



Legislation Details (With Text)

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Title: Approve a three-year Enterprise Agreement with SoftwareOne to provide Microsoft licensing for the City in the amount of \$2,353,223.81 in accordance with purchasing procedures from cooperative purchase agreements as set forth in Administrative Order 3-1.

Sponsors: Information Services Department

Indexes:

Code sections:

Attachments: 1. SoftwareOne Enterprise Agreement.pdf

Date	Ver.	Action By	Action	Result
4/19/2018	2	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

April 19, 2018

FROM: BRYON HORN, Chief Information Officer
Information Services Department

BY: FRANK D. VAWTER, Computer Services Division Manager
Information Services Department

SUBJECT

Approve a three-year Enterprise Agreement with SoftwareOne to provide Microsoft licensing for the City in the amount of \$2,353,223.81 in accordance with purchasing procedures from cooperative purchase agreements as set forth in Administrative Order 3-1.

RECOMMENDATION

Staff recommends Council authorize the Chief Information Officer to enter into a three-year Enterprise Agreement with SoftwareOne to provide Microsoft licensing for the City in the amount of \$2,353,223.81 in accordance with purchasing procedures from cooperative purchase agreements as set forth in Administrative Order 3-1.

EXECUTIVE SUMMARY

The Information Services Department (ISD) has maintained an Enterprise Agreement to cover the support and licensing of Microsoft software products. Microsoft licenses its product in multi

-year terms and by entering into this agreement, the City is essentially renewing the licenses and support that are being used currently as well as allowing the addition of cloud based applications in upcoming years of the agreement. The term of this agreement is three years with differing amounts each year in order to accommodate the transition to cloud based services. The total amount of the three-year contract is \$2,353,223.81; first year (FY 2018) totaling \$620,555.47, second year (FY 2019) totaling \$799,539.17 with the third year (FY 2020) totaling \$933,129.17. The licensing shall be priced and purchased using a cooperative purchase agreement as set forth in Administrative Order 3-1. ISD will be using the County of Riverside Agreement to complete this purchase. In addition, ISD procured multiple bids from those vendors who are authorized to provide licensing from the Riverside Agreement and chose the lowest bidder.

In addition to Microsoft software, such as Windows and Office that run on desktop and laptops, the City also uses a variety of Microsoft server and collaboration products. These software products make up a majority of the software that runs the City's technology operations. Entering into this agreement with Microsoft will assure that the City maintains its investment in software, via the Software Assurance, and keeps current the licensing on productivity products.

BACKGROUND

It is common for sizeable organizations to enter into Enterprise Agreements with Microsoft. These agreements allow organizations to leverage their volume for improved pricing on a variety of Microsoft products as well as establish access to Software Assurance. Software Assurance is a program that allows organizations to maintain the rights and privileges of previously purchased licenses for a fraction of the cost of the original license.

Microsoft does not directly sell to government agencies; rather, licenses must be purchased through a reseller. The City is using the Riverside County Agreement as it has been competitively bid and, due to its size, is able to attain sizeable discounts. This agreement has also been used by the State of California and, as such, is used by many Cities and Counties in California as a purchasing vehicle. If the City were to publish a similar RFP, we would not secure the same discounts as the County of Riverside, so it is cost effective to utilize this cooperative agreement.

ISD maintains the licensing for Microsoft products in the City. Included in this are licenses for Windows, Office, SharePoint, and core technology functions like file and application servers, databases servers and email servers.

The City's Enterprise Agreement is set to expire April 30, 2018. ISD has been engaged with Microsoft since October of 2017 in the review of current licensing as well as exploring new licensing methods, products and approaches to licensing. Staff has evaluated multiple options from Microsoft, including options that will provide a suite of cloud-based tools for email, collaboration, security, device management, and file storage. Staff has also determined that the best approach to take at this time is to renew our Enterprise Agreement with the same products as the outgoing agreement with the ability to add cloud based services in the second and third year of the agreement. Staff believes that this approach is the most practical, is the best use of City resources, and provides an avenue to add the above-mentioned cloud-based tools during the term of the agreement, as funding allows and to meet the needs of the

organization.

ENVIRONMENTAL FINDINGS

The approval of this purchase is not a project as defined by the California Environmental Quality Act.

LOCAL PREFERENCE

Local preference does not apply because a cooperative purchase agreement is being used through another governmental entity.

FISCAL IMPACT

Funding for the first year of this purchase is appropriated in the Fiscal Year 2018 Budget and the additional funds have been allocated for Fiscal Year 2019. Funding for Fiscal Year 2020 will be addressed during the budgeting process for that year.

Attachment:

SoftwareOne Enterprise Agreement