



MICROSOFT ENTERPRISE AGREEMENT

Innovation and Technology Department

City Council
February 5, 2019

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BACKGROUND

1. For the past twelve years, the City of Riverside has utilized and purchased Microsoft products through an Enterprise Agreement (EA)
2. Microsoft Enterprise Agreements allow for, or include:
 - Volume Pricing
 - Flexible license management
 - Software Updates
 - Access to the most current, updated versions, of products like Windows, Office and Outlook



2

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BACKGROUND (CONT.)

3. City's current Microsoft EA expired January 31, 2019
4. Microsoft approved a two week contract extension



3

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HOW IS MICROSOFT USED?

1. All City workstations and most City servers are built utilizing a Microsoft operating system
2. Every City workstation is equipped with Microsoft Office which includes Word, Excel, PowerPoint, Outlook and Exchange Email
3. Additional programs used throughout the City are Microsoft Project, Visio, and SharePoint
4. The City maintains a substantial number of enterprise application databases within Microsoft SQL Server



4

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HOW IS MICROSOFT USED? (Cont.)

5. Many City public PCs are licensed under this agreement
6. Patch Management
7. Server Monitoring
8. Software Deployment
9. Centralized Computer Policy Management
10. Computer Imaging
11. And More!



5

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PROCUREMENT PROCESS

1. County of Riverside issued Request for Quotes (RFQ) # PUARC-1518 to seek pricing from Licensed Solutions Partners (LSPs) within the State of California to provide existing and new Microsoft products under Master Enterprise Agreement No. 01E73970
2. Seven approved LSPs (Microsoft resellers) were determined the most responsive, responsible bidders



6

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PROCUREMENT PROCESS (CONT.)

3. The bid responses were based on a percentage mark-up or mark-down from the Government pricing established by Microsoft and provided to all LSPs
4. This EA provides an additional 7.5% discount below government pricing through the term of this agreement
5. This Master EA is available for use by all government entities within the State of California until December 31, 2019



7

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PROCUREMENT PROCESS (CONT.)

6. The City's current reseller, PCM-G, Inc., is an approved reseller under Riverside County EA No. 01E73970 and has offered the lowest .35% markdown pricing available
7. The City's Purchasing Resolution No. 23256, Section 602 (e) provides that competitive procurement shall not be required when cooperative purchasing is available and undertaken



8

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PROCUREMENT PROCESS (CONT.)

8. Cooperative Purchasing means a purchasing method whereby the Procurement requirements of two or more government entities are combined in order to obtain the benefit of volume Procurement or reduction in administrative expenses
9. The Purchasing Manager concurs that the recommendation is in compliance with the Purchasing Resolution 23256, Section 602 (e)



9

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BENEFITS OF MICROSOFT 365

1. This EA allows the City to begin the implementation of Microsoft's newest program, M365
2. Transitioning to the M365 online licensing supports the Riverside 2.1 technological initiatives:
 - a. Modernize Citywide Information Systems and Infrastructure to Improve Efficiency and Security
 - b. Create a Citywide Comprehensive Continuity of Operations Plan (COOP)
 - c. Provide Excellent Customer Service to Internal City Technology Users



10

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BENEFITS OF MICROSOFT 365 (CONT.)

- d. Improves Cybersecurity Defenses to Protect Citywide Infrastructure
- 3. Phase I of the M365 Implementation plan will be Exchange Online:
 - a. Email data will be stored in the Cloud allowing for a longer email retention schedule up to three years
 - b. Frees up much needed space on City servers extending the useful life of existing storage and back-up systems for other use



11

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BENEFITS OF MICROSOFT 365 (CONT.)

- c. Utilizes Microsoft's latest Cybersecurity tools and features
- d. Email can be accessed by any device with an internet connection
- 4. Subsequent phases will allow staff to utilize collaboration features such as SharePoint Online, OneDrive and OfficeWebApps
 - a. Provides enhanced collaboration between city staff
 - b. Documents are stored in the Cloud with live updates



12

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BENEFITS OF MICROSOFT 365 (CONT.)

- c. Access to documents from any device with an internet connection
- d. Consolidate and eliminate costs of multiple stand alone products while expanding these functions to city-wide users



13

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FISCAL IMPACT

1. The fiscal impact of this Microsoft EA is \$871,632.12 per year and a maximum cumulative amount of \$2,614,896.36
2. The Microsoft EA allows the City to add new software using a true-up process
3. Common changes for licenses include new devices, hardware and changes in user accounts



14

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FISCAL IMPACT (CONT.)

4. The City is billed and pays for true-ups via Change Orders once a year for the term of the agreement
5. Sufficient funds have been allocated for the annual Microsoft EA and estimated true-up costs



COST ALLOCATION BY FUND SOURCE

ACCOUNT	AMOUNT
Fund 101 General Fund, Innovation and Technology	\$605,251
Fund 110 General Fund (Measure Z)	\$174,283
Fund 510 Electric	\$50,523
Fund 520 Water	\$16,971
Fund 530 Airport	\$749
Fund 540 Refuse	\$6,312
Fund 550 Sewer	\$12,516
Fund 640 Central Stores	\$856
Fund 650 Central Garage	\$4,172
TOTAL	\$871,633



RECOMMENDATIONS

That the City Council:

1. Approve an agreement with PCM-G, INC. of El Segundo, California under the County of Riverside's Master Microsoft EA No. 01E73970 for Microsoft software products in an amount of \$871,632.12 per year and a maximum cumulative amount of \$2,614,896.36 for a three-year term in response to the County of Riverside's Request for Quote #PUARC-1518 for the volume procurement of Microsoft products pursuant to Purchasing Resolution 23256, Section 602 (e);



17

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RECOMMENDATIONS (CONT.)

2. Authorize the City Manager, or his designee, to execute the Microsoft Program Signature form and all other necessary documents, including making minor non-substantive changes, to enroll the City of Riverside in the County of Riverside's Microsoft Enterprise Agreement No. 01E73970; and
3. Authorize staff to issue change orders in an amount not-to-exceed 15% of the cumulative agreement amount.



18

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