigated the possibility of utilizing cooperative agreements from other public agencies. Staff determined that there are significant cost benefits by leveraging the federal government's collective purchasing power under the GSA Agreement with Intergraph to obtain the best pricing. The GSA Agreement is an agreement between the federal government and Intergraph for volume purchasing and offers discounted rates for purchase by the state and local government agencies. Cities are allowed to leverage these discounts by purchasing under the agreement. The GSA Agreement offers discounts over retail rates for Intergraph products and maintenance plans. By leveraging the GSA Agreement, the City will receive a 22% discount off Intergraph's standard annual pricing of \$363,817 for their premium software maintenance plan. Utilizing the GSA Agreement, the discounted price is \$288,120 per year which translates into annual cost savings of \$75,697. Further, Intergraph has agreed to use the City's standard contract terms and conditions with pricing from the GSA Agreement.

Therefore, staff recommends award of contract to Intergraph based on the most advantageous pricing obtained under the GSA Agreement in accordance with San Jose Municipal Code Section 4.12.235. This Municipal Code section allows the City to directly purchase from a vendor when staff determines that a unique situation exists, which outweighs the requirements for a competitive procurement process. As discussed above, this software maintenance service for CAD is only available through Intergraph. Further, staff determined that through the GSA Agreement, the City can purchase such service in the most cost-effective manner available to public agencies.

EVALUATION & FOLLOW-UP

Staff does not anticipate any follow-up at this time.

POLICY ALTERNATIVES

Not Applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this item does not meet any of the above criteria, this memorandum will be posted on the City's website for the June 24, 2008 Council Agenda.

COORDINATION

This memorandum has been coordinated with the Information Technology Department, the San Jose Police Department, the City Attorney's Office, and the City Manager's Budget Office.

FISCAL POLICY ALIGNMENT

This Council item is consistent with Council approved Budget Strategy Memo General Principle #2, "We must focus on protecting our vital core City services."

BUDGET REFERENCE

| Fund # | Appn # | Appn. Name | Total Appn | Amt. for Contract | 2008-2009 Proposed Budget Page | Last Budget Action (Date, Ord. No.) |
|--------|--------|-------------------------------|-------------|-------------------|--------------------------------|-------------------------------------|
| 001 | 0432 | Non-Personal/Equipment | \$5,133,928 | \$288,120 | VIII-78 | Ord No 28241, 2/12/08 |



HONORABLE MAYOR AND CITY COUNCIL

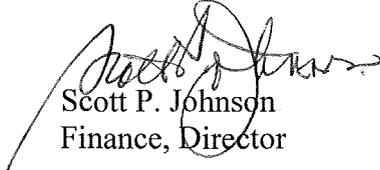
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CEQA

Not a Project.



Scott P. Johnson
Finance, Director

For questions, please contact Walter C. Rossmann, Chief Purchasing Officer, at (408) 535-7051.