



CITY OF MENIFEE

SUBJECT: Microsoft Enterprise Agreements
MEETING DATE: June 16, 2021
TO: Mayor and City Council
PREPARED BY: Michelle Sarkissian, IT Supervisor
REVIEWED BY: Ron Puccinelli, IT Director
APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Approve enrollment in County of Riverside Master Microsoft Enterprise Agreement for License of Microsoft Software; and
2. Approve enrollment in California Department of Technology Master Microsoft Enterprise Agreement for License of Microsoft Software; and
3. Authorize the City Manager to execute an agreement with Crayon Inc. to provide Microsoft Office 365 licenses and migration services for a not-to-exceed amount of \$1,250,000 for the five-year term including tax and delivery, and using the Information Technology Department Account Number 110-4115-51350; and
4. Authorize up to an additional \$10,000 per year to accommodate growth in the number of licenses needed to support City staff growth using the Information Technology Department Account Number 110-4115-51350; and
5. Authorize the purchase to be made under the cooperative purchasing (piggyback) agreement as permitted under the Meniffee Municipal Code Section 3.12.070 (6) through the OMNIA Partners, Public Sector 2018011-02 contract, thereby exempting the purchase under the competitive bidding process; and
6. Authorize the City Manager to execute all necessary documents.

DISCUSSION

The City uses Microsoft products for its standard desktop operating system and office productivity suites. The current software license and maintenance agreement expires on June 30, 2021. The

City must renew its licensing agreement with Microsoft via a Microsoft reseller to continue using email and office productivity software. There are two Microsoft agreements available to the City that reduce costs compared to other purchase options and provide powerful tools for managing and protecting the City's information. It is staff's recommendation to enroll in the Riverside County Enterprise Agreement for License of Microsoft Software (Riverside EA) as it is available immediately and facilitates moving the City's protected information into the Microsoft Government environment. Then enroll in the California Department of Technology Master Microsoft Enterprise Agreement for License of Microsoft Software (CDT EA) once it is available in Fall 2021.

Enrolling in the Riverside EA, which is effective and available immediately, allows the City to access the selected information security and protection tools which are not available under the City's existing license. The Riverside EA also provides a lower cost per license than purchasing the same software licenses outside the Riverside EA.

Enrolling in the CDT EA, *which is anticipated to be available in approximately four months*, increases the savings per license to approximately \$167 per person, resulting in a \$500 per license cost with the CDT EA compared to the full retail cost of \$667 per license cost. Over the five-year term of the agreement, this equates to approximately \$350,000 or 25% savings in comparison to purchasing outside the CDT EA. The CDT EA also provides significantly enhanced privacy and cybersecurity tools, services, and system management tools..

The County of Riverside EA was competitively bid by Riverside County and is available to any public agency within the State of California to purchase Microsoft software enterprise licensing and maintenance services.

The California Department of Transportation selected Crayon Inc. as the sole successful bidder and only authorized reseller under the CDT EA, which becomes available after July 2021. The CDT is projecting a 90 to 120-day "setup" period before enrollments can be processed. Crayon Inc. was also one of several bidders authorized under the Riverside EA.

All Microsoft Enterprise Agreements require the City to annually account for any additional licenses employed due to growth in employees and licenses needed. Staff is recommending Council authorize up to \$10,000 per year to procure additional licenses to cover growth in the number of City employees.

Approval of enrolling in the Riverside EA (immediately available) and the CDT EA (available in Fall 2021) and migrating to Microsoft's Government environment affords the City the following benefits:

- Provides the City with the necessary cybersecurity protections as mandated by Federal and State information protection law.
- Guarantees all City data remains within the continental United States and within Microsoft's data centers certified to meet Federal and State security requirements as required by law.
- Provides enhanced public records request and litigation support information search and protection tools.

- Assures the City uninterrupted email, office productivity software, and online collaboration systems provided by the Microsoft Office 365 ecosystem.
- Ensures the City continues freely exchanging electronic documents with the public as new software versions are released.
- Provides the Information Technology (IT) Department enhanced tools and services necessary to adequately monitor, detect, and defend the City's digital assets from cyberthreats.
- Guarantees service levels of 99.9 % availability.

FISCAL IMPACT

The first-year cost is budgeted and available in the Fiscal Year 20/21 budget. The second-year cost is included in the approved Fiscal Year 21/22 budget. Subsequent years' costs will be incorporated in the respective years' annual budget process. All Microsoft EA costs are represented within IT Department – Annual Licensing account 110-4115-51350.

FUND	ACCOUNT	Annual Investment
IT – Annual Licensing	110-4115-51350	\$250,000

No additional budget appropriation action(s) is required.

ATTACHMENTS

1. GHA - BitTitan Migration License Quote
2. Crayon – Scope of Work for M365 Migration
3. Crayon – M365 Riverside EA E3 Licenses Quote
4. Crayon – M365 CDT EA M5 Licenses Quote