



# 2.12

**INFORMATION TECHNOLOGY  
DEPARTMENT**

STEPHEN F. FERGUSON  
CHIEF INFORMATION OFFICER

**CITY OF SACRAMENTO  
CALIFORNIA**

June 16, 2005

1000 I STREET  
SUITE 120  
SACRAMENTO, CA  
98514-2608

PHONE 916-808-5763  
FAX 916-808-5087

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: PURCHASE OF CITWIDE NOVELL NETWORK SOFTWARE LICENSES  
AND MAINTENANCE SUPPORT FOR FY06**

**LOCATION/COUNCIL DISTRICT:** Citwide – All Districts

**RECOMMENDATION:**

This report recommends that the City Council adopt the attached Resolution:

- Suspending formal competitive bidding for the purchase of Novell network software licenses and maintenance support for FY 06, and
- Authorizing the City Manager to purchase Novell software licenses and maintenance support from Marketware Technologies in an amount not-to-exceed \$200,000 for FY06.

**CONTACT PERSON:** Karl Rosander, IT Manager, 808-7527  
Ignacio Estevez, Administrative Analysis, 808-7349

**SUMMARY:**

The Information Technology Department requests the City Council to suspend formal competitive bidding for the purchase of Novell network software licenses and maintenance support for FY 06. The Department is also seeking approval to execute the purchase of these items from Marketware Technologies, Novell's product re-seller and partner in maintaining licensing records, in an amount not-to-exceed \$200,000 in FY06. Marketware Technologies is an authorized participating reseller under the Software Licensing Program (SLP) administered by the State of California, Department of General Services, Procurement Division. Under the SLP, extensive software discounts are negotiated with major software publishers that are then passed on to the state through the SLP contracts established with authorized participating resellers. Additionally, Marketware Technologies is a local company that is home based in Sacramento. The purchase of these licenses and maintenance support will ensure that



City Council Report  
Citywide Novell Network Software Licenses and Maintenance Support for FY06  
June 16, 2005

the City has the number of licenses and maintenance support commensurate with our needs.

**COMMITTEE/COMMISSION ACTION:** None

**BACKGROUND INFORMATION:**

In June 2005, Information Technology (IT) Department staff and citywide IT staff performed a "self-audit" of the Novell products in use by the City. Based upon that audit, it has been determined that the City needs to purchase additional licenses. However, the City needs to continue to pay for annual maintenance support in FY06 for all the Novell products (Open Enterprise Maintenance Server/User, GroupWise, and Zen Works) in use throughout the City within the City's network and personal computers. The FY 06 cost for new licenses and maintenance agreements will not exceed \$200,000.

Novell has informed us that they strongly recommend it to be in the City's best interest to use one reseller consistently for the annual Novell product licenses renewals and maintenance between the periodic on-site license audits done by Novell. The last on-site audit done by Novell was completed in June 2001 at which time the City was found not to be in compliance with the number of licenses required. It cost the City additional funds that year to become in compliance. If the City does not consistently use one reseller of Novell products each year the records for what the City needs to renew would not be kept in one place and may inhibit the City's ability to efficiently make purchases. In addition, there could be loss of data, over-purchasing, incorrect purchases, and disjointed recordkeeping. Moving from one reseller to another on an annual basis would cost the City more time, effort and staff resources. Therefore it is recommended that the City continue to purchase Novell product license renewals and maintenance from Marketware Technologies because of Marketware's demonstrated ability to keep detailed licensing records for customers and to keep detailed reports on maintenance renewals and new products. In addition, year-to-year continuity with a single reseller helps ensure the ongoing accuracy of the records and that the City stays in compliance with the number of Novell products required for use.

**FINANCIAL CONSIDERATIONS:**

No additional funding is needed. The total cost of the licenses and maintenance support for FY06 is for a not-to-exceed amount of \$200,000. The funding for these licenses and agreements will be shared among City Departments according to their renewal counts and is already budgeted for in the FY06 operating budgets.

**ENVIRONMENTAL CONSIDERATIONS:**

The current project has been determined to be exempt from the requirements of the California Environmental Quality Act (CEQA), under Section 15061(b)(3), which states

that CEQA applies only to projects that have the potential for causing a significant effect on the environment. The current project involves the purchasing of Novell network software product licenses and maintenance support for the products of Novell Open Enterprise (replaced Netware), GroupWise, and Zen Works. Therefore, it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

**POLICY CONSIDERATIONS:**

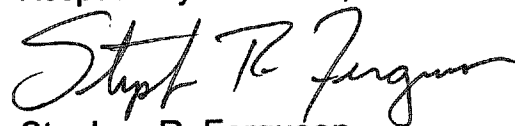
This recommendation is in conformance with the goals, objectives, initiatives and operating principles of the City's Information Technology Strategic Plan. In particular, it supports Goal #3: "City employee effectiveness and efficiency are improved as a result of the City's information technology investments."

In addition, this recommendation is in accordance with the provisions of City Code Section 3.56.230(c), which authorizes suspension of formal competitive bidding upon a two-thirds vote of the City Council. The Novell software licenses are proprietary in nature and Novell has requested that they be administered through their partner, Marketware Technologies.

**ESBD CONSIDERATIONS:**

Marketware Technologies is not certified as a small business. However, Novell has specifically requested that the licenses and maintenance support be purchased and administered through Marketware Technologies.

Respectfully submitted,



Stephen R. Ferguson  
Chief Information Officer

**RECOMMENDATION APPROVED:**



Robert P. Thomas  
City Manager

Table of Contents

Resolution.....Page 4

**RESOLUTION NO.**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**RESOLUTION SUSPENDING FORMAL COMPETITIVE BIDDING FOR THE PURCHASE OF NOVELL NETWORK SOFTWARE LICENSES AND MAINTENANCE AND AUTHORIZING THE PURCHASE OF NOVELL PRODUCTS FROM MARKETWARE TECHNOLOGIES IN AN AMOUNT NOT TO EXCEED \$200,000**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:**

- 1. Because of the need to keep consistently detailed licensing records and reports on maintenance renewals, it is in the best interest of the City of Sacramento to hereby suspend formal competitive bidding to allow for the purchase of licenses and maintenance support for Novell products that include Open Enterprise Maintenance Server/User, GroupWise, and Zen Works from Marketware Technologies; and
- 2. The City Manager is hereby authorized to execute the purchase of new licenses and maintenance support for Novell products that include Open Enterprise Maintenance Server/User, GroupWise, and Zen Works, from Marketware Technologies, in an amount not exceed \$200,000.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

---

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_