


**CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS**

BUDGET AND LEGISLATIVE ANALYST

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Policy Analysis Report

To: Supervisor Kim
From: Budget and Legislative Analyst's Office 
Re: City Department's Software License Expenditures
Date: June 9, 2014

EXECUTIVE SUMMARY

- Eighteen of the City General Fund departments¹ delineate software expenditures in their annual operating budgets. In FY 2012-13 and FY 2013-14 (through May 2014), City departments have spent approximately \$35.8 million on software licenses and maintenance agreements in their operating budgets. The Department of Technology's expenditures over the two fiscal years of \$12.6 million comprise 35% of citywide expenditures.
- According to Administrative Code Section 21.30 (d), when a vendor has proprietary rights to software, or maintenance of equipment by a particular vendor is required to preserve a warranty, the software agreement will be considered a sole source agreement and subject to the City's sole source requirements.
- More than one-third of software purchases in FY 2012-13 and FY 2013-14 were sole source purchases, as shown in the table below. The actual share of software purchases that are sole source is likely higher since City departments were inconsistent in reporting on purchase procedures.

	FY 2012-13 and FY 2013-14 (as of May 2014)	Percent
Competitive	\$16,241,214	45%
Sole Source	12,615,257	35%
Not Stated	6,914,496	19%
Total	\$35,770,966	100%

Source: Budget and Legislative Analyst Survey of City Departments

¹ The Budget and Legislative Analyst's review did not include the Airport, Port, and Public Utilities Commission, which are enterprise departments; the San Francisco Municipal Transportation Agency (SFMTA), for which the Board of Supervisors has limited appropriation authority; and the Department of Building Inspection, which is fee-supported.

Most sole source purchases are for maintenance agreements for vendors to maintain proprietary software.

- Once a department has determined a need for a software license, all City departments must acquire approval from the City's Chief Information Officer (CIO), a position held simultaneously by the Director of the Department of Technology. Since 2009, the CIO review has been a tool to centralize the Department of Technology's oversight of IT procurement in the City. According to Department of Technology staff, the CIO review serves two purposes: (1) to allow the Department of Technology to gather information and catalog the City's IT infrastructure capability; and (2) to provide a control mechanism to reduce redundancies and find cost-efficiencies where available.

PURCHASING SOFTWARE IN SAN FRANCISCO

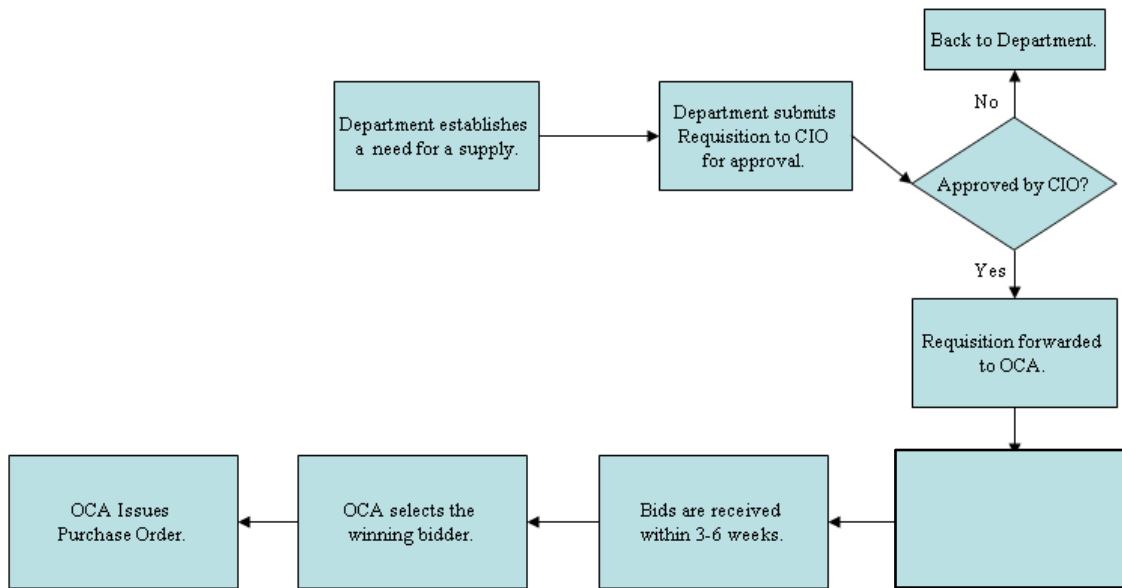
The purchasing authority for purchasing software is defined in Administrative Code 21.30, which states:

The Board of Supervisors hereby approves the execution of perpetual, nonexclusive software licensing agreements which warrant performance of the software according to specifications and which are for an amount of less than ten million dollars without further Board approval.

According to the Administrative Code, software licensing procurements are not subject to the contracting requirements of the Administrative Code, but are subject to Administrative Code Section 21.03(j), which assigns the Purchaser responsibility for the acquisition of information technology equipment and services.

