INFORMATION TECHNOL OGY CONTRACT

ITEM: 4-IT

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DEPARTMENT/PROGRAM: Department of Information Technology

CONTRACT ID: ESRI Enterprise License Agreement
ADPICS BPO NO. 060B2490012

CONTRACT DESCRIPTION: Under the proposed contract, the State will acquire only Esri software products, maintenance and support services that are unique and proprietary to the vendor and not available from an alternate source.

AWARD: Environmental Systems Research Institute (Esri).
Redlands, CA

TERM: 09/01/2011 – 08/31/2014
(Three (3) year base contract with two one-year renewal options).

AMOUNT:

Base	$2,130,000
Option #1	$767,000
Option #2	$805,000
Total	$3,702,000

PROCUREMENT METHOD: Sole Source

BIDS OR PROPOSALS: N/A

MBE PARTICIPATION: None

MBE WAIVER: None

PERFORMANCE SECURITY: None

HIRING AGREEMENT ELIGIBLE: N/A

INCUMBENT: None

REQUESTING AGENCY REMARKS: Esri, is the sole source provider of all U.S. domestic

Enterprise License Agreements (ELA) for the software contemplated in the contract, and is the only source that can grant the right to copy and deploy Esri software as well as offer manufacturer proprietary software maintenance and support under an ELA.

Geographic Information Systems (GIS) technology has rapidly become a strategic and core business enabler for state government, while serving as an invaluable analytical and communications tool deployed by state agencies in conjunction their interactions with other state resources and external constituents. Mapping products are becoming increasingly more integrated in the StateStat process, as well as in publicly-consumable applications developed in conjunction with the Maryland.gov web portal. Today, scores of live, dynamic maps can be readily accessed on the State's official website (e.g., AgPrint, GreenPrint, GrowthPrint, Stream Health, Recovery, Budget, Energy, Broadband, PlanMaryland, VisitMaryland, etc.).

Virtually all State GIS applications are built upon Esri technology platforms and products. Esri has evolved to become the State's de facto GIS standard. By standardizing on Esri GIS, the State's numerous agencies and business partners are able to keep the geospatial train on the same gauge of track, thereby securing the benefits of consolidation, interoperability and cost efficiency.

Historically, Maryland has not optimized its cost benefit potential in the GIS marketplace. Purchasing practice in this area has been typically agency-siloed, on-demand and uncoordinated. This has also created ancillary issues ranging from the preservation of outdated and obsolete GIS software products on one end, to the inability to obtain necessary support and maintenance for newer products on the other end. In addition, the haphazard buying patterns have not typically offered the best price discounts.

In response to these opportunities and issues, Esri and the State have worked together to forge an ELA that provides for widespread GIS software use and support across State agencies. The advantages of the ELA are numerous: lower unit cost of Esri software; fixed predictable overall costs over the life of the agreement; flexibility to deploy Esri software products when and where needed; streamlined procurement processes; increased leverage for achieving statewide GIS standards and interoperability; offer of GIS to agencies that may otherwise not afford to implement; and, the continuous support of the geospatial data and mapping requirements driven by agency and administration initiatives.

After numerous iterations, the final price of the Esri ELA was negotiated to a level approximately equivalent to current spend for Esri products and support, notwithstanding a nominal annual price escalation permitted during the life of the contract. The major cost benefit of the ELA is its offer of unlimited usage of Esri mainstream software products, upgrades, maintenance and support for a fixed price. This arrangement not only economically facilitates the anticipated uptick in GIS usage within the primary GIS agencies, but it encourages utilization in the smaller or current non-GIS user agencies who now have a much more attractive cost entry point. The upshot is that an increasing level of deployment of Esri technology throughout State government will result in lower unit cost of each product and/or instance.

Under the proposed contract, the State will acquire only Esri software products, maintenance and support services that are unique and proprietary to the vendor and not available from an alternate source. Esri, as owner and manufacturer, is the sole source provider of all U.S. domestic ELAs for the software contemplated in the contract, and is the only source that can grant the right to copy and deploy Esri software as well as offer manufacturer proprietary software maintenance and support under an ELA. The State definition of "sole source" applies.

There are 56 state agencies and entities named in the Esri ELA with the option to add others. The fixed contract cost will be distributed to each agency in a proportion to its level of license consumption. DoIT will be responsible for Esri ELA contract administration, management and oversight.

For Fiscal Year 2012, funds are being moved from all of the agencies currently paying for Esri products into DoIT for payment of this contract. Beginning in FY2013, funds will be budgeted in the DoIT Reimbursable program for this purpose, as is done with telecommunications and networkMaryland™ costs.

FUND SOURCE: Reimbursable Funds

APPROP. CODE: B0401

RESIDENT BUSINESS: No

MD TAX CLEARANCE: 11-1877-1011

Board of Public Works Action - The above referenced Item was:

APPROVED   DISAPPROVED   DEFERRED   WITHDRAWN

          WITH DISCUSSION   WITHOUT DISCUSSION