



# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE: DECEMBER 13, 2021**

**SUBJECT: MICROSOFT ENTERPRISE AGREEMENT WITH DELL MARKETING L.P., FOR MICROSOFT SOFTWARE LICENSES, PRODUCTS, AND SERVICES FOR A THREE-YEAR TERM WITH A RIVERSIDE PUBLIC UTILITIES EXPENSE IN THE AMOUNT OF \$148,122**

**ISSUE:**

Approve expenditure for Microsoft Enterprise Agreement with Dell Market L.P., utilizing the County of Riverside's Master Agreement Number PSA-0001524 and Amendment No. 1, for Microsoft software licenses, products, and services for a three-year term with a Riverside Public Utilities' expense of \$148,122.

**RECOMMENDATION:**

That the Board of Public Utilities approve an expenditure of \$49,374 per year for three-years in the total amount of \$148,122, with Dell Marketing L.P., for Microsoft software licenses, products, and services.

**BACKGROUND:**

For 15 years, the City of Riverside has utilized a Microsoft Enterprise Agreement (EA) for Microsoft software products. An EA allows for volume pricing and simplifies mandatory licensing by only requiring a single transaction to acquire licenses across the City for City-owned computers.

The agreement also allows for software updates so the City has access to the most current updated version of Microsoft products, such as Microsoft Teams, Office365, SharePoint Online and OneDrive for business. Under a Microsoft EA, the Innovation and Technology (IT) Department has been able to upgrade covered PC's and other hardware to the most current Windows, Office365, and server software versions. In addition, this agreement process has simplified the City's budget process by providing predictable software costs for the term of the agreement.

On January 28, 2019, the Board of Public Utilities approved a three-year Microsoft EA with PCM-G utilizing the County of Riverside's Request for Quote No. PUARC-1518 for Microsoft software products. This EA expires on January 31, 2022.

## **DISCUSSION:**

On August 26, 2019, the County of Riverside issued Request for Quote #RIVCO-2020-RFQ-0000048 to seek authorized Licensed Solutions Partners (LSPs) to provide both existing and new products available under the County of Riverside's Master Microsoft EA No. 8084445, Select Plus Agreement No. 7756479; and allow new enrollments to take place based on combined volume for those government agencies. The RFQ was viewed by 47 companies and the County received bids from 10 LSP's, which were all responsive bids.

The quotes were based on a percentage mark-up or markdown from the Government Level pricing established by Microsoft and provided to LSP's. The quotes range from -.56% markdown to a 3.50% mark-up. Dell Marketing L.P. is one of the approved resellers under the Riverside County's Master Agreement Number PSA-0001524 and Amendment No. 1, whose quote included the lowest approved pricing of the -.56% markdown. This EA provides the City of Riverside cost effectiveness through volume pricing, ease of license management, and access to the most current software versions.

Purchasing Resolution No. 23256, Section 602 (e) provides that competitive procurement shall not be required "when Cooperative Purchasing is available and undertaken or when goods can be obtained through Federal, State and/or other public entity pricing contracts or price agreements."

The Purchasing Manager concurs that the recommendation is in compliance with Purchasing Resolution 23256.

The total fiscal impact of this Microsoft EA for all departments is \$902,249.24 annually, with a cumulative three-year total in the amount of \$2,706,747.72. The contract costs are determined by the full time employees per fund or department.

<b>Account</b>	<b>Amount</b>
Fund 101, Account No. 2410000-424310	\$701,245
Fund 110, Account No. 8003301-462310	\$133,534.24
Fund 510, Account No. 6003000-424400	\$36,543
Fund 520, Account No. 6213000-424400	\$12,831
Fund 530, Account No. 2245000-425700	\$546
Fund 540, Account No. 4130000-425806	\$4,836
Fund 550, Account No. 4125000-425806	\$9,126
Fund 640, Account No. 2315200-424400	\$624
Fund 650, Account No. 2215100-425700	\$2,964
<b>Total</b>	<b>\$902,249.24</b>

The current Microsoft Enterprise Agreement expires January 31, 2022. To ensure this new Microsoft Enterprise Agreement goes into effect February 1, 2022, the required Microsoft documents need to be fully executed and the funds need to be encumbered by January 14, 2022. If the Board of Public Utilities approves the expenditure, staff will be requesting that the City Council approve this item at the December 14, 2021, City Council meeting.

## **STRATEGIC PLAN ALIGNMENT:**

This item contributes to Strategic Priority No. 5 High Performing Government, Goal No. 5.2 – Utilize technology, data, and process improvement strategies to increase efficiencies, guide decision making, and ensure services are accessible and distributed equitably throughout all geographic areas of the City, and Goal 5.4 – Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

This item aligns with EACH of the five Cross-Cutting Threads as follows:

1. **Community Trust** –The software collection provided by this agreement is responsible for processing the majority of City in-person and online computer transactions. The software is used directly by most City staff and this software enables nearly all services the City provides. Furthermore, this agreement provides the City's email system and employee work file storage. These functions include advanced electronic discovery tools to allow the City to search and locate responsive records, making them available to all and promoting transparency and accountability between the City and the public resulting in greater public good by building public trust.
2. **Equity** – Most of the City's online websites and web applications are utilizing software from this agreement. Those services are accessible to all community members and benefits the City's diverse populations by providing public access to all. In addition, the Microsoft software platforms allow the City to create standard business processes which are consistent and repeatable, via transactional applications. These standard applications and processes provide equity to all customers served.
3. **Fiscal Responsibility** – Utilizing the County of Riverside's Request for Quote ensures the City is receiving the most competitive rates available.
4. **Innovation** – The City's Microsoft Enterprise Agreement gives the City access rights to continuous software updates including the most recent upgrade to Microsoft 365 (M365) which includes services like Exchange Online and Microsoft Teams.
5. **Sustainability & Resiliency** – The Microsoft Enterprise Agreement allows for a true-up process where the City can adjust licenses as needed throughout each year of the agreement. It also provides the City with the necessary licenses, products, and services to ensure business continuity during an emergency.

## **FISCAL IMPACT:**

The total fiscal impact of this Microsoft EA is \$902,249.24 annually, with a cumulative three-year total in the amount of \$2,706,747.72. The fiscal impact to Public Utilities is \$49,374 per year for a total of \$148,122 over the three-year term. Sufficient funding for FY 2021/22 is available in the following accounts:

<b>Account</b>	<b>Amount</b>
Fund 510 (Electric) , Account No. 6003000-424400	\$36,543
Fund 520 (Water), Account No. 6213000-424400	\$12,831
Total	\$49,374

Additional funds for subsequent years will be identified and allocated during development of future Fiscal Year budget preparations.

Prepared by: George Khalil, Chief Innovation Officer  
Approved by: Todd M. Corbin, Utilities General Manager  
Approved by: Kris Martinez, Interim Assistant City Manager  
Approved as to form: Phaedra A. Norton, City Attorney

Certifies availability  
of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Attachments:

1. Dell Marketing L.P. Enterprise Quote
2. Presentation