Software in the City can be purchased either through a standard procurement process or through the Technology Store which provides a streamlined procurement process. Under both processes, the City's Chief Information Officer (CIO) approves the requested software purchase. Figure 1 below shows a flow chart of the standard procurement process, in which the Office of Contract Administration (OCA) conducts a competitive process for software on behalf of the department.

Figure 1 – The Standard Procurement Process for IT Product Requests



Source: 2009 Management Audit on the Commodity Purchasing Process

As shown in Figure 1 above, once a department has determined a need for a software license, all City departments must acquire approval from the City's CIO, a position held simultaneously by the Director of the Department of Technology (DT).² Since 2009, the CIO review has been a tool to centralize DT's oversight of IT procurement in the City. Currently it serves two purposes.

- 1) To allow DT to gather information and catalog the City's IT infrastructure capability.
- 2) To provide a control mechanism to reduce redundancies, find cost-efficiencies where available, standardize and optimize Citywide IT opportunities.

To submit an IT request, departments must fill out a cover letter describing the IT product, why it is needed, and a quote with any other supporting documentation for the request. Once submitted, DT evaluates the request and approves as necessary.

Over the last year, DT has streamlined the CIO review as a tool to gather information on the City's IT needs. According to DT staff, when a commonly used IT product is identified, DT can use this information to pursue enterprise (or Citywide) agreements which allow for negotiating better terms for the use of the software to be used by the City, rather than individual departments only.

² All City departments must acquire the approval of the CIO before purchase, even the City's enterprise departments: San Francisco International Airport, the Port, the Public Utility Commission, and the Municipal Transportation Agency.

Once the CIO has approved the purchase of a software package, the requisition is forwarded to OCA who then manages final review and approval of the requisition.³

City departments can also purchase software through the Technology Store, an OCA managed store with a set of pre-approved vendors to submit bids on IT products.⁴ The primary advantage of purchasing through the Technology Store is a streamlined procurement process, offering significant time advantages. According to a 2009 audit of the City's commodity purchasing process, procuring commodities outside of the Technology Store generally took from four to eight weeks while Technology Store procurements are generally processed by OCA in three to five business days.⁵ OCA is currently in the process of expanding the Technology Stores into the Technology Marketplace which will continue to offer streamlined procurement to City departments but with more vendors.

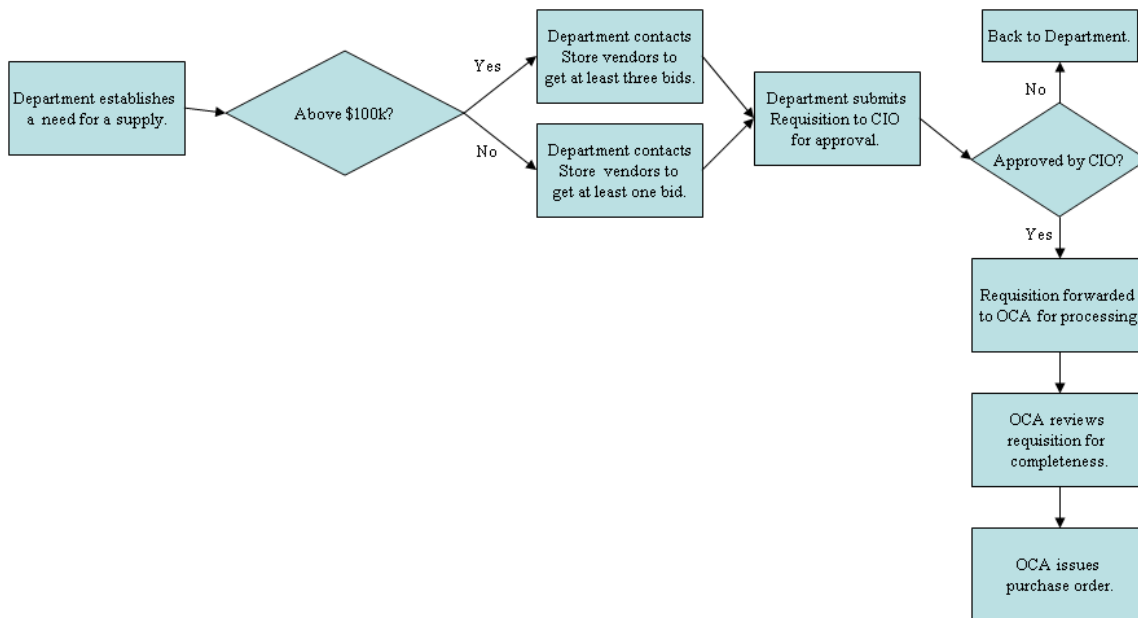
Figure 2 below demonstrates the procurement process for purchasing through the Technology Store. If a software license agreement costs are estimated to exceed \$100,000, the Department must solicit at least three quotes before requesting approval from the CIO. For a software license agreement estimated to be less than \$100,000, the Department only needs one quote before requesting approval from the CIO. After approval from the CIO, the procurement request is forwarded to the OCA for final review and approval.

