

**AGENDA REPORT  
REQUEST FOR CITY COUNCIL ACTION**

DATE: 9/19/2018

TO: Honorable Mayor and City Council Members

FROM: Information Technology Department

SUBJECT:

City Council consideration and approval of the Citrix Workspace Premium licensing per the City of Corona's Virtual Desktop Infrastructure project.

**RECOMMENDED ACTION:**

That the City Council:

1. Authorize the Department of Information Technology to approve three-year Citrix software licensing use term with SHI International Corporation (SHI) in the total contract amount of \$499,844.00 for the period of October 1, 2018 through September 30, 2021 as an exception to bidding pursuant to Corona Municipal Code (CMC) Section 3.08.140(c) "Competitive Bidding Already Completed.
2. Authorize the City Manager, or his designee to execute any needed contractual documentation to effectuate the software purchase, subject to any revisions required by the City Manager and/or the City Attorney in order to make them acceptable as to form and consistent with the Council's action hereunder.
3. Authorize the Purchasing Manager to issue a purchase order to SHI for Citrix Systems, Inc. software licenses through the NASPO ValuePoint Cooperative Master Agreement to purchase Citrix workspace premium cloud user and Virtualization Hybrid Quick Start licenses in the amount of \$499,844.00 for the initial period of October 1, 2018 through September 30, 2021 and approve necessary change orders or amendments up to the amount provided by CMC 3.08.070(i).
4. Authorize the City Manager, or his designee, to execute one additional three-year software licensing use renewal term for subsequent fiscal years in amounts not to exceed \$500,000 and to approve necessary change orders and/or amendments up to the amount provided by Corona Municipal Code Section 3.08.070(i).

**ANALYSIS:**

The City has previously participated in the SHI multistate NASPO ValuePoint Software VAR Master Agreement for several years for the City's software license standard desktop and Enterprise platform products. The contract was awarded to SHI which was the result of a mass solicitation led by State of Arizona with a software sourcing team consisting of additional state agency staff representatives. The RFP was issued in 2015 with 18 proposals received with scoring evaluation criteria being based on qualifications, methodology, and cost. The contract's pricing structure contains pre-negotiated rates on software products that are used by multiple states, counties and local government

agencies across the United States. This negotiation process has obtained the deepest discounts offered to any governmental agencies, and as a result, will be utilized by most of the public entities throughout the State of California where applicable. The established Cooperative Agreement allows for NASPO participating agencies such as the City of Corona to continue to leverage from the negotiated agreement that are providing locked in discount rates not otherwise obtainable to the City of Corona.

Citrix Systems Inc. is an American multinational software company that provides server, application and desktop virtualization, networking, software as a service (SaaS), and cloud computing technologies. Citrix solutions are used by over 400,000 clients worldwide, including 99% of the Fortune 100, and 98% of the Fortune 500.

Citrix Systems Inc. offers a number of products related to desktop and application virtualization. These tools allow access to Windows desktops and applications independently of the machine they are actually on, and from any device with any operating system. The City of Corona is currently utilizing Citrix Workspace One which is the Citrix Cloud platform used for building and delivering desktop and applications from the cloud. Citrix Workspace One allows for high availability of the user's desktop in the cloud, reduces security risks, and provides high business continuity. The staff management and maintenance of City desktop computers will be reduced substantially, allowing IT staff to focus on more productive tasks.

The City of Corona has investigated other competitors in the market, however, Citrix was the only company which met City's requirements. Some of the unique product features that sets Citrix apart from all other vendors in the field were:

- Citrix provides the only complete Virtual Desktop Infrastructure and Hosted Shared Desktop based services in City of Corona's preferred Cloud Platform (Microsoft Azure) and provides the ability to host desktops & applications in Microsoft Azure Government.
- Citrix dynamically adapts security restrictions based on variables such as device, location, time, agency, user or resource to enforce City of Corona security standards.
- Citrix validates product security, encryption of all network traffic meeting the highest security standards and in-depth session auditing capabilities.
- Citrix provides tight integration with an industry leading application delivery controller and existing City of Corona technology (NetScaler) to allow remote access and context aware security.
- Citrix provides City of Corona with integrated content collaboration and automated document workflows through a recognized industry leader (ShareFile).
- Citrix Workspace Hub is the only readily available solution for low cost and powerful endpoints, providing City of Corona an integrated device to increase operational efficiency and streamline endpoint management while giving end users a simple to use portal into their workspace.

Some of the key benefits realized from the Citrix Workspace Hub Virtual Desktop Infrastructure (VDI) solution are:

- Ease of upgrading desktop operating systems across all desktops by upgrading the master image. This will save numerous man hours to the city.

- Management of a single operating system and image reduces costs on maintenance and time.
- Troubleshooting desktop problems is easier as the issue only needs to be resolved on the master image versus having to resolve on multiple systems across the City's computer devices.
- Data is more secure as it is encrypted. While software programs and files are restricted by user access levels leading to a more secure environment.
- Desktop are also more secure as virus and malware will be removed instantly once a user logs off the desktop as the image will be restored to the master image state.
- Users will be able to access workstations anywhere, anytime, on any device.
- The City will realize large power savings using zero-client desktop machines which utilizes less than 5-watts per device versus the average 450-watt desktop computer found in the city.

Citrix Systems, Inc. only allows the public sales of their products through authorized resellers such as SHI International Corp. SHI who is also a NASPO ValuePoint awarded Vendor with an established Software VAR Master Agreement with pre-negotiated rates for Citrix software products.

**COMMITTEE ACTION:**

Not applicable.

**STRATEGIC PLAN:**

Not applicable.

**FISCAL IMPACT:**

The total amount of this purchase for FY 2018-2021 is \$499,844.00. The proposed pricing breakdown of the three-year licensing is as followed:

- Three-year enterprise Workspace Premium Cloud Services per user/device license \$612.93 per user/device totaling \$490,344.00.
- Three-year Virtualization Hybrid Quick Start licenses \$9,500.
- The funding of \$499,844.00 is included in the operating IT budget.
- Subsequent fiscal year expenses will be requested in the IT operating budget at the end of the license term.

The negative impact of not purchasing Citrix software licensing would result in the need to maintain or increase Helpdesk staff levels to preserve the current level of service required by the City. Additional negative impacts include savings from the current replacement cycle cost of desktop infrastructure. With Virtual Desktop Infrastructure (VDI) the replacement cycle would decrease to \$50,000 per year in favor of utilizing zero-client computers, for a potential savings of \$130,000 in hardware costs. Additional negative impact would include not realizing the potential energy savings of \$118,272 per

year. The potential savings to the City in hardware and energy costs alone are \$744,816 over a three-year period which more than exceeds the cost of the project. These savings to not quantify the additional savings of the reduction in employee maintenance and labor hours which would continue increase the overall savings of the project.

**Savings:**

Current Annual Desktop Replacement Budget	\$180,000
Annual Desktop Replacement Budget after VDI	\$50,000
<b>Annual Savings Realized</b>	<b>\$130,000</b>
<b>Annual Energy Savings</b>	<b>\$118,272</b>
<b>TOTAL SAVINGS OVER 3 YEAR LICENSE TERM</b>	<b>\$744,816</b>

(Difference between 450-watt desktop computer and 5-watt VDI client)

**ENVIRONMENTAL ANALYSIS:**

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

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