Agenda Report

Fullerton City Council

MEETING DATE: MAY 7, 2024

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: ERIC LEVITT, CITY MANAGER

PREPARED BY: KIM CHAUDHRY, SENIOR ADMINISTRATIVE ANALYST

SUBJECT: EGNYTE FILE STORAGE SOFTWARE LICENSE RENEWAL

SUMMARY

Request to renew the Egnyte software license for an additional three-year term. Egnyte is a cloud-based secure file storage platform to manage and analyze storage capabilities, enhance data governance and facilitate efficient decision-making processes.

PROPOSED MOTION

1. Approve three-year Egnyte software plan, storage and license renewal including 800 licenses and 40 terabytes (TB) of storage for a $242,400 annual cost.

2. Authorize City Manager, or designee, to approve change order(s) with Egnyte within the Information Technology Fund budget.

ALTERNATIVE OPTIONS

- Approve the Proposed Motion

- Approve lower-cost, one-year contract including 750 licenses and 30 TB of storage at a $224,528.62 annual cost and 7% annual cost increase

- Approve lower-cost, three-year contract including 800 licenses and 32 TB of storage at a $232,488.00 annual cost

- Approve one of the Alternative Options while exploring similar cloud-based file storage solutions

- Enter into an agreement with one of the other two software services quoted

- Other options brought by City Council.

STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

CITY MANAGER REMARKS

City Manager recommends proposed motion based on providing capacity for 40 terabytes over 3 years.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability

- Public Safety.

FISCAL IMPACT

The Proposed Motion would renew the Egnyte agreement for software license and storage for an additional three years including 800 licenses and a storage capacity of 40 TB storage capacity for $242,400 for each term year.

The pricing includes 2 TB of storage without additional cost. The vendor agreed to waive the 7% annual cost increase which saves approximately $33,000 in annual costs. The renewal includes 50 additional users and accommodates anticipated data volume growth over the next three years.

Staff factored the Egnyte software and projected increase into the FY 2024-25 Proposed Budget in the Information Technology (IT) Fund (Fund 68).

Alternative Option One has a lower $225,000 cost the first year but includes 50 fewer licenses and less TB storage. The one-year contract would have higher costs over a three-year term due to 7% annual increases and additional storage cost over the 2 TB included in the one-year contract.

BACKGROUND AND DISCUSSION

City Council approved a three-year agreement with Egnyte on July 6, 2021 as part of the IT emergency upgrades. Egntye provides a cloud file storage platform, streamlines data management processes, improves security capabilities and enhances overall operational efficiency. All departments have adopted the software and license renewal is crucial to maintain continuity in data-driven operations

Egnyte offers secure file sharing both within and outside the organization, featuring enhanced data governance tools including scanning a variety of systems to detect sensitive content, such as credit card numbers, social security numbers and other personally identifiable information. Egnyte helps prevent releasing sensitive data from the organization and aids with California Consumer Protection Act compliance. Egnyte also has anomaly detection and automatic backups tools that help protect the City against a ransomware attack.

The current license with the City has 750 users and 30 TB of file storage and sensitive content detection. The City uses 732 licenses and 26.7 terabytes covered. Staff projects

the City will need to expand capacity in these areas to maintain operational efficiency and meet growing operations needs as insufficient data storage could impede the City's ability to store and analyze vital information. Expanding the number of licenses and terabytes would foster greater collaboration among teams, enabling them to share insights and make more efficient data-driven decisions which enhances overall productivity and effectiveness in achieving organizational objectives.

The long-term benefits of this renewal far outweigh the initial cost investment to increase licenses and terabytes. The City would scale the Egnyte software infrastructure in line with growing needs and avoid potential disruptions and inefficiencies that may arise from inadequate capacity.

The proposed renewal package offers sufficient licenses and storage capacity to meet current and future needs. The software can accommodate department data requirements and ensure smooth operational functioning with 800 licenses and 40 TB of storage.

The vendor agreed to include 2 TB of storage for free and waive the annual cost increase which contributes to cost savings for the City. Renewing the license would ensure continuity in data management efforts and support ongoing operational efficiency across various departments.

The current agreement expires in June 2024. Staff evaluated cooperative purchasing as well as informal bidding (i.e., obtaining three written quotes). Quotes obtained through informal bidding resulted in costs lower than those offered through cooperative purchasing. The City received three software services quotes including quotes from other software vendors. Egnyte provided the lowest responsible quote. Staff notes that changing vendors would incur additional costs for migration, technical services and training.

Attachments:

- Attachment 1 – Egnyte Renewal Proposal
- Attachment 2 – Additional Quotes
- Attachment 3 – Product Information

cc: City Manager Eric J. Levitt