³ San Francisco Budget Analyst, "Management Audit of the City and County of San Francisco's Commodity Purchasing Process." Board of Supervisors of the City and County of San Francisco. December 7, 2009.

⁴ In 2006, OCA took over management of the Technology Store (previously called the "Computer Store") from DT and the Committee on Information Technology (COIT).

⁵ San Francisco Budget Analyst, "Management Audit of the City and County of San Francisco's Commodity Purchasing Process." Board of Supervisors of the City and County of San Francisco. December 7, 2009.

Figure 2 – Procurement Process for IT Requests through the Technology Store⁶



Source: 2009 Management Audit

As described above, the primary departments involved in Citywide IT procurement are OCA and DT through the CIO review. However, the Committee on Information Technology (COIT) also plays a significant role in planning and organizing the City’s IT infrastructure. In 2009, the Mayor’s Open Data Executive Directive designated COIT as “the official technology governance body for the City and has the authority to develop policy and set the strategic technology vision for the City.”⁷ The Directive states that COIT should “develop policies and a strategic plan for the City that is supportive of the goals to consolidate, simplify, and optimize technology systems and operations” while the CIO and Chair of COIT “has the authority and responsibility to oversee the implementation of COIT policy for all City departments.”⁸

COIT is comprised of 10 City employees, including (a) six department heads, one from each of six service areas; (b) the Mayor’s Finance Director; (c) the Controller; (d) the Director of the Department of Telecommunications and Information Services; and, (e) one member of the Board of Supervisors, and (f) two private citizens.⁹

⁶ San Francisco Budget Analyst, “Management Audit of the City and County of San Francisco’s Commodity Purchasing Process.” Board of Supervisors of the City and County of San Francisco. December 7, 2009.

⁷ <http://sfmayor.org/ftp/archive/209.126.225.7/executive-directive-09-06-open-data/index.html>

⁸ San Francisco Budget Analyst, “Management Audit of the City and County of San Francisco’s Commodity Purchasing Process.” Board of Supervisors of the City and County of San Francisco. December 7, 2009.

⁹ San Francisco Budget Analyst, “Management Audit of San Francisco’s Information Technology Practices.” Board of Supervisors of the City and County of San Francisco. October 3, 2007.

OVERVIEW OF SPENDING

Eighteen of the City General Fund departments¹⁰ delineate software expenditures in their annual operating budgets. In the last two fiscal years, City departments have spent approximately \$35.8 million on software licenses and maintenance agreements in their operating budgets, as shown in Table 1 below.

Table 1 – 18 City Departments’ Software Expenditures: FY2012-13/FY 2014-15

Department	Actual Expenditures			Percent
	FY2012-13	FY2013-14 (as of May)	Two Year Total	
Technology	\$7,700,824	\$4,877,973	\$12,578,797	35%
Controller	2,874,680	2,026,872	4,901,552	14%
Public Health	1,430,787	3,157,404	4,588,191	13%
Administrative Services	1,206,199	1,131,176	2,337,375	7%
Library	909,315	1,357,206	2,266,521	6%
Police	1,037,451	972,269	2,009,720	6%
Retirement	595,630	1,290,207	1,885,837	5%
Treasurer	743,734	627,296	1,371,030	4%
Public Works	448,276	729,676	1,177,952	3%
Human Services	549,303	517,583	1,066,886	3%
Assessor	307,110	318,099	625,209	2%
Recreation & Park	129,780	159,407	289,187	1%
Sheriff	161,372	49,081	210,453	1%
Planning	88,013	101,169	189,182	1%
Human Resources	72,115	62,566	134,681	0%
Adult Probation	32,868	45,295	78,163	0%
Health Services System	36,114	19,486	55,600	0%
Fire	4,629	-	4,629	0%
Total	\$18,328,200	\$17,442,765	\$35,770,965	100%

Source: Budget and Legislative Analyst Survey of City Departments

Among the 18 departments, DT has the highest expenditures over two years of \$12.6 million, or 35% of total expenditures. According to Mr. Miguel Gamino, DT Chief Operating Officer, DT’s total expenditures in FY 2013-14 are likely to increase in the last month as there are several expenditures yet to be processed by DT.

However, even as DT is the largest single spender on software for the City, Table 1 also shows that software expenditures are distributed among City departments,

¹⁰ The Budget and Legislative Analyst’s review did not include the Airport, Port, and Public Utilities Commission, which are enterprise departments; the San Francisco Municipal Transportation Agency (SFMTA), for which the Board of Supervisors has limited appropriation authority; and the Department of Building Inspection, which is fee-supported.

which comprise 65% of expenditures in FY 2012-13 and FY 2013-14. Part of the reason for this distribution of software expenditures is due the structure of the procurement process that provides for City departments to purchase individual software to meet their needs. However, the distributed expenditures shown in Table 1 also reveal the decentralized legacy of IT infrastructure in the City.¹¹

Sole Source Purchases

Software purchases consist of licenses, which are legal agreements allowing City staff to use proprietary software, and maintenance agreements, in which the software provider maintains the licensed software on an ongoing basis to correct faults or improve performance. More than one-half of City departments' purchases software licenses, as shown in the table below.

