



CITY COUNCIL AGENDA REPORT

MEETING DATE: Tuesday, April 14, 2026
TO: CITY COUNCIL
WRITTEN BY: GIS Coordinator Hanley
RECOMMENDED BY: INNOVATION & TECHNOLOGY DIRECTOR GILL
APPROVED BY: TAMARA VIDES, CITY MANAGER
SUBJECT: RENEWAL OF 3-YEAR ENTERPRISE LICENSE AGREEMENT WITH ESRI

RECOMMENDATION:

Staff recommends Council approve the renewal of a 3-year enterprise license agreement with ESRI for \$60,300 per year, for a three-year total of \$180,900.

BACKGROUND:

GIS (geographic information system) technology has long been an essential tool for the effective functioning of cities and local governments. As the foundation for all GIS mapping and data management at the City of Watsonville, ESRI software is a critical tool that supports operations at nearly every level across almost every department, including asset management; regulatory compliance; short and long-range planning; capital improvement planning; the provision of data and information to staff, residents, partners, and consultants; informed decision-making; emergency preparedness and response; and citizen engagement and an open, transparent government.

As the City of Watsonville continues its transition to becoming a fully digitally enabled 'smart city,' GIS will serve as the cornerstone of a connected, integrated suite of business systems and information that will continue to improve the City's level of service. The future is decidedly more digital, more connected, and more dependent on technology like GIS to empower this transformation.

DISCUSSION:

The City has been an ESRI customer for decades. The contract referenced by this memo is a 3-year renewal of our most recent 3-year contract.

STRATEGIC PLAN:

The application of GIS technology and methods is well-suited to support the entire scope and range of the City's strategic plan, including planning, analysis, presentation/visualization through to implementation, tracking, and reporting.

FINANCIAL IMPACT:

The most recent contract with ESRI (2023-2026) was based on 2023 pricing at \$55,000 for the first year, and \$56,700 for each of the next 2 years. That represented a 3.1% price increase from our previous contract signed in 2020. This new contract will include a 6.3% increase to \$60,300 in the first year, but will remain at \$60,300 each year for the remainder of the agreement. The terms of the contract will expire after year 3 on May 31, 2029. Software licensing is paid for out of the IT budget.

ALTERNATIVE ACTION:

There are no reasonable alternatives, ESRI software is ubiquitous in city and local government. ESRI has more than 30,000 city and local government customers including the City of Watsonville, City of Santa Cruz, City of Salinas, City of Gilroy, Santa Cruz County, Monterey County, San Benito County, and Santa Cruz Regional 911.

ATTACHMENTS AND/OR REFERENCES (IF ANY):

None.