Midpeninsula Regional
Open Space District

R-26-169
Meeting 26-27
November 10, 2026

AGENDA ITEM 6

AGENDA ITEM

Amendment to GIS Software Enterprise Agreement

GENERAL MANAGER'S RECOMMENDATION

Authorize the General Manager to amend the Small County and Municipality Government Enterprise Agreement for Geographic Information System (GIS) software licensing with Environmental Systems Research Institute, Inc., (Esri), increasing the agreement amount by $12,632 to account for a new applicable sales tax per recent passage of SB122, bringing the agreement to a total not-to-exceed amount of $204,260.

SUMMARY

The California State Legislature's passage of SB122 expands sales and use taxes to digital products, including electronically delivered software and Software as a Service (SaaS). Due to this legislation, Esri's comprehensive suite of GIS software is now subject to sales tax. The General Manager recommends increasing the amount of the current three-year Esri Enterprise Agreement by $12,632 for an amount not to exceed $204,260 to account for the increased sales tax costs.

DISCUSSION

Beginning January 1, 2027, digital products including electronically delivered software and Software as a Service (SaaS) are subject to sales and use tax under the recently passed Senate Bill 122 (SB122), which clarifies that the Sales and Use Tax Law (SUT) defines "tangible personal property" to include a digital product such as prewritten computer software that is transferred on tangible storage media, transferred electronically, or accessed remotely. As such, due to this legislation, the cost of all software is increasing by approximately 10%. The annual renewal cost of the Esri GIS software package will increase from an estimated $64,770 to $71,806. With two years remaining in the Small County and Municipality Government Enterprise Agreement, an increase of $12,632 is needed to account for the added sales tax.

FISCAL IMPACT

There is sufficient funding in the current budget to cover the cost of the recommendation. Funds for future year costs will be recommended in future fiscal year budgets as part of the annual Budget and Action Plan process.

PRIOR BOARD ACTION SUPPORTING THE PROJECT

December 10, 2025: The Board authorized the General Manager to renew a three-year Small County and Municipality Government Enterprise Agreement for GIS software licensing with Esri for an amount not-to-exceed $191,628. (R-25-32, Meeting Minutes). This agreement ends in January 2029.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

This item is not a project subject to the California Environmental Quality Act.

NEXT STEPS

Following Board approval, the General Manager will execute an amendment to the Small County and Municipality Government Enterprise Agreement for geographic information system (GIS) software licensing with Esri.

Responsible Department Head:
Casey Hiatt, Manager, Information Systems & Technology

Prepared by:
Samantha Rozal, Management Fellow

Contact person:
Jamie Hawk, GIS Program Administrator, Information Systems & Technology