Table 2: Purchase of Software Licenses and Maintenance Agreements

	FY 2012-13 and FY 2013-14 (as of May 2014)	Percent
Licenses	\$19,510,747	55%
Maintenance	12,859,274	36%
Other/ not stated	3,400,944	10%
Total	\$35,770,966	100%

Source: Budget and Legislative Analyst Survey of City Departments

According to Administrative Code Section 21.30 (d), when a vendor has exclusive proprietary rights to software, or maintenance of equipment by a particular vendor is required to preserve a warranty, the software agreement will be considered a sole source agreement and subject to the City's sole source requirements. Sole source eligibility requires review and approval by OCA prior to entering into an agreement.

More than one-third of software purchases in FY 2012-13 and FY 2013-14 were sole source purchases, as shown in the table below. The actual share of software purchases that are sole source is likely higher since City departments were inconsistent in reporting on purchase procedures.

Table 3: Competitively Solicited and Sole Source Software

	FY 2012-13 and FY 2013-14 (as of May 2014)	Percent
Competitive	\$16,241,214	45%
Sole Source	12,615,257	35%
Not Stated	6,914,496	19%
Total	\$35,770,966	100%

Source: Budget and Legislative Analyst Survey of City Departments

¹¹ In 2007, the Budget Analyst's Office conducted an audit of the consequences of the City's decentralization IT infrastructure. It recommended DT take a more prominent role in coordinating and purchasing software licenses in order to reduce costs. San Francisco Budget Analyst, "Management Audit of San Francisco's Information Technology Practices." Board of Supervisors of the City and County of San Francisco. October 3, 2007.

Most sole source purchases are for maintenance agreements for vendors to maintain proprietary software. Of the \$12.6 million in reported sole source purchases in FY 2012-13 and FY 2013-14, 61% (\$7.6 million) were for software maintenance. Conversely, of the \$12.9 million in software maintenance agreement expenditures in FY 2012-13 and FY 2013-14, \$7.6 million, or 59% were sole source purchases.

DT'S COST CONTAINMENT PRACTICES

According to discussions with DT, the department has engaged in several efforts to reduce the costs of software purchasing Citywide. Most prominent in its efforts to cut costs is the CIO review discussed above. By requiring the approval of the City's CIO for all software purchases, DT staff believes that they can better understand and anticipate the needs of the City as a whole, guide departments towards cost-savings, consolidation efforts, and standardization of software.

However, according to DT, an important part of the CIO review is the collection of information which can be used to track purchases by vendors and categories, which allows DT to evaluate potential consolidation of purchases and implementation of enterprise agreements. Enterprise agreements are negotiated contracts between the City and a software vendor to provide broad usage of a specific product to accommodate the City's business needs. For software, DT generally initiates enterprise agreements where commonly used software packages, such as Microsoft Office, are identified and cost-savings are available. During a negotiation, DT will work with individual departments to determine the needs of the departments, ensuring the scope of the agreement is broad enough to meet the present and future needs.

According to DT staff, negotiating enterprise agreements is a key component to DT's strategy to finding software savings in the City. In addition, once an enterprise agreement is formed, City departments can acquire the software quickly since the procurement is completed and a contract is in place for the use of the specific software. DT staff state that they are encouraging the standardization of software so that DT can continue to pursue enterprise agreements. Further, the standardization of software allows DT to negotiate and find cost-savings for software and maintenance agreements. Through enterprise agreements, DT's goal is to reduce Citywide redundant IT expenditures and achieve cost-efficiencies and standardization.

CITIES OF SEATTLE AND SACRAMENTO SOFTWARE PURCHASES

The Budget and Legislative Analyst obtained the budgets for software licenses for the cities of Seattle and Sacramento.

City of Seattle

The City of Seattle's Department of Information Technology manages the city's information technology infrastructure and supports the city departments'

information technology systems. Seattle also has centralized purchasing of information technology through the Department of Finance and Administrative Services.

Seattle budgeted \$15,662,100 on recurring software costs across all its departments in its 2014 budget. However, this number does not include one-time software expenditures. As a portion of the total budget, software costs in Seattle account for 0.4% of the total budget of \$4.4 billion in FY2014. Similarly, San Francisco’s software costs for the 18 City departments account for 0.3% of the approximately \$5.1 billion budget for City General Fund departments¹².

Software expenditures are budgeted in each of the Seattle city departments, as shown in Table 4 below.

Table 4: 2014 Budget for Seattle

Department	2014 Budget
Legislative/Auditor	\$25,000
Arts and Cultural Affairs	7,500
Seattle Center	85,000
Seattle Public Utilities	1,619,000
Police Department	1,300,000
Information Technology	3,250,000
Planning and Development	45,700
Fire Department	375,000
Seattle City Light	5,700,000
Finance and Administrative Services	2,008,000
Transportation	326,900
Intergovernmental Relations	3,000
Neighborhoods Department	10,000
Economic Development	7,900
Library	511,600
Personnel	26,000
Parks	100,000
Municipal Court	138,500
Law	55,200
Human Services	45,800
Office for Civil Rights	12,700
Office for Education	8,100
Office for Sustainability and Environment	1,200
Total	\$ 15,662,100

Source: City of Seattle, WA, City Budget Office

¹² The City’s total budget is approximately \$7.9 billion; the amount of \$5.1 billion excludes the Airport, Port, PUC, SFMTA, and Department of Building Inspection.

