



Agenda Item

City Council

Item #: 3.14.

5/13/2025

File #: 25-0246

TO: Honorable Mayor and Members of the City Council

THRU: Tom Kisela, City Manager

FROM: Steven Scardina, Information Technology Manager

1. SUBJECT

Authorize purchase increase of software maintenance and network switches from Sidepath, Inc.

2. SUMMARY

VMware software licensing has increased substantially this year necessitating a request for an increase to a prior Council approved purchase. A purchase increase for network switches is also requested.

3. RECOMMENDED ACTION

Approve the purchase increase of software licensing and hardware from Sidepath, Inc. for \$47,249.10.

4. FISCAL IMPACT

The expense for this purchase increase is \$47,249.10 and will be funded through Information Systems Operations (780) and Computer Replacement (790):

780.1601.53915.00000 Annual Software License and Maintenance	\$28,360.29
790.1601.56033.20339 CIP - Network Refresh	\$18,888.81

5. STRATEGIC PLAN GOALS

Goal 5: Improve Infrastructure, Mobility, and Technology

6. DISCUSSION AND BACKGROUND

On November 12, 2024, the City Council approved the purchase of various annual hardware and software maintenances from Sidepath, Inc. The prior approval included VMware licensing estimated at that time to cost \$44,531.87.

Broadcom purchased VMware in November 2023. Since that time, Broadcom's licensing model and related costs have increased dramatically. For perspective reference, prior to the Broadcom' purchase of VMware, for FY23 the City's cost for the VMware licensing was \$18,461. The first Broadcom cost increase effect to the City occurred in FY24 with a net cost of \$40,484. For FY25, Sidepath provided an estimate of \$44,531.87. However, Broadcom once again altered their licensing structure and related costs resulting in an increase to \$72,892.16. The Information Technology department can consider a virtualization product alternative such as Microsoft's HyperV. However,

that effort is a major technological change and a substantial undertaking for that potential implementation. In the meantime, staff is requesting a purchase increase of \$28,360.29 which is the difference from the original \$44,531.87 amount to the revised actual cost of \$72,892.16 via cooperative agreement (NASPO# AR2472).

Separately, the Information Technology department planned and budgeted for replacement of aged switches totaling \$18,888.81. Sidepath has provided pricing through a cooperative agreement (NASPO# 23026, State Addendum #7-23-70-55-01). Staff is requesting a purchase increase for the switches from Sidepath for \$18,888.81.

The VMware cost difference increase of \$28,360.29 and the switch increase of \$18,888.81 totals \$47,249.10 for the overall purchase request increase.

7. ATTACHMENTS

- Sidepath VMware quote
- Sidepath switch quote