

R-13

February 11, 2020

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract, and any necessary amendments, with Dell Marketing L.P., of Round Rock, TX, for furnishing and delivering Microsoft product licenses and support services, on the same terms and conditions afforded to the County of Riverside, California, through the Licensing Solution Provider Agreement Number PSA-0001524 and Riverside County Master Microsoft Enterprise Agreement No. 8084445, in an amount not to exceed \$907,000 for the first year, plus a 20 percent contingency in the amount of \$181,400, for a total amount not to exceed \$1,088,400; an annual amount not to exceed \$1,209,000 for the second year, plus a 20 percent contingency in the amount of \$241,800, for a total amount not to exceed \$2,539,200, until the current contract expires on October 31, 2021, with the option to renew for as long as the County of Riverside contract is in effect, for an annual amount of \$1,522,000, with a 20 percent contingency of \$304,400, for a total amount not to exceed \$1,826,400, at the discretion of the City Manager. (Citywide)

DISCUSSION

On October 22, 2013, the City Council approved a contract with CompuCom/Software One, Inc., for Microsoft 365 to enable the City to subscribe to Office 365 cloud messaging and collaboration software. The Microsoft licenses previously purchased by the City expired in December 2019.

City Council approval is requested to execute a new Microsoft Enterprise Agreement with Dell Marketing L.P. (Dell), on the same terms and conditions afforded to the County of Riverside, California, through the Licensing Solution Provider Agreement Number PSA-0001524 and Riverside County Master Microsoft Enterprise Agreement No. 8084445 for the furnishing and delivering of Microsoft product licenses and support. The proposed Resolution allows purchases under each agreement for as long as they are in effect, and the City's participation may be terminated at any time with 30 days' prior written notice.

The Technology and Innovation Department (TI) investigated procurement options for Microsoft products and services and discovered that the County of Riverside completed an open, fair, transparent, and competitive procurement process. Staff analyzed the Riverside County Master Microsoft Enterprise Agreement No. 8084445 with ten authorized resellers and determined that Dell offered the best pricing for licensing. The pricing offered by Dell is

between -0.43 percent and -0.56 percent discount from list price, while the nine remaining firms offered markups between 0.20 percent to 3.5 percent over list price.

Under this new Master Microsoft Enterprise Agreement, TI plans to continue the use of electronic communication services that staff have grown accustomed to and reliant on, including email, instant messaging, and other collaboration tools. Moreover, TI plans to enhance the City's cybersecurity posture by activating some cyber protection features within the Office 365 platform. Over the next three years, TI plans to consolidate other Microsoft software maintenance agreements that have been purchased under different Licensing Agreements with different expiration dates into the Master Microsoft Enterprise Agreement. Impacted services include Azure Active Directory, SQL Server Database, Windows Server Operating Systems, Windows Desktop Operating Systems, and Azure Cloud Services. This consolidation of licensing agreements will simplify future renewal cycles, improve overall tracking and license compliance, and ensure the City has access to ongoing product updates and support.

City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment, and labor with other governmental agencies by purchasing under their contracts on a voluntary and selective basis, when authorized by a Resolution of the City Council.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley on January 14, 2020, Purchasing Agent Tara Yeats on January 16, 2020, and by Budget Management Officer Rhutu Amin Gharib on January 26, 2020.

TIMING CONSIDERATIONS

City Council action is requested on February 11, 2020, to ensure contracts are in place expeditiously and there are no interruptions to service. The City's contract with Microsoft for Office 365 licensing lapsed on January 1, 2020. Service will continue as is for a period of 90 days, but the City will experience drastic service interruptions to email if an agreement is not finalized prior to the 90-day grace period provided by Microsoft.

The timing of the agreement was impacted by the Riverside County Master Microsoft Enterprise Agreement No. 8084445. Staff awaited execution of the Riverside County agreement in November 2019 to ensure that the City receives transparent and competitive pricing options.

FISCAL IMPACT

The total first year cost will not exceed \$1,088,400, which encompasses the licenses and support services cost of \$907,000, plus the 20 percent contingency of \$181,400. Sufficient appropriation for the first-year expense exists in the General Services Fund Group in the Technology and Innovation Department, and is recovered from client departments via the annual TI Memorandum of Understanding (MOU). The costs for the second year onward will

HONORABLE MAYOR AND CITY COUNCIL

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be requested through the FY 21 budget process and will then be allocated to user departments via the annual TI MOU. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LEA D. ERIKSEN
DIRECTOR OF TECHNOLOGY AND INNOVATION

Attachment: Resolution

APPROVED:



THOMAS B. MODICA
ACTING CITY MANAGER

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH DELL MARKETING L.P. TO PROVIDE PRODUCT LICENSES AND SUPPORT SERVICES ON THE SAME TERMS AND CONDITIONS AFFORDED TO THE COUNTY OF RIVERSIDE, CALIFORNIA, THROUGH THE LICENSING SOLUTION PROVIDER AGREEMENT NO. PSA-0001524 AND MASTER MICROSOFT ENTERPRISE AGREEMENT NO. 8084445

WHEREAS, the Charter of the City of Long Beach (the "City"), Section 1802, permits the City to purchase services, supplies, materials, equipment and labor with other government agencies by purchasing under their contracts on a voluntary and selective basis when authorized by resolution; and

WHEREAS, the City of Long Beach desires Microsoft product licenses and support services; and

WHEREAS, the County of Riverside, California has a Licensing Solution provider Agreement, No. PSA-0001524, and a Master Microsoft Enterprise Agreement, No. 8084445 with Dell Marketing L.P. (together the "Riverside Agreements"); and

WHEREAS, the City's participation in the Riverside Agreements will facilitate timely acquisition of the Microsoft product licenses and support services as well as provide considerable cost benefits to the City; and

WHEREAS, if the City had to utilize a formal bid process rather than participate in the Riverside Agreements considerably more funds would be required;

NOW, THEREFORE, the City Council of the City of Long Beach resolves as

1 follows:

2 Section 1. The above recitals are true and correct and are incorporated
3 herein by this reference.

4 Section 2. The City Manager or designee is hereby authorized to enter
5 an agreement with Dell Marketing L.P. to furnish and deliver Microsoft product licenses
6 and support services on the same terms and conditions afforded to the County of
7 Riverside, California, through Licensing Solution Provider Agreement Number PSA-
8 0001524 and Master Microsoft Enterprise Agreement No. 8084445, in an amount not to
9 exceed Nine Hundred Seven Thousand Dollars (\$907,000) for the first year, an annual
10 amount not to exceed One Million Two Hundred Nine Thousand Dollars (\$1,209,000) for
11 the second year, plus a twenty percent (20%) contingency in the amount of Four Hundred
12 Twenty-Three Thousand Dollars (\$423,000), for a total amount not to exceed Two million
13 Five Hundred Thirty-Nine Thousand Two Hundred Dollars (\$2,539,200), until the current
14 contract expires on October 31, 2021, with the option to renew for as long as the County
15 of Riverside Agreements are in effect, for an annual amount of One Million Five Hundred
16 Twenty-Two Thousand Dollars (\$1,522,000), with a twenty percent (20%) contingency of
17 Three Hundred Four Thousand Four Hundred Dollars (\$304,400), for a total amount not
18 to exceed One Million Eight Hundred Twenty-Six Thousand Four Hundred Dollars
19 (\$1,826,400) at the discretion of the City Manager.

20 Section 3. This resolution shall take effect immediately upon its adoption
21 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Lana Beach, CA 90802-4664

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2020 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk