



Agenda Report

File #: 20-0029

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 01/15/2020

TO: Honorable Mayor and City Council Members

FROM: Information Technology Department

SUBJECT:

City Council consideration to renew Microsoft Enterprise Agreement in the amount of \$455,521.46.

RECOMMENDED ACTION:

That the City Council:

1. Authorize enrollment in the Microsoft Enterprise Agreement Renewal in the amount of \$455,521.46 per year for the period of February 1, 2020 through January 31, 2023.
2. Authorize the City Manager or Chief Information Officer to execute the Microsoft Enterprise Agreement Renewal for the period of February 1, 2020 through January 31, 2023 and approve necessary change orders up to the amount provided by CMC Section 3.08.070(I).
3. Authorize the Purchasing Agent to issue a purchase order to Dell, and Microsoft Corporation through the cooperative agreement to purchase Microsoft licenses and software products in the amount of \$455,521.46 for the initial period of February 1, 2020 through January 31, 2023 and authorize the issuance of subsequent purchase orders.

ANALYSIS:

Microsoft products are the predominant software product used by all departments in the organization. The products include Word, Excel, Outlook, PowerPoint, Visio, and many others. The Microsoft Enterprise Agreement is a licensing and maintenance program to keep software current and appropriately licensed. Maintaining the overall licensing costs less than updating individual software packages as updates are released.

Staff will continue to use the Office 365 suite which provides enhanced software collaboration functionality and generates greater security and staff productivity benefits for users and system administrators. Office 365 provides enhanced accessibility to Microsoft Office tools (Word, Excel, Outlook, SharePoint, etc.) by providing both a desktop and a web based version, allowing users to

securely access documents, from multiple hardware devices including Personal Computers (PCs), tablets and smart phones. This licensing also includes SQL Server Database, which is used by numerous applications throughout the organization, Dynamics 365 licenses, Exchange email services, SharePoint Services, Security and Feature Updates, and Active Directory. This Enterprise Agreement also includes licensing for Windows servers which are required for a variety of enterprise applications including Spillman dispatch system for Police and Fire, financial systems, GIS, permitting, and database servers.

Some of the key benefits realized from this Agreement are:

- User based licensing instead of per device licensing decreasing the amount of Client Access License (CAL) licenses needed as users move to mobile platforms.
- Reduced hardware infrastructure and maintenance by hosting key Exchange mail servers in a cloud-based infrastructure.
- Improved availability and business continuity by allowing a hybrid cloud using both on premise and cloud resources to be deployed for active directory servers (security and authentication servers).
- Email archive, anti-spam and antivirus capability embedded into the product creating cost savings and increased security.
- Advanced Threat Protection (ATP), a cloud-based email filtering service that helps protect the organization against unknown malware and viruses by providing robust zero-day protection and includes features to safeguard the organization from harmful email links in real time.
- Enables the creation of collaborative work platforms for increased productivity and greater efficiency within departments and between departments.
- Improves mobile device security and reduces outside threat vectors protecting City data and devices from attack
- Licensing and support for SQL Server Database Servers and Windows Servers
- Departments can remain on the most current software version for the product that they own.
- The Agreement provides a consistent year-to-year budget for this program to keep City software current, legal, and consistent.
- The flexibility to sign-up by user allows for multiple devices such as smart phones, desktops, laptops and tablets and securing only one license opposed to multiple. With the ability to install software on multiple devices for a single user.

Typically, pricing levels are set by Microsoft based on the total number of computers in an organization, with the City of Corona having approximately 1,100. With standard pricing, that number of workstations would put the City in Microsoft's Volume Level A pricing - for organizations that have 250 to 2,399 computers. Since we are a local government agency, we instead can use the lower Level D pricing - normally reserved for entities with more than 15,000 devices. Each pricing level represents approximately 8 percent savings, so Level D is approximately 24 percent cheaper than Level A.

To lock in these Level D prices, the County of Riverside put out a Request for Proposal (RFP) for the acquisition of Microsoft software enterprise licensing and maintenance. That RFP resulted in an agreement between Riverside County and Microsoft - the Riverside County Master Agreement No. 8084445. The agreement provides the ability for California local government agencies to participate in cooperative purchasing for Microsoft Licensing. In lieu of our own RFP, we utilized the pricing and vendors that the Riverside agreement specifies. Most of California's local government entities are leveraging this agreement for their Microsoft licensing since it provides far better pricing than any of

these entities would otherwise receive on their own. There are seven authorized Microsoft resellers under the County of Riverside agreement, and we requested quotes to obtain the best pricing. We received quotes from three vendors and Dell's quote was selected as the lowest.

Vendor	Annual Cost
Dell	\$455,521.46
SoftwareOne	\$456,759.13
CDW-G	\$464,280.21
SHI	\$467,756.46

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

The total amount of this purchase for Fiscal Year 2020-2022 is \$1,366,564.38. The funding of \$455,521.46 for Fiscal Year 2019-20 is included in the operating IT budget. Subsequent fiscal year expenses will be allocated in the IT operating budget.

The negative impact of not renewing would result in additional cost as City would need to repurchase licensing and support at the "License and Software Assurance" pricing levels, which would have an increased estimated cost 20% per year. Additional negative impacts would include the need to move files and documents, email and other services back to on premises servers which would require a reinvestment in physical infrastructure in an estimated amount of \$500,000.

ENVIRONMENTAL ANALYSIS:

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

PREPARED BY: MIKE ENRIQUEZ, SENIOR SOFTWARE ARCHITECT

REVIEWED BY: KYLE EDGEWORTH, DEPUTY CHIEF INFORMATION OFFICER

REVIEWED BY: CHRIS MCMASTERS, CHIEF INFORMATION OFFICER

SUBMITTED BY: JACOB ELLIS, CITY MANAGER

Attachments:

1. Enterprise Enrollment Form
2. Vendor Quote Comparison
3. Riverside Contract Bid Tabulation Matrix