



Agenda Report

File #: 19-0370

AGENDA REPORT REQUEST FOR CITY COUNCIL ACTION

DATE: 4/17/2019

TO: Honorable Mayor and City Council Members

FROM: Information Technology Department

SUBJECT:

City Council consideration and approval of the Microsoft Azure Cloud renewal for the City of Corona's Infrastructure.

RECOMMENDED ACTION:

That the City Council:

1. Authorize the Department of Information Technology to approve the renewal of Microsoft Azure Cloud services with SoftwareOne in the total amount of \$500,400 for the period of May 1, 2019 through April 30, 2020, as an exception to bidding pursuant to Corona Municipal Code (CMC) Section 3.08.140(c) "Competitive Bidding Already Completed."
2. Authorize the City Manager, or their designee, to execute any needed contractual documentation to effectuate the renewal, subject to any revisions required by the City Manager and/or the City Attorney in order to make them acceptable as to form and consistent with the Council's action hereunder.
3. Authorize the Purchasing Manager to issue a purchase order to SoftwareOne for renewal of Microsoft Azure Cloud services through the terms and conditions established in the County of Riverside cooperative purchasing agreement to utilize Microsoft Azure Cloud services in the amount of \$500,400 for the initial period of May 1, 2019 through April 30, 2020 and approve necessary change orders or amendments up to the amount provided by CMC 3.08.070(i).
4. Authorize the City Manager, or their designee, to execute two optional renewals for subsequent fiscal years Fiscal Year 20/21 and Fiscal Year 21/22, in amounts not to exceed \$500,400 and to approve necessary change orders and/or amendments up to the amount provided by Corona Municipal Code Section 3.08.070(i).

ANALYSIS:

Background

The City has participated in the County of Riverside cooperative purchasing agreement #01E73970 ("Microsoft Master Enterprise Agreement" or "Agreement") for the purchase of Microsoft enterprise software products since 2005. The current agreement is valid until August 18, 2019. There are over 388 governmental agencies in California that utilize this Agreement for the purchase of Microsoft software licenses and software assurance products. This negotiation process has obtained the deepest discounts offered to any governmental agency, and as a result will be utilized by most of the public entities throughout the State of California. By utilizing this contract, the City of Corona will continue to participate in this agreement providing discounts not otherwise obtainable to the City of Corona. The City currently uses the Agreement to license standard desktop software (Microsoft Office, Windows, and back office products), email messaging (Exchange), Enterprise Platform products and Microsoft Azure cloud services.

The City of Corona uses Microsoft Azure cloud services to replace and supplement the City's on-premise servers. Use of Microsoft Azure eliminates large capital expenditures for oversized physical servers, which would be underutilized and quickly depreciate. Microsoft Azure provides low cost operating expenditures for properly sized cloud resources. At its core, the Microsoft Azure Cloud is a public and government cloud computing platform with solutions including Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS) that can be used for services such as security, business operations, continuity, website hosting, virtual servers and desktops, storage, and networking.

Ninety percent of Fortune 500 companies use the Microsoft Cloud for business operations. Security and privacy are built into the Azure platform. Microsoft conforms to regulatory compliance with the most comprehensive set of compliance offerings of any cloud service provider. The City started using the Microsoft Azure Cloud in 2017, which at the time was the only government cloud service provider which was Criminal Justice Information Services (CJIS)-compliant as required to contain Corona Police data. Other competitors in the market such as Amazon Web Services (AWS) are starting to make headway into the government market which the city is currently investigating.

The City has utilized the cloud to provide high availability of its services which was not possible on-premise. The cloud has provided the City with additional layer of continuity of its services as all resources are geo-redundant across multiple states, internet providers, and physical hardware in the case of a disaster.

The Microsoft Azure cloud is a subscription model. This means the City only pays for the resources and services it consumes by minute. This allows the City to scale up or down on demand without large capital expenditures. For this reason, the City has chosen to deploy where available all new servers into the Microsoft Azure cloud which decreases the demand for continual capital expenditures on physical infrastructure. The current request is based on forecasting of usage and services the City is consuming from the cloud. Currently the City utilizes the Azure cloud for a variety of services, a small subset of which are: over 80 hosted servers; major infrastructure services; complete disaster recovery of servers, data, and networking in Microsoft Azure; archiving of Police vehicle/body worn cameras footage due to increase legal retention requirements; City's financial accounting, permitting, and geographic information system software; police analytic reporting, PulsePoint application for Citizen/Fire response, customer utility billing software for the Department

of Water and Power, and document management repository for police records. The Police department alone utilizes 28 terabytes of storage in camera footage which continues to grow daily. The type of growth the City requires in storage, memory and computing would not have been sustainable on-premise.

Microsoft does not sell enterprise agreements directly to businesses. The City of Corona currently utilizes the reseller SoftwareOne for all Microsoft purchases as an authorized reseller from the County of Riverside #01E73970 ("Microsoft Master Enterprise Agreement" or "Agreement"). Utilizing this agreement grants the City of Corona pricing which would otherwise not be obtainable.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

The total purchase amount of \$500,400.00 is included in the operating budget for the Information Technology Department in the Fiscal Year 2019-20 Proposed Budget. Future funding requests will be submitted during the budget process.

The negative impact of not renewing the Microsoft Azure Cloud services would result in the immediate need for a capital expenditure of new physical hardware infrastructure to be able to continue to support the City's computer infrastructure requirements. Additional negative impacts include the increased energy costs from power and cooling, lack of high availability, diminished security and business continuity the cloud provides.

ENVIRONMENTAL ANALYSIS:

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

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REVIEWED BY: KIM SITTON, FINANCE MANAGER III

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REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: MITCHELL LANSDELL, ACTING CITY MANAGER

Attachments:

1. Microsoft Azure Cloud Renewal Quote
2. Agreement between County of Riverside and Insight Public Sector