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**Title:** CONSIDER APPROVAL OF SOFTWARE LICENSE AGREEMENT WITH ZOHU CORPORATION FOR PURCHASE OF MANAGEENGINE HELPDESK SOFTWARE (CITY COUNCIL)

**Sponsors:**

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**Attachments:** 1. Exhibit No. 1 - Quote #479024.pdf, 2. Exhibit No. 2 - Software License Agreement.pdf

Date	Ver.	Action By	Action	Result
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**Report to Mayor and City Council**

Tuesday, April 21, 2020

Consent

**SUBJECT:**

**CONSIDER APPROVAL OF SOFTWARE LICENSE AGREEMENT WITH ZOHU CORPORATION FOR PURCHASE OF MANAGEENGINE HELPDESK SOFTWARE (CITY COUNCIL)**

**I. SUMMARY**

The Information Technology Department (ITD) is seeking approval to purchase IT Helpdesk software that will enable City staff the ability to track their support requests and ensure the improvement of service levels. Improved helpdesk management, inventory control, reporting, and remote management. The cost for this software, annual maintenance, and support agreement does not exceed the amount required for City Manager approval; however, since the agreement is not in the standard City Attorney approved contract form, City Council approval is being sought.

**II. RECOMMENDATION**

TAKE the following actions:

1. APPROVE the attached Software License Agreement with Zoho Corporation (“Agreement”) for purchase of the ManageEngine Service DeskPlus Software and related Maintenance Support for \$16,872.00 (Exhibit 2); and

2. AUTHORIZE the Mayor to execute the Agreement upon approval as to form by the City Attorney.

### III. ALTERNATIVES

TAKE any other action the Council deems appropriate.

### IV. BACKGROUND

The City staff currently uses an in-house helpdesk system that was created over 10 years ago by the City's Web Developer. It is not intuitive enough for City staff or IT personnel to easily track or create reports on requests (tracking, late, users, hardware, etc.) that can improve the Service Levels. ITD is in need of a more comprehensive helpdesk and asset management software that ManageEngine, by Zoho Corporation ("Zoho"), can provide. ITD is seeking to purchase the ServiceDesk Plus Professional Edition that would provide the following:

- **Help Desk Management** - Currently, all requests come in through the email system and is very difficult to monitor, manage, and maintain. The proposed software would provide help desk staff and the IT manager an integrated console to monitor and maintain the assets and IT requests.
- **IT Asset Discovery** - Software and hardware Inventory is a manual process that takes more than two weeks to compile. Staff performs this process once a year.
- **Asset Inventory Reports** - The proposed software would provide staff with these reports. None are available at present; only spreadsheets.
- **Remote Management** - Quick remote support of all workstations is not currently available to the City, but would be provided by the proposed software. Staff currently must travel to all workstations at all parks to resolve issues, and would no longer have to do this with the proposed software. This will save City resources in the form of staff time and gasoline expenses, and will result in quicker resolution of issues.

ServiceDesk Plus is going to be a game changer in turning the IT team from a daily fire-fighting reactive mode to being more proactive and delivering better customer service. It provides great visibility and central control in dealing with IT issues to ensure that businesses suffer little to no downtime. With remote access, staff issues at parks will be resolved much quicker.

Zoho is the sole source provider for this software.

#### Legal Issues

Zoho rejected the City Attorney's standard contract form, which is designed to provide the highest level of protection to the City. However, the City Attorney's Office meticulously reviewed the Zoho's standard form contract and successfully negotiated resolution of most

legal issues posing risk to the City with Zoho's attorneys. The Agreement, as proposed to the Council, provides for a three-year contract term for a total contract sum of \$16,872, consisting of initial one-time installation license fees totaling \$10,545 and annual maintenance and support fees of \$2,109 for each of the three years of the contract.

Two remaining provisions requiring Council consideration are: (1) Zoho requires City to agree to a "Warranty Disclaimer" provision, which states that Zoho does not warrant the licensed software as being "error free," that Zoho is providing the software "as is" without any type of warranty, and that the City must assume all risks associated with the use of the software, including but not limited to the errors, damage to, or loss of data, programs or equipment; and (2) Zoho requires a limitation of liability provision stating that neither party shall be liable for any indirect, punitive or consequential damages, including damages for loss or interruption of business. Recoverable damages are capped at the amount paid by the City to Zoho within the 12 months prior to initiation of the claim, which will invariably be a very low amount (less than the contract sum).

The foregoing provisions restrict the City's potential recovery from Zoho of any damages it may suffer related to the Agreement. However, in recent years, the City Attorney's Office has encountered similar provisions in numerous other software contracts, and these types of provisions appear to be consistent with industry standard for software contracts such as this.

City Staff have researched and worked with Zoho in the past and recognize that Zoho is a reputable consultant.

## **V. FISCAL IMPACT**

Funds have been allocated for this software in FY 2019/20 in account number 101-50-520-101-6020.

## **VI. EXHIBITS**

1. Zoho Corporation Quote #479024. (pg. 4 - 5)
2. Zoho Corporation Software License Agreement. (pgs. 6 - 10)

1.

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