



# CITY OF COSTA MESA

77 Fair Drive  
Costa Mesa, CA 92626

## Agenda Report

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**File #:** 24-272

**Meeting Date:** 7/16/2024

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**TITLE:**

**RENEWAL OF THE MICROSOFT ENTERPRISE AGREEMENT**

**DEPARTMENT:** INFORMATION TECHNOLOGY  
**PRESENTED BY:** STEVE ELY, DIRECTOR  
**CONTACT INFORMATION:** STEVE ELY (714) 754-4891

**RECOMMENDATION:**

Staff recommends the City Council:

1. Approve a 3-year renewal of the Microsoft Enterprise Agreement through Dell Technologies in the amount not-to-exceed \$924,625.83 (payable in three equal annual payments of \$308,208.61).
2. Authorize the City Manager to sign the agreement and any documents necessary to continue the City's participation in the program during the 3-year term.

**BACKGROUND:**

As part of its current information technology practices, the City is upgrading and deploying core software in a timeframe that keeps software versions at or near current commercial release versions. This practice helps to ensure critical City software is current with security-related improvements and product enhancements.

The City entered into its first Enterprise Agreement with Microsoft through Compucom in 2015. SoftwareONE acquired Compucom in 2015.

The City renewed the three-year Enterprise Agreement in August 2018 and again in August 2021, This current agreement expires on August 31, 2024 (Attached); hence, a new agreement must be entered into for the next three year period.

During the life of the Enterprise Agreement, the City has saved money through volume purchasing and greatly simplified licensing that required only a few annual transactions. Software pricing is obtained through the County of Riverside's Master Microsoft Enterprise Agreement Number 8084445, Select Plus Agreement Number 7756479, Microsoft Premier, Unified, and MCSD Support Services (Licensing Solution Provider Agreement Number PSA-0001530) to achieve the most competitive pricing.

**ANALYSIS:**

Microsoft’s Enterprise Agreement is a volume perpetual licensing program that enables organizations with a minimum of 250 qualified users or devices the flexibility to purchase cloud services, and software licenses and updates under one agreement at a lower price than when purchased individually.

This program includes Software Assurance, Microsoft’s enhanced software maintenance package. The City’s current Enterprise Agreement through SoftwareONE includes:

- 905 Windows Licenses
- 720 Office 365 Licenses
- 1 Email Exchange Server License
- 13 SQL Database Service Licenses
- 720 Microsoft Teams Licenses
- 15 Microsoft Project Licenses
- 4 Microsoft Viso Licenses
- 3 Microsoft Power Business Intelligence Reporting Licenses
- 227 Microsoft Core Server Licenses
- Access to additional programming software such as Visual Studio, Net, etc.

Staff received quotes (attachments 1, 2, and 3) from three vendors:

<u>Vendor</u>	<u>Quote Number</u>	<u>Three-year Total</u>	<u>Annual Total</u>
Dell Technologies	n/a	\$924,625.83	\$308,208.61
CDW-G	n/a	\$946,501.41	\$315,500.47
SoftwareONE	US-QUO-1143091	\$956,663.61	\$318,877.87

By renewing the Enterprise agreement through Dell Technologies, the City will continue to pay for subscription-only pricing on that licensing investment for another 3-year term in equal annual payments of \$308,208.61. This maintenance coverage will give the City many benefits, including, but not limited to, the following:

- Centralized License Management
- Best Fixed Pricing
- Access to Microsoft Entra infrastructure to connect different systems in the Cloud
- Access to the most current software available

**ALTERNATIVES:**

If the City does not renew the Enterprise Agreement, the City will lose all of the above benefits and access to use the Microsoft products currently utilized by all City employees in their day-to-day operations.

**FISCAL REVIEW:**

Funding for the Agreement is included in the Information Technology Department’s Fiscal Year 2024-

25 Adopted Budget in the General Fund (Fund 101).

**LEGAL REVIEW:**

The City Attorney's Office has reviewed the documents and approved them as to form.

**CITY COUNCIL GOALS AND PRIORITIES:**

This item supports City Council Goal:

- Maintain and enhance the City's infrastructure, facilities, and equipment.

**CONCLUSION:**

Staff recommends the City Council:

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2. Authorize the City Manager to sign the agreement and any documents necessary to continue the City's participation in the program during the 3-year term.