



INNOVATION TECHNOLOGY DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting: November 21, 2023

Subject

Microsoft Enterprise Software Licensing Agreement with SoftwareONE, Inc., for licensing of Microsoft programs, systems, and databases.

Recommended Actions

1. Authorize the City Manager to execute a Microsoft Enterprise Software Licensing Agreement with SoftwareONE, Inc., 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 \$342,729.23, including a 10% contingency in the amount \$31,157.20.
2. Find under Municipal Code section 3.22.070(C) that this procurement from Riverside County is exempt from formal competitive bidding procedures.

Reasons for Recommendation

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 an Enterprise Agreement (EA) 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 has leveraged a "piggyback" contract starting in 2020 utilizing the County of Riverside's Microsoft EA which was competitively procured in 2019. The result of the County of Riverside procurement identified a select group of vendors that could provide the identified licensing and support. On January 12, 2023, the City executed a three-year Enterprise Software Licensing Agreement with SoftwareONE, Inc., an identified vendor from the competitive procurement, which allowed access to the County of Riverside negotiated advantageous volume pricing for Microsoft

licenses. Utilizing the Riverside-negotiated Microsoft Agreement, with SoftwareONE, Inc. as the awarded vendor, results in substantially reduced per-license costs, ensuring fiscal alignment with the City's streamlined budgetary parameters.

This Enterprise Software Licensing Agreement spanning a three-year period has an overall dollar value of \$342,729.23, necessitating Council approval. Upon preparing for the second year of the Enterprise Software Licensing Agreement, staff identified the need to obtain Council approval to comply with Municipal Code requirements as presently interpreted by the City Attorney's Office.¹ Staff is requesting Council to ratify execution of a three-year agreement with SoftwareONE.

Formal Competitive Bidding Exemption

CMC Chapter 3.22 ordinarily requires that purchases of services be selected through a Request for Proposal process. However, CMC § 3.22.070 provides for exemptions to the RFP process requirements of that chapter when these purchases occur from any other public agency created under the laws of the State of California or the United States Government. The County of Riverside Agreement is a Master Agreement available to any public entity in the State of California, and all participating agencies and counties reside underneath. It is meant so that the hundreds of entities don't have to approve the Master Terms and Conditions.

Sustainability Impact

Not applicable.

Fiscal Impact

The cumulative expenditures for SoftwareONE, Inc., are part of the Adopted Budgets approved by Council.

California Environmental Quality Act

Not applicable.

¹ Although the single-year value of the contract is less than approval limit, the City Attorney's Office has advised that services with an expected multi-year duration should generally be procured through a multi-year contract and presented to Council for approval if the total value of the contact exceeds the City Manager's approval authority.

Prepared by: Bill Mitchell, Chief Technology Officer
Reviewed by: Michael Woo, Senior Assistant City Attorney
Matt Morley, Assistant City Manager
Approved by: Pamela Wu, City Manager
Chris Jensen, City Attorney

Attachments:

- A – Licensing Solution Provider Agreement No. PSA-0001530
- B – First Amendment to Agreement No. PSA-0001530
- C – Microsoft Volume Licensing Program Agreement
- D – SoftwareONE, Inc., Year 2 & 3 Quotes
- E – Insurance Requirements
- F – Proof of Insurance