City of Sacramento

The City of Sacramento's Information Technology Department oversees the City's technology infrastructure. Information technology software expenditures are budgeted in each of the City's departments. Sacramento's FY 2013-14 budget for software license and maintenance agreements was \$1,927,378, or 0.2% of its total budget of \$838.6 million, shown in the table below.

Table 5: 2014 Budget for Sacramento

Department	2014 Budget
City Attorney	\$18,915
City Treasurer	9,258
Citywide and Community Support	383,771
Community Development	127,924
Convention Culture & Leisure	27,764
Finance	2,901
Fire	20,807
General Services	117,215
Human Resources	9,390
Information Technology	239,428
Mayor/Council	357.67
Parks & Recreation	28,427
Police	174,105
Projects	321,512
Public Works	111,219
Utilities	334,386
Total	\$1,927,378

Source: City of Sacramento Budget Office

APPENDIX A: DEPARTMENT SOFTWARE EXPENDITURES

Administrative Services

Administrative Services has several large projects requiring software licensing and maintenance expenditures, which include a) the 311 Call Center, the customer service hotline for the public to call City services; b) the JUSTIS Project (Justice Information Tracking System) that allows the City’s criminal; justice departments to share and track criminal justice information: and c) procurement services. FY 2012-13 and FY 2013-14 expenditures are shown below.

Expenditures				
	FY2012-13	FY2013-14*	Difference	Percent Change
Total	\$1,206,199	\$1,131,176	-\$75,023	-6.0%

* Expenditure dates are from July 2013 until May 2014.

Administrative Service’s three largest expenditures in FY 2012-13 and FY 2013-14 are shown below.

Vendor	Software Product	Procurement Source	Total Expenditure*
New World Systems	Aegis Law Enforcement Records Software & Aegis Corrections Management Software	Sole Source	\$766,954
Lagan	LAGAN Public Sector	RFQ	380,959
Constellation Justice Systems	DAMION Prosecutor	Sole Source	250,230

* Expenditure dates are from July 2012 until May 2014

Adult Probation Department

The Adult Probation Department’s FY 2013-14 expenditures for software increased by 38%, as shown below. According to Diane Lim, Adult Probation Director of Finance and Administrative Services, the increase in the department’s software budget reflects upgrades to its existing infrastructure and supporting the increase in in Adult Probation staff.

Expenditures				
	FY2012-13	FY2013-14*	Difference	Percent Change
Total	\$32,868	\$45,295	\$12,428	38%

* Expenditure dates are from July 2013 until May 2014.

Ms. Lim also advises that the majority of the software licenses require annual support and maintenance. When purchasing new software, in cases where the

Adult Probation Department's software needs are unique and the Department of Technology has not purchased an enterprise agreement, the Adult Probation Department will purchase the software through a sole-source agreement or go through the competitive bidding process. Currently, the Adult Probation Department participates in City negotiated Enterprise Software Agreements, such as VMWare, Adobe and is participating in the current discussion and evaluation of the Enterprise Agreement for Microsoft software. Adult Probation Department's three largest software expenditures in FY 2012-13 and FY 2013-14 are shown below.

Vendor	Software Product	Procurement Source	Total Expenditure *
CISCO	Smartnet	Tech Store	\$7,428
Symantec	Endpoint Protection 12.1	Tech Store	5,406
BMC Software	Track-It	Tech Store	4,799

*Expenditure dates are from July 2012 until May 2014

Assessor Recorder's Office

The Assessor-Recorder's Office software expenditures in FY 2013-14 increased by 3.6% in FY 2013-14 compared to FY 2012-13, as shown below.

	Expenditures		Difference	Percent Change
	FY2012-13	FY2013-14*		
Total	\$307,110	\$318,099	\$10,989	3.6%

* Expenditure dates are from July 2013 until May 2014.

Several of the Assessor's Office software licenses require an annual cost for licensing fees and maintenance support. The table below shows the Assessor's three largest software expenditures in FY 2012-13 and FY 2013-14.

Vendor	Software Product	Procurement Source	Total Expenditure *
AtPac	CRiis	Sole Source	\$326,626
Hamer	EZ-Access	Sole Source	230,450
BMI	Digital Reel	Sole Source	40,200

*Expenditure dates are from July 2012 until May 2014

Controller

According to Mr. Larry Wolfson, MIS Manager at the Controller's Office, the Controller's Office has three major software consumers which include Local Area Network (LAN) services, eMerge (PeopleSoft), and AOSD (supporting FAMIS including Cognos) where each of the three groups may manage and purchase their own software, services and maintenance based on actual needs and

requirements. Comparing spending between FY2012-13 and F2013-14, the table below shows the Controller's Office decreased spending on software by 29.5%.

