

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: KRISTIE BARTLETT, DIVISION MANAGER, INFORMATION
TECHNOLOGY DEPARTMENT
SUBJECT: TRUE-UP FOR 2015-2018 MICROSOFT ENTERPRISE AGREEMENT

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Information Technology Department that the Council, by resolution, approve a True-Up invoice for the 2015-2018 Enterprise Agreement with Microsoft for software licenses and support of desktops and servers, from reseller PCM, Inc. dba EnPointe Technologies, Inc., in the amount of \$147,551.31, as a result of a recent Microsoft audit of our licenses, plus additional licenses required for post-fire recovery contractors and employees.

EXECUTIVE SUMMARY

Microsoft Office 365 products provide the backbone for all City email, word processing, spreadsheets, collaboration, etc. The suite of products in use by the City are covered in an "Enterprise Agreement". A recent audit done by Microsoft found that the number of licenses in use by the City exceeded the predicted usage and a financial "true-up" was required to bring the City back within the licensing terms.

BACKGROUND

In 2015, the City extended a three-year Enterprise Agreement ("EA") with Microsoft to provide City-wide software licenses for applications such as Office, SharePoint, Exchange and Windows Server. The City will be extending the EA again for another three years, pending Council approval on August 21, 2018.

Over the past three years, the increased cost associated with this agreement is a result of migrating all City staff to the same version of the Office suite platform, plus the higher than expected employees and contractors requiring access to Office suite of products. Some of the increase in employee usage is tied to post-fire recovery efforts that resulted in additional contractors and temporary employees, each of which requires access to City email.

PRIOR CITY COUNCIL REVIEW

On June 16, 2015, the City Council, by Resolution approved entering into a three-year Microsoft Enterprise Agreement through En Pointe Technologies for the total amount of \$652,100.

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.

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. Normally the true-up analysis results in a minor adjustment to license costs. However, the post-fire recovery effort drove an abnormally high true-up to cover the additional contractors and employees brought on board during the last year.

FISCAL IMPACT

Funding for this additional expense has been identified in various department's FY 17/18 charge keys.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable

NOTIFICATION

Not Applicable

ATTACHMENTS

- Attachment 1 – Quote for True-Up
- Attachment 2 – Original Agreement
- Resolution

CONTACT

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