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**DEPARTMENT OF  
ADMINISTRATIVE SERVICES**

SALLY W. NAGY  
CHIEF INFORMATION OFFICER

**CITY OF SACRAMENTO  
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July 5, 2001

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: PURCHASE OF NOVELL NETWORK SOFTWARE LICENSES AND  
MAINTENANCE AGREEMENTS IN A TOTAL AMOUNT OF \$210,654.23**

**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 Marketware Technologies in the amount of \$210,654.23.

**CONTACT PERSON:** Dennis R. Ybarra, IT Administrator, 264-7527

**FOR COUNCIL MEETING OF:** July 18, 2001

**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 Marketware Technologies, Novell's partner in maintaining licensing records, in an amount of \$210,654.23. 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 2000, 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 printers and servers as a part of the network count.

Last month, Novell staff conducted an on-site audit of the City's counts for the four Novell products we use. Software companies in general are increasing their scrutiny of their customers' license purchases. The audit determined that a significant new number of licenses should be acquired at this time, particularly for GroupWise.

Novell strongly recommended its channel partner, 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 retailer helps ensure the ongoing accuracy of the records.

**FINANCIAL CONSIDERATIONS:**

The total cost of the licenses and maintenance agreements now before the Council is \$210,654.23. 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 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.

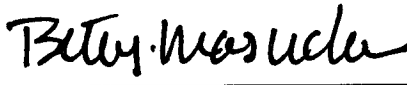
**ESBD CONSIDERATIONS:**

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

Respectfully submitted,

  
FOR Sally W Nagy  
Chief Information Officer

**RECOMMENDATION APPROVED:**

  
Robert P. Thomas  
City Manager



**RESOLUTION NO. 2001-493**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

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

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

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

1. In the best interests 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 \$210,654.23.

\_\_\_\_\_  
MAYOR

ATTEST:

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

**FOR CITY CLERK USE ONLY**

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

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