



CITY COUNCIL AGENDA REPORT

MEETING DATE: JULY 21, 2015

ITEM NUMBER: CC-14

SUBJECT: RENEWAL OF THE MICROSOFT ENTERPRISE AGREEMENT

DATE: JULY 9, 2015

FROM: INFORMATION TECHNOLOGY DEPARTMENT

PRESENTATION BY: STEVE ELY, I.T. DIRECTOR

FOR FURTHER INFORMATION CONTACT: STEVE ELY, I.T. DIRECTOR, 714-754-4891

RECOMMENDATION:

Approve and authorize the City CEO to execute the renewal of the Microsoft Enterprise Agreement for Microsoft Enterprise products through the County of Riverside Cooperative Agreement No. RIVCO-20800-002 with CompuCom Systems, Inc., effective August 2, 2015 through August 1, 2018, in an amount not to exceed \$214,460.28 or \$71,486.76 per year.

BACKGROUND:

Microsoft's Enterprise Agreement is a volume perpetual licensing program that enables organizations with 250 or more users the flexibility to purchase software licenses and updates under one agreement. This program includes Software Assurance, Microsoft's enhanced software maintenance package. The department currently has an EA agreement through CompuCom for the following products:

- Core CAL
- Office Professional Plus
- Exchange Enterprise Server
- Microsoft Project
- SQL Server
- Visio Professional
- Visual Studio Professional with MSDN, and
- Windows Server Datacenter 2-Processor

As part of its information technology practices, the City typically upgrades and deploys core City software in a timeframe that keeps City software versions at, or near, current commercial release versions. This practice helps to make sure that critical City software are current with security-related improvements and product enhancements.

During the three year life of the City's Microsoft EA, the City has saved money through volume purchasing and greatly simplified licensing for the City.

The City Council has approved participation in other public agencies' purchasing bids and contracts with the adoption of Resolution 94-11 on March 7, 1994. The Software Licensing Program (SLP) was established in January 1994 and is being administered by the Department of General Services (DGS). This program enables California State agencies and local governments to purchase software licenses (such as Microsoft Office Professional Plus 2013) at a discount through authorized participating resellers. SLP was also established to streamline purchases by removing repetitive, costly, and time-consuming bid processes on proprietary software licenses.

Software pricing is obtained through the Riverside County EA (CCISDA/MISAC) agreement.

ANALYSIS:

On August 2, 2012, the City has made the investment of purchasing Microsoft perpetual licensing with Software Assurance over the past three years. By renewing this EA, the City will continue to simply pay for maintenance-only pricing on that licensing investment for another 3-year Microsoft EA term at an equal annual installment of \$71,486.76. This maintenance coverage will give the City many benefits, including the following:

- Upgrade rights to future versions of our licensed software
- Enhanced licensing rights (SQL active-passive failover rights)
- SQL virtual machine mobility rights
- The Microsoft Office Home Use Program (Office available to City employees for \$9.95 each, versus them purchasing for \$399.99 retail)
- eLearning (free web-based training for all employees on Microsoft products)
- Twenty (20) SA Training Vouchers (about \$10,000 in vouchers that the City can use to send our I.T. staff to on-site classroom training at various learning centers for Microsoft technologies)
- A paid deployment planning workshop (on particular Microsoft server products, such as Exchange or SQL server deployments)
- Three-year price protection against price increases
- Free web-based/e-mail technical support on the Microsoft server products covered on our EA
- Help Desk services

ALTERNATIVES CONSIDERED:

If the City does not renew the EA, we will lose all of the above benefits. If the City does not renew our EA on time and later on decide to rejoin the program, Microsoft will make the City start from the beginning and buy new licenses all over again. The new 3-Year contract term will be for a total of \$439,418.70, or \$146,472.90 per year. By renewing the EA, the City will avoid the costs of re-buying into the program at a later date.

FISCAL REVIEW:

Funding for this agreement is included in the adopted budget for Fiscal Year 2015-16.

LEGAL REVIEW:

The City Attorney has approved the documents as to form and content.

CONCLUSION:

Authorizing the CEO to renew the Microsoft EA agreement through the Riverside cooperative agreement with CompuCom will allow the City to continue to simply pay for maintenance-only pricing on the licensing investment with CompuCom for another 3-year Microsoft EA term, and enjoy all the associated benefits.

STEVEN A. ELY
I.T. Director

STEPHEN DUNIVENT
Interim Finance Director

TOM DUARTE
City Attorney

- ATTACHMENTS:
1. [Microsoft EA Renewal Quote](#)
 2. [Microsoft EA Program Signature Form](#)
 3. [Microsoft Enterprise Enrollment Signature Form](#)
 4. [Enterprise Enrollment Product Selection Form](#)
 5. [Riverside Cooperative Agreement with Microsoft through CompuCom](#)