



INNOVATION TECHNOLOGY DEPARTMENT

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CITY COUNCIL STAFF REPORT

Date: November 18, 2025

Subject

Microsoft Volume Licensing Program Agreement with Dell Marketing L.P., for licensing of Microsoft programs, systems, and databases for a total amount not to exceed \$341,458, including a 10% contingency in the amount \$31,042.

Recommended Action

Approve a Microsoft Volume Licensing Program Agreement with Dell Marketing L. P. (Attachment A), utilizing Riverside County's statewide competitively awarded Microsoft Enterprise Agreement for licensing of Microsoft programs, systems, and databases for a total amount not to exceed \$341,458, including a 10% contingency in the amount \$31,042, for a 3-year term beginning from January 1, 2026, to December 31, 2028.

Background

The City has adopted a standardized approach that utilizes Microsoft products for our server, storage, and desktop environments. This includes software solutions, encompassing Office365, Windows Operating Systems, SQL databases, and various office productivity tools. The implementation and maintenance of a Licensing Program Agreement (Attachment A) enables the City to efficiently manage and oversee these computing environments while retaining flexibility to purchase new licenses when required.

To optimize cost-efficiency and service quality, the City leveraged a "piggyback" contract utilizing the County of Riverside's Microsoft Enterprise Agreement which was competitively procured in 2024. The result of the County of Riverside procurement identified a select group of Licensing Solution Providers that could provide the identified licensing and support. In September 2025, staff solicited bids and identified Dell Marketing L.P. as the lowest bidder from the Cooperative procurement. Utilizing the Riverside-negotiated Microsoft Agreement, with Dell as the awarded vendor,

results in substantially reduced per- license costs, ensuring fiscal alignment with the City's streamlined budgetary parameters.

Reasons for Recommendation and Available Options

The County of Riverside Microsoft Master Agreement is used by over 900 government agencies for the purchase of Microsoft software licenses, software maintenance and cloud services. Common desktop products that are purchased include but are not limited to Microsoft Windows, Microsoft Office, Microsoft Visio, and Microsoft Project. Common enterprise products include but are not limited to Microsoft windows server, Microsoft Server, and Microsoft System Center. Common cloud subscription services include but are not limited to Microsoft Office 365, Microsoft Intune, and Microsoft Azure.

These Licensing Solution Provider Agreements (the "Agreement") are intended to be available and leveraged by government agencies throughout the State of California (the "Enrolled Affiliates"). This type of Agreement allows agencies to lock in pricing for the length of their enrollment, amortize the cost of new licenses and support across multiple years, provide unlimited access to all Microsoft software, and allow flexibility to raise and lower commitments on hosted services. Like the County of Riverside, other government entities are challenged to keep their software current while minimizing the associated costs.

Based on the procurement research outlined above, staff recommend moving forward with awarding Dell Marketing LP. a three-year award, which will provide access to the County of Riverside negotiated advantageous volume pricing for Microsoft licenses. If Council does not approve the Microsoft Enterprise Software Licensing Agreement, the City risks losing access to essential Microsoft systems, technical support, and security updates needed for daily operations. Non-approval would expose the City to compliance and cybersecurity risks while disrupting core business functions resulting in losing access to Microsoft Office suite including Outlook. It would also forfeit the cost savings and administrative efficiencies achieved through the County of Riverside's cooperative pricing, resulting in higher future expenses.

Sustainability Impact

No sustainability impact.

Fiscal Impact

No fiscal impact. Microsoft programs, systems, and databases services ongoing budget was approved as part of FY18, this agenda item is solely for Council approval of the Agreement.

City Work Program (CWP) Item/Description

None

Council Goal:

Public engagement & transparency, environmental sustainability, and fiscal strategy

California Environmental Quality Act

No California Environmental Quality Act impact.

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Reviewed by: Teri Gerhardt, CGCIO, Chief Technology Officer

Floy Andrews, Interim City Attorney

Approved for Submission by: Tina Kapoor, Interim City Manager

Attachments:

A – Microsoft Volume Licensing Program Draft Agreement

B – Licensing Solution Provider Agreement

C – Quote