

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: KRISTIE BARTLETT, NETWORK OPERATIONS MANAGER
INFORMATION TECHNOLOGY DEPARTMENT
AUTHOR: TARA NORMAN, DEPARTMENT SECRETARY
INFORMATION TECHNOLOGY DEPARTMENT
SUBJECT: MICROSOFT ENTERPRISE AGREEMENT

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Information Technology Department, that the Council, by resolution, approve a three-year Enterprise Agreement renewal with Microsoft Corporation for software licenses and support of desktops and servers, utilizing the County of Riverside's Cooperative Master Enterprise Agreement with Microsoft Corporation (#8084445) and the County of Riverside's Licensing Solution Provider Agreement (# PSA-0001524) with Dell Marketing, L.P., under which Dell Marketing, L.P. is the Microsoft's Value-Added Reseller (VAR) for the City, in an amount of \$1,187,598.60 plus a \$400,000 contingency, for a total not-to-exceed amount of \$1,587,598.60.

EXECUTIVE SUMMARY

Microsoft Office 365 products provide the backbone for all City email, word processing, spreadsheets, collaboration, etc. The suite of products used by the City are covered in an "Enterprise Agreement." This includes software designed for our Cyber Security prevention measures and hybrid meeting technology. The current agreement expires July 31, 2021.

BACKGROUND

In 2018, the City entered into a three-year Enterprise Agreement ("EA") with Microsoft, via VAR Insight Public Sector, Inc., to provide City-wide software licenses for applications such as Office, SharePoint, Exchange and Windows Server. The City would like to extend its current Microsoft EA in order to maintain current licenses and to include future additional licenses at a reduced cost.

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The EA consolidates software purchases across the City at a reduced price, and significantly streamlines the software license management and accounting process for City-wide software upgrades.

As part of its technology procurement practices, the City Information Technology Department (IT) typically upgrades and deploys core City software on a timescale that keeps City software version at, or near current commercial release versions. This practice is necessary to ensure core City software is current with security-related product feature improvements.

PRIOR CITY COUNCIL REVIEW

On September 4, 2018, the City Council, by Resolution approved entering into a three-year Microsoft Enterprise Agreement through Insight Public Sector, Inc. for the total amount of \$1,063,985.66.

ANALYSIS

As part of its technology procurement practices, the Information Technology Department typically upgrades and deploys core City software on a timescale that keeps the City software versions at or near current commercial release versions. This practice is necessary to ensure core City software is kept current with security-related and product feature improvements.

To execute a new EA with Microsoft for an additional three years, Staff recommends utilizing the County of Riverside's competitive process and cooperative purchase agreements with Microsoft re-sellers. The County of Riverside has entered into a:

- Cooperative Master Enterprise Agreement with Microsoft Corporation (#8084445) (Attachment 1); and
- Licensing Solution Provider Agreement (#PSA-0001524) with Dell Marketing L.P. (Attachment 2), where Dell Marketing L.P. is the Microsoft Value-Added Reseller (VAR) for the City, in an amount of \$1,187,598.60 plus a \$400,000 contingency, for a total not to exceed amount of \$1,587,598.60. The City's quote from Dell Marketing, L.P. is attached to this staff report as Attachment 3.

In making the City's purchase utilizing the County of Riverside's cooperative agreements and competitive solicitations process, the City works through Dell Marketing L.P. as the reseller, and the City must also execute and Enterprise Agreement with Microsoft (titled Microsoft Enrollment Form) with additional, non-standard terms and conditions. Although non-standard, the terms and conditions of the Microsoft Enterprise Agreement are very similar to those previously approved by Council for its last three-year EA.

Cooperative purchases are available for use by the City of Santa Rosa and are allowed by City Code Section 3.08-160 when advantageous to the City. Staff retains

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sufficient documentation as to the advantage of the cooperative purchase and this cooperative purchase is advantageous to the City because it consolidates software purchases across the City at a reduced cost, and significantly streamlines the software license management and accounting process.

The three-year Enterprise Agreement is preferred, due to technology procurement cycles and will allow for acquisition of major new software versions while continuing the benefit of software assurance or free upgrades. This is more efficient than purchasing individual licenses as each new version of software comes out. Microsoft renews EA's in three-year terms.

Microsoft requires an annual true-up to account for any new licenses added during the year. This true-up occurs each year of the contract term. The City will also need to purchase additional software, for critical things such as Cyber Security prevention measures and hybrid meeting technology. As such, a contingency amount not to exceed \$400,000 has been added to the contract to pay for any new licenses/products over the three-year term.

FISCAL IMPACT

Funds for this contract have been approved in the Fiscal Year 2021-22 Information Technology budget, and will continue to be included in subsequent Fiscal Year budget as approved by Council.

ENVIRONMENTAL IMPACT

The Council finds that the proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and that no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable

NOTIFICATION

Not Applicable

ATTACHMENTS

- Attachment 1 – County of Riverside's Cooperative Master Enterprise Agreement with Microsoft Corporation (#8084445)
- Attachment 2 – County of Riverside Licensing Solution Provider Agreement (#PSA-0001524) with Dell Marketing, L.P. and First Amendment

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- Attachment 3 – Quote
- Resolution/Exhibit A (Microsoft Enterprise Agreement)

CONTACT

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