



Legislation Text

File #: 20-0130, **Version:** 1

Recommendation to adopt resolution authorizing 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)

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.

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.

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 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.

Approve recommendation.

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LEA D. ERIKSEN
DIRECTOR OF TECHNOLOGY AND INNOVATION

APPROVED:

THOMAS B. MODICA
ACTING CITY MANAGER