Expenditures				
	FY2012-13	FY2013-14*	Difference	Percent Change
Total	\$2,874,680	\$2,026,872	-\$847,808	-29.5%

* Expenditure dates are from July 2013 until May 2014.

Mr. Wolfson also advises that the Controller's Office has several efforts to reduce software costs including participation in enterprise agreements, higher reliance on the cloud, and review of software needs before expenditure. The table below shows the Controller's Office three largest software expenditures in FY 2012-13 and FY 2013-14.

Vendor	Software Product	Procurement Source	Total Expenditure *
Oracle	Not available	Sole Source	\$622,529
Oracle	Not available	Sole Source	601,532
Oracle	Not available	Sole Source	539,400

*Expenditure dates are from July 2012 until May 2014

City Planning Department

City Planning's software expenditures increased by 14.9% in FY 2013-14, as shown below.

Expenditures				
	FY2012-13	FY2013-14*	Difference	Percent Change
Total	\$88,013	\$101,169	\$13,156	14.9%

* Expenditure dates are from July 2013 until May 2014.

Several of the City Planning Department software licenses require an annual software fee and maintenance support. To save costs, Mr. Keith DeMartini, Finance & IT Manager at the City Planning Department, advises that the department utilizes enterprise agreements negotiated by the Department of Technology. The table below shows the City Planning Department's three largest software expenditures in FY 2012-13 and FY 2013-14

Vendor	Software Product	Procurement Source	Total Expenditure *
Microsoft	Microsoft Site License	Tech Store	\$70,000
Adobe	Adobe CS 5.5 Master Collection	Tech Store	53,940
Sophos	Sophos AntiVirus Supscription	Tech Store	16,500

*Expenditure dates are from July 2012 until May 2014

Department of Public Health (DPH)

The Department of Public Health (DPH) has the second largest software licensing and maintenance budget in San Francisco with spending of \$3,157,404 in FY 2013-14, shown in the table below. Spending in FY 2012-13 increased by 120.7% in FY 2013-14 due to the purchase of several new software licenses by San Francisco General Hospital and Laguna Honda Hospital as part of the upgrade of the medical records and other clinical systems.

Expenditures				
	FY2012-13	FY2013-14*	Difference	Percent Change
Total	\$1,430,787	\$3,157,404	\$1,726,618	120.7%

* Expenditure dates are from July 2013 until May 2014.

Several of DPH's software licenses require an annual cost for licensing fees and maintenance support. The table below shows DPH's three largest software expenditures in FY 2012-13 and FY 2013-14.

Vendor	Software Product	Procurement Source	Total Expenditure *
Surgical Information Systems	SIS	Not available	\$873,795
Microsoft	Microsoft Enterprise Software	Not available	567,468
Halogen Software	Halogen eLearning	Not available	224,515

*Expenditure dates are from July 2012 until May 2014

Department of Public Works (DPW)

The Department of Public Works (DPW) spent \$729,676 on software licensing and maintenance agreements in FY2013-14, which represents an increase of 62.8% from FY2012-13, as shown below.

Expenditures				
	FY2012-13	FY2013-14*	Difference	Percent Change
Total	\$448,276	\$729,676	\$281,399	62.8%

* Expenditure dates are from July 2013 until May 2014.

Several of DPW's software licenses require an annual cost for licensing fees and maintenance support. The table below shows DPW's three largest software expenditures in FY 2012-13 and FY 2013-14.

Vendor	Software Product	Procurement Source	Total Expenditure *
Infor	CMMS	RFQ	\$290,712
AutoDesk	AutoDesk Building Design Suite Premium	Sole Source	83,366
AutoDesk	AutoDesk Civil 3D	Sole Source	47,265

*Expenditure dates are from July 2012 until May 2014

Human Services Agency

The Human Services Agency spent \$517,583 on software licenses and maintenance agreements in FY2013-14, which was a decrease of 5.8% compared to FY 2012-13, as shown below.

	Expenditures			
	FY2012-13	FY2013-14*	Difference	Percent Change
Total	\$549,303	\$517,583	-\$31,720	-5.8%

* Expenditure dates are from July 2013 until May 2014.

Several of the Human Services Agency's software licenses require incur annual licensing fees and maintenance support expenditures. The table below shows the Human Services Agency's three largest software expenditures in FY 2012-13 and FY 2013-14.

Vendor	Software Product	Procurement Source	Total Expenditure *
OpenText	Livink	Sole Source	\$184,194
Service Now	Not available	RFQ	107,350
Monet	Not available	RFQ	91,120

*Expenditure dates are from July 2012 until May 2014

Fire Department

The Fire Department spent \$4,6230 for Adobe Acrobat Pro in FY 2012-13. According to Mr. Mark Corso, Chief Financial Officer at the Fire Department, this purchase will be recurring and is still pending approval in FY2013-14.

