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**DEPARTMENT OF
ADMINISTRATIVE SERVICES**

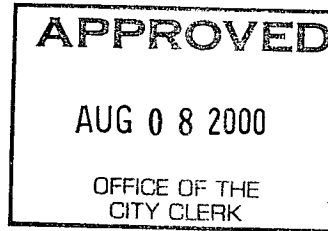
SALLY W. NAGY
CHIEF INFORMATION OFFICER

**CITY OF SACRAMENTO
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July 27, 2000



City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: PURCHASE OF NOVELL NETWORK SOFTWARE LICENSES AND
MAINTENANCE AGREEMENTS IN A TOTAL AMOUNT OF \$134,750.83**

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

Staff recommends that the City Council adopt the attached Resolution which authorizes the suspension of formal competitive bidding for the purchase of Novell network software licenses and maintenance agreements, and which authorizes the City Manager to execute the necessary purchase from MicroAge of Sacramento in the amount of \$134,750.83.

CONTACT PERSON: Sally W Nagy, Chief Information Officer, 264-8600

FOR COUNCIL MEETING OF: August 3, 2000

SUMMARY:

The Information Technology Division requests the approval to suspend formal competitive bidding for the purchase of Novell network software licenses and maintenance agreements. The Division is also seeking approval to execute the purchase of these items from MicroAge of Sacramento, Novell's partner in maintaining licensing records, in an amount of \$134,750.83. The purchase of these licenses and maintenance agreements will ensure that the City has the number of licenses commensurate with our needs.

BACKGROUND:

In January of this year, the City became compliant with the licensing of Novell network software after City staff and Novell staff met to confirm networked nodal counts. Novell changed the way they licensed products from server-based to nodal-based, the latter including routers, switches, hubs, and printers as a part of the network count.

Novell recommended their channel partner, MicroAge of Sacramento, because of MicroAge's demonstrated ability to keep detailed licensing records for customers and to keep detailed reports on maintenance renewals and new products.

As Novell requires their products to be renewed each year for new licenses and continued maintenance agreements, informal written bids were solicited from three California Multiple Award Schedule (CMAS) vendors. MicroAge of Sacramento had the lowest bid, along with the recommendation from Novell to continue using the services of MicroAge for Novell's products.

FINANCIAL CONSIDERATIONS:

The total cost of the licenses and maintenance agreements now before the Council is \$134,750.83. The funding for these licenses and agreements will be shared among departments according to their renewal counts.

ENVIRONMENTAL CONSIDERATIONS:

Ongoing administrative and maintenance activities, such as purchases of supplies, equipment or materials which are not made for purposes of a public works construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Section 15061 (b)(1), 15378 (b)(3).

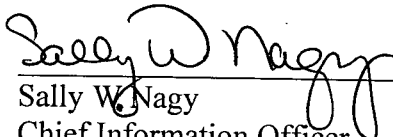
POLICY CONSIDERATIONS:

This recommendation is in accordance with the provisions of City Code Section 57.04.401(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, MicroAge of Sacramento.

ESBD CONSIDERATIONS:


MicroAge of Sacramento is not certified as a small business. However, Novell has specifically requested that the licenses and maintenance agreements be purchased and administered through MicroAge.

Respectfully submitted,



Sally W. Nagy
Chief Information Officer

RECOMMENDATION APPROVED:



Robert P. Thomas
City Manager

APPROVED
AUG 08 2000
OFFICE OF THE
CITY CLERK

RESOLUTION NO. 2000-474

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION SUSPENDING FORMAL
COMPETITIVE BIDDING FOR THE
PURCHASE OF NOVELL NETWORK
SOFTWARE LICENSES AND
MAINTENANCE AGREEMENTS**

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

1. In the best interest of the City of Sacramento, formal competitive bidding is hereby suspended for the purchase of licenses and maintenance agreements for NetWare, GroupWise, BorderManager, and ZenWorks, and;
2. The City Manager is hereby authorized to execute the purchase of licenses and maintenance agreements for NetWare, GroupWise, BorderManager, and ZenWorks, in a total amount not to exceed \$134,750.83.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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