

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: KRISTIE BARTLETT, DIVISION MANAGER, 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 for software licenses and support of desktops and servers, through the California Department of General Services (DGS) Cooperative Agreement #SCA-16-70-0008B, via Microsoft's Value-Added Reseller (VAR) Insight Public Sector, Inc., an Arizona Corporation, in the amount of \$863,985.66 plus a \$200,000 contingency, for a total amount of \$1,063,985.66.

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." The current agreement is due for renewal this fiscal year.

BACKGROUND

In 2015, the City extended a three-year Enterprise Agreement ("EA") with Microsoft, via VAR EnPointe Technologies, 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.

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.

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. This is consistent with Information Technology's strategic plan to ensure all employees are using the same version of software in order to keep continuity among staff and ease continued IT support.

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.

ANALYSIS

The County of Riverside performed a competitive Request for Proposal for Microsoft Licenses to which the DGS executed Participating Agreement #RIVCO-20800-15-12/19 with the County of Riverside to allow cooperative purchases for government agency use under DGS.

For analysis, two additional quotes were obtained from Microsoft VAR's listed below:

Three-Year Costs Analysis:

- Insight Public Sector: \$863,985.66
- PCM dba En Pointe Technologies: \$865,253.05
- CDW-G: \$877,943.88

City of Santa Rosa allows the use of cooperative purchasing under City Code Chapter 3-08.160. The Microsoft Enterprise Agreement consolidates software purchases across the City at a reduced cost, and significantly streamlines the software license management and accounting process. Based on the analysis and information provided, it is considered in the City best interest to approve the Microsoft Enterprise Agreement through the DGS Cooperative Agreement with VAR Insight Public Sector, Inc.

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.

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, such as Azure. As such, a contingency amount not to exceed \$200,000 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 2018-19 Information Technology budget and will continue to be included in subsequent Fiscal Year budget as approved by Council.

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

- Resolution/Exhibit A

CONTACT

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