	FY2012-13 Actual Expenditures
Total	\$4,630

Department of Human Resources

The Department of Human Resources spent \$62,566 on software licenses and maintenance agreements in FY2013-14, representing a decrease of 56.6% between FY2012-13 and FY2013-14. The decrease in spending is due to significantly lower licensing fees for Microsoft SQL Server Enterprise Core in FY 2013-14.

	Expenditures			
	FY2012-13	FY2013-14*	Difference	Percent Change
Total	\$144,229	\$62,566	-\$81,663	-56.6%

* Expenditure dates are from July 2013 until May 2014.

According to Mr. Brent Lewis, Director of Finance and IT at the Department of Human Resources, software for the department is typically purchased through the

Technology Store. Currently, the Department of Human Resources is working with DT towards finalizing an enterprise agreement with Microsoft. The table below shows Human Resources' three largest software expenditures in FY 2012-13 and FY 2013-14.

Vendor	Software Product	Procurement Source	Total Expenditure *
Microsoft	Windows	OCA Contract	\$63,526
LANDESK	LANDESK Security Suite	Tech Store	27,231
Executime	Timekeeping Software	Not available	13,440

*Expenditure dates are from July 2012 until May 2014

Health Service System

The Health Service System's spent \$19,486 on software licenses and maintenance agreements in FY2013-14. Compared to FY2012-13, Human Service System's software expenditures decreased by 46.0%, as shown below.

	Expenditures		Difference	Percent Change
	FY2012-13	FY2013-14*		
Total	\$36,114	\$19,486	-\$16,628	-46.0%

* Expenditure dates are from July 2013 until May 2014.

According to Ms. Pamela Levin, Chief Financial Officer at the City's Health Service System, the department uses DT software contracts whenever possible. The Health Service System's also conducts an annual evaluation of department software and discontinues software that is not needed. The table below shows the Health Services System's three largest software expenditures in FY 2012-13 and FY 2013-14.

Vendor	Software Product	Procurement Source	Total Expenditure *
HealthShare iQ	HealthShare iQ	Sole	\$16,202
Microsoft	Microsoft Office	Sole	10,761
EAPisoft	EAPisoft	Not available	8,400

*Expenditure dates are from July 2012 until May 2014

Library

San Francisco's Public Library has the fourth highest expenditures for software licenses and maintenance, as shown in Table 1 above. FY 2013-14 expenditures increased by 49% compared to FY 2012-13, as shown below.

Expenditures				
	FY2012-13	FY2013-14*	Difference	Percent Change
Total	909,315	1,357,206	447,891	49%

* Expenditure dates are from July 2013 until May 2014.

The table below shows the Library's three largest software expenditures in FY 2012-13 and FY 2013-14.

Vendor	Software Product	Procurement Source	Total Expenditure *
Innovative Interfaces Inc	Millennium	Sole Source	\$579,298
Microsoft	MS Office 2013	Not Available	121,305
OCLC Online Computer Library Services	OCLC Proprietary Software	Sole Source	100,735

*Expenditure dates are from July 2012 until May 2014

Police Department

The Police Department spent \$1,037,451 in FY2012-13 and \$972,269 so far in FY2013-14. According to Ms. Susan Merritt, Chief Information Officer at the Police Department, the Department does not estimate additional expenditures in FY 2013-14.

Expenditures				
	FY2012-13	FY2013-14*	Difference	Percent Change
Total	\$1,037,451	\$972,269	-\$65,182	-6.3%

* Expenditure dates are from July 2013 until May 2014.

Several of the Police Department's software licenses require an annual cost for licensing fees and maintenance support. The table below shows Police's three largest software expenditures in FY 2012-13 and FY 2013-14.

Vendor	Software Product	Procurement Source	Total Expenditure *
ORACLE	ORACLE	Sole Source	\$443,328
ShotSpotter	ShotSpotter	Sole Source	424,908
CISCO	CISCO	Sole Source	204,598

*Expenditure dates are from July 2012 until May 2014

Recreation & Park Department

The Recreation & Park Department spent \$159,407 on software licenses and maintenance agreements in FY2013-14. Compared to FY2012-13, Recreation & Park Department software expenditures has increased by 22.8%. In the coming year, Recreation & Parks is preparing for the City's Wi-Fi parks project and will need to purchase additional software.

Expenditures				
	FY2012-13	FY2013-14*	Difference	Percent Change
Total	\$129,780	\$159,407	\$29,627	22.8%

* Expenditure dates are from July 2013 until May 2014.

The Recreation & Park Department typically purchases software as a one-time expenditure and many of their software licenses do not have annual costs for maintenance support. However, according to Mr. Pat Cox, IT Director at the Recreation & Parks Department, this practice has led to many of the Recreation & Park's programs to become outdated. In the near future, Mr. Cox advises Recreation & Parks is working with DT towards an enterprise agreement to update their Microsoft software. The below shows Recreation & Park Department three largest software expenditures in FY 2012-13 and FY 2013-14.

