

Capitola City Council

Agenda Report



Meeting: August 28, 2025

From: Administrative Service Department

Subject: Managed IT Services Contract Amendment

Recommended Action: Authorize the City Manager to execute Amendment 1 to the Professional Services Agreement with Exceedio for managed information technology services in the amount of \$62,450, for a total annual contract value of \$147,000 for three years.

Background: The City of Capitola's computer network infrastructure is the backbone for all work done on the computers at the City of Capitola. This network infrastructure equipment consists of routers, switches, wireless access points, and servers.

On March 15, 2022, the City entered into a Professional Services Agreement (PSA) with Exceedio for Information Technology (IT) Services in an amount not to exceed \$6,000 per month. At the time, staff discussed the project with several vendors and received bids from three firms. During the evaluation process, it became clear that Exceedio was the best fit for the City of Capitola and its technology needs.

The current agreement with Exceedio is a managed services agreement that includes installation, configuration, maintenance, support, and monitoring of the equipment and the City of Capitola network. These managed services were viewed as critical to the City due to the increased complexity of computer systems and the continued increase in bad actors on the internet. It has become more and more difficult for internal staff to stay apprised of all technology threats. System and threat monitoring were included in the agreement with Exceedio. Exceedio is based in Santa Cruz County and staff has been very satisfied with their performance.

Discussion: The PSA with Exceedio was originally entered into to continue to deliver IT services when the City's Information Systems Specialist schedule was reduced from full-time to part-time. The managed services agreement allowed the City's Information Systems Specialist to focus on end-user and desktop support during her approved reduced work schedule. The IT Systems Specialist is also responsible for managing the City's mobile devices and telephone system.

Staff, including the Information Systems Specialist, has been evaluating options for IT services moving forward and concluded that expanding the scope of services with Exceedio best meets the needs of the City. Expanding the scope will provide 24/7 support that is not dependent on the availability of a single employee.

Fiscal Impact: The additional scope of services is \$6,245 per month and will be funded with the salary savings from the retired IT Systems Specialist.

Attachments:

1. Additional scope of managed services

Report Prepared By: Jim Malberg, Administrative Services Director

Reviewed By: Julia Gautho, City Clerk; Sam Zutler, City Attorney

Approved By: Jamie Goldstein, City Manager