



AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING
Meeting Date: January 15, 2019

Agenda Item LeP
Approvals:
 City Manager [Signature]
 Dept. Head [Signature]
 Attorney [Signature]
 Finance [Signature]

Department: Finance and Administrative Services
Prepared By: Brian Brower, Information Technology Manager [Signature]

Subject: *MICROSOFT SOFTWARE ENTERPRISE LICENSING AGREEMENT RENEWAL.*

Fiscal Impact: Yes. The year one purchase price of \$101,327 is within the Fiscal Year (FY) 2018-19 adopted budget amount in account #063-241-43456-000-03903. The funds required for future years will be appropriated through the regular annual budget process.

Summary: Staff seeks City Council authorization to execute the Microsoft Volume Licensing Master Agreement #01E73970 (Participating Agreement #RIVCO-20800-013-12/19) for a term of 3 years and to purchase Microsoft Enterprise Software Licensing through the reseller SoftwareOne, Inc. throughout the term of the agreement, in an amount not to exceed \$102,000 per year for three years. The purpose of the Agreement is to provide for the purchase, ongoing maintenance and support of Microsoft software and online services.

Background: The City has a policy of maintaining valid licenses for all computer software employed in the course of conducting City business. The City maintains ongoing vendor agreements for software licensing, maintenance, and technical support for systems that are critical to City operations. These agreements enable continued use of the software, provide access to new versions and updates for functionality and security, and ensure technical support in the event of system instability or failure. Expenditures for software maintenance agreements are funded in the Information Technology Fund through the annual budget process.

Discussion: The City utilizes Microsoft software as the platform for nearly every technological function throughout the organization. Licensing for 260 workstations, 50 servers, a multitude of enterprise applications and databases, and email services all require software from Microsoft. The most efficient and cost effective method of maintaining these software licenses is through an Enterprise Agreement (EA) in which in which all licensing fees are combined in a single annual payment.

Through its large account resellers, Microsoft offers a customized Enterprise Agreement to all government agencies within the state of California. Microsoft's Enterprise Agreement is a volume perpetual licensing program that enables organizations with 250 or more users the flexibility to purchase a complete suite of software licenses and updates under one agreement. Many government agencies throughout the State of California participate in a cooperative purchasing program known as the "Riverside EA" which originated from a request-for-proposal initiated by

the County of Riverside. Participation in the Riverside EA allows the City to combine the City's purchase of volume licenses with other government agencies to achieve the lowest cost possible, resulting in a discount of approximately 40% off the Published Reseller Cost for all products and online services.

The Enterprise Agreement covers software licenses used by all City staff including but not limited to the Windows Desktop operating system, Windows Server operating system, Microsoft Office suite, Exchange Online (e-mail), SQL Database Server, Azure Cloud Services, and other Microsoft products. The following table includes an itemized list of the software and services included in the renewal:

Description	Quantity
Software Assurance and New Licenses	
Microsoft Office Professional Plus	260
Windows Enterprise Desktop	260
Enterprise Client Access License (CAL) Per-User	250
Windows System Center - Standard Edition (16 Cores)	8
Microsoft Project - Standard Edition	4
SQL Server - Standard Edition	12
SQL Server Client Access License (CAL) Per-device	125
SQL Server - Standard CORE Edition	5
SQL Server - Standard CORE Edition - (2 Cores Added NEW)	1
Microsoft Visio - Professional Edition	5
Visual Studio - Enterprise Edition	1
Windows Server - Standard Edition (248 Cores)	124
Windows Server - DataCenter Edition (32 Cores added NEW)	16
Windows Server - DataCenter Edition (72 Cores)	36
Windows Remote Desktop Client Access License (CAL)	30
Online Subscription Services	
Microsoft Azure Cloud Services Resource Commitment	2
Exchange Online Kiosk (Limited) Mailbox Per-User	23
Exchange Online Plan 2 Mailbox Per-User (Includes CAL)	145
Exchange Online Plan 2 Mailbox Per-User (Add-on to Existing CAL)	250

As part of its information technology practices, the City typically upgrades and deploys software in a timeframe that keeps City software versions at, or near, the latest current commercial release versions. This practice helps to make sure that critical City software is up to date with security-related improvements and functional product enhancements. Acquiring software assurance through the Microsoft Enterprise Agreement allows the City to utilize the latest versions of software as soon as they are available, and enables the City to standardize on a single platform to best ensure security and interoperability. In addition to providing valid licenses and the ability to stay current with new versions, the EA provides vouchers for advanced technical support, deployment services, and training.

Recommended

Action: STAFF RECOMMENDS THAT the City Council:

1. Approve and Authorize the City Manager to execute the Microsoft Volume Licensing Master Agreement #01E73970 (Participating Agreement #RIVCO-20800-013-12/19) for a term of three years beginning February 1, 2019.
2. Approve and authorize payment to SoftwareOne, Inc. in an amount not to exceed \$102,000 per year over the term of the Microsoft Volume Licensing Agreement.

Attachments: None.

Notification: None.