Vendor	Software Product	Procurement Source	Total Expenditure *
Active Network	Class	Sole Source	\$93,550
TMA Systems	TMA	Sole Source	53,401
Cisco	Smartnet	Sole Source	28,360

*Expenditure dates are from July 2012 until May 2014

Employees' Retirement System

In FY2013-14, the City's Employees' Retirement System spent \$1,290,207 on software licensing fees and maintenance agreements, 116.6% more than in FY2012-13 as shown in the table below. This is due to the software and maintenance costs associated with its PeopleSoft Pension Administration software, which in total cost \$1,160,607 in FY2013-14. According to Mr. Jay Huish, Executive Director at the Employees' Retirement System, the department is currently looking into a multi-year renewal agreement with Oracle which would limit year-to-year inflation for its software.

Expenditures				
	FY2012-13	FY2013-14	Difference	Percent Change
Total	\$595,630	\$1,290,207	\$694,577	116.6%

* Expenditure dates are from July 2013 until May 2014.

The table below shows Retirement's three largest expenditures in FY 2012-13 and FY 2013-14.

Vendor	Software Product	Procurement Source	Total Expenditure *
Oracle	PeopleSoft Pension Administration Software	Sole Source	\$776,269
Oracle	PeopleSoft Pension Administration Maintenance	Sole Source	776,269
Perceptive	Perceptive ImageNow ECM	RFQ	166,649

*Expenditure dates are from July 2012 until May 2014

Sheriff

As shown in the table below, the Sheriff Department spent \$49,081 on software licenses and maintenance agreements in FY2013-14. According to Ms. Bree Mawhorter, Deputy Director and Chief Financial Officer at the Sheriff's Department, several software contracts have annual subscription costs that have not been billed yet in FY2013-14. In the previous fiscal year of FY2012-13, the Sheriff Department spent \$161,372 on software licensing, representing a decrease of 69.6%.

	Expenditures		Difference	Percent Change
	FY2012-13	FY2013-14		
Total	\$161,372	\$49,081	-\$112,292	-69.6%

* Expenditure dates are from July 2013 until May 2014.

Ms. Mawhorter advises the Sheriff's department typically purchases directly with a software vendor when purchasing software less than \$5,000. For amounts great than \$10,000, the Sheriff's department typically purchases through the Technology Store. Table 34 below shows the Sheriff Department's three largest software expenditures in FY 2012-13 and FY 2013-14.

Vendor	Software Product	Procurement Source	Total Expenditure *
Kronos	Telestaff	Tech Store	\$196,843
Attachmate	Attachmate	Tech Store	11,285
TechSmith	Snagit 11	Tech Store	1,204

*Expenditure dates are from July 2012 until May 2014

Department of Technology (DT)

The Department of Technology (DT) is the largest purchaser of software licenses and maintenance agreements in San Francisco, spending of \$4,874,776 so far in FY2013-14, as shown in the table below. DT is responsible for purchasing citywide enterprise software agreements which account for a substantial portion of their budget. Over the last year, DT has increasingly centralized the software procurement process in order to achieve system-wide cost savings, including the purchase of two enterprise agreements from Microsoft and VMWare

Expenditures				
	FY2012-13	FY2013-14	Difference	Percent Change
Total	\$7,700,824	\$4,877,973	-\$2,822,851	-36.7%

* Expenditure dates are from July 1, 2013 until May 7, 2014.

The table also shows DT's spending decreased by 36.7% between FY2012-13 and FY2013-14 (as of May 2014). However, Mr. Miguel Gamino, Chief Operating Officer at DT, advises software costs for DT will likely increase to the FY 2012-13 amount by the end of the FY 2013-14. The table below shows DT's three largest software expenditures in FY 2012-13 FY 2013-14.

Vendor	Software Product	Procurement Source	Total Expenditure *
VMware	VMWare		\$2,241,017
Microsoft	Microsoft Business Productivity Online Suite	Tech Store	1,618,751
IBM	CICs and Cobol	Sole Source	596,366

*Expenditure dates are from July 2012 until May 2014

Treasurer& Tax Collector

As shown in the table below, the Treasurer & Tax Collector spent \$627,296 on software licenses and maintenance agreements in FY2013-14 compared to \$743,734 spent on software licensing in FY2012-13, a decrease of 15.7%. Ms. Tajel Shah, Deputy Director at the Treasurer, advises that in the upcoming year, the Treasurer will see nominal decreases in software maintenance due to their transition to a new business tax system license, Aumentum.

Expenditures				
	FY2012-13	FY2013-14*	Difference	Percent Change
Total	\$743,734	\$627,296	-\$116,438	-15.7%

* Expenditure dates are from July 2013 until May 2014.

Memo to Supervisor Kim
June 9, 2014

When purchasing new software, Ms. Shah states the Treasurer pursues contract agreements that other City departments can use. The table below shows three of Treasurer's largest software expenditures in FY 2012-13 and FY 2013-14.

Vendor	Software Product	Procurement Source	Total Expenditure *
Wausau	ImageRPS	RFP	\$623,031
Manatron	Aumentum	Sole Source	200,000
Columbia Ultimate Business Systems	RPCS	Sole Source	199,600

*Expenditure dates are from July 2012 until May 2014