



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 24-396

Meeting Date: 11/19/2024

TITLE:

AMENDMENT OF THE MICROSOFT ENTERPRISE AGREEMENT RENEWAL

DEPARTMENT: INFORMATION TECHNOLOGY

PRESENTED BY: STEVE ELY, DIRECTOR

CONTACT INFORMATION: STEVE ELY (714) 754-4891

RECOMMENDATION:

Staff recommends the City Council:

1. Approve the purchase of additional Microsoft Enterprise subscription licenses through Dell Technologies in the amount of \$36,383.
2. Authorize the City Manager to approve and execute future purchases of additional licenses for staff hires, not to exceed a total amount of \$94,248.

BACKGROUND:

As part of its information technology practices, the City typically upgrades and deploys 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.

In August 2024, the City Council approved and renewed the three-year Microsoft Enterprise Agreement. This agreement expires on August 31, 2027.

During the life of the Microsoft 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 subscription 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 is through Dell Technologies.

Subscription licensing program pricing is as follows:

<u>Vendor</u>	<u>Recommendation #</u>	<u>Additional Quantity of M365 Licenses</u>	<u>Annual Total</u>
Dell	#1 to add licenses	35	\$36,383
Dell	#2 to not exceed	88	\$94,248

Considering the City’s current dynamic staffing needs, the I.T. Department requests additional funding for the purchase of additional licenses. This will ensure all staff have access to necessary Microsoft accounts and tools, supporting effective operations.

ALTERNATIVES:

Should the Council choose not to approve the purchase of additional licenses, certain staff will lack Microsoft accounts and access to essential programs, potentially hindering productivity.

FISCAL REVIEW:

Funding for the Microsoft’s Enterprise Agreement is included in the Information Technology Replacement Fund (Fund 603) for the Fiscal Year 2024-25 Adopted Budget, under Computer Operations (account string 590800-603-14600-50710-250004).

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:

1. Approve the purchase of additional Microsoft Enterprise subscription licenses through Dell Technologies in the amount of \$36,383.
2. Authorize the City Manager to approve and execute future purchases of additional licenses for staff hires, not to exceed a total amount of \$94,248.