



Midpeninsula Regional  
Open Space District

R-19-34  
Meeting 19-08  
March 27, 2019

### AGENDA ITEM 3

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Renewal of Enterprise Agreement with Microsoft Corporation

#### GENERAL MANAGER'S RECOMMENDATION

Authorize the General Manager to renew a three-year Microsoft Enterprise Agreement with Microsoft Corporation via license service provider CDW-G for an amount not to exceed \$211,000.

#### SUMMARY

The Midpeninsula Regional Open Space District's (District) current three-year Microsoft Enterprise Agreement expires April 2019. Renewing this agreement will allow the District to continue using the Microsoft platform to deliver cloud-based email, document management services, enterprise systems, and desktop computing (e.g. Exchange, Windows OS, Word, Excel, SQL Server, and PowerPoint). The General Manager recommends renewing the three-year Microsoft Enterprise Agreement with Microsoft Corporation using license service provider (software reseller) CDW-G for an amount not to exceed \$211,000. There are sufficient funds in the Fiscal Year (FY) 2018-19 budget to cover the first year expenses. Funds will be budgeted for upcoming fiscal years FY2019-20 and FY2020-21.

#### DISCUSSION

The District's current three-year Microsoft Enterprise Agreement expires April 2019. Consistent with the recommendations in the District's 2015 Information Technology Master Plan, the District has implemented a variety of functionality from the Microsoft Suite. The primary Microsoft products the District depends on to meet daily operational needs include:

##### Core Microsoft Software

- Windows 10 Enterprise
- Microsoft Office Suite 2016/365
- Exchange Online (email)
- Sharepoint/OneDrive (document management and cloud storage)
- Skype for Business (enterprise communication platform)

##### Security Features

- Data Loss Prevention Rules (analyzes incoming and outgoing documents for sensitive information)
- Advanced Anti-spam/malware and phishing (checks incoming messages for malicious content and blocks delivery)

- Domain Keys Identified Mail (DKIM) (email authentication method designed to detect email spoofing)

In addition to the core office tools and security features, Microsoft software provide the backbone to the District’s enterprise systems (i.e. Cityworks, Enterprise GIS, New World Systems) and to maintaining the on-premises servers.

Renewing the Microsoft Enterprise Agreement will allow the District to continue using the Microsoft platform to meet critical computing needs, support business continuity, and provide organizational efficiencies.

The Microsoft Enterprise Agreement is a volume licensing agreement that allows the District to streamline the software ordering process through bulk orders, license reservation, and lock-in pricing for three years.

### **Vendor Selection**

Similar to the previous three-year agreement, the license service provider and associated pricing was procured through cooperative purchasing (or “piggybacking”) based on the County of Riverside’s Microsoft Master Agreement. Section IV.C of Board Purchasing Policy 3.03, *Public Contract Bidding, Vendor and Professional Consultant Selection, and Purchasing Policy* provides that the District may “join in cooperative purchasing agreements with other public agencies (e.g., the State of California, counties, cities, schools, or other special districts) to purchase goods or services at a price established by that agency through a competitive bidding process.” This provides cost savings to the District and reduces staff time required to conduct an extensive bid process. In this case, the County of Riverside issued an extensive solicitation for the Microsoft Enterprise Agreement. They received nine proposals and conducted a thorough source selection, which resulted in the selection of seven license service providers (LSP). Pricing is consistent among these seven providers. The District selected CDW-G due to their familiarity with current District systems and their overall responsiveness to this solicitation.

Numerous local agencies use the County of Riverside’s Microsoft Master Agreement, among these are City of Cupertino, City of Mountain View, City of Palmdale, and Dublin San Ramon Service District.

### **FISCAL IMPACT**

There are sufficient funds in the FY2018-19 Information Systems and Technology department budget to cover the cost of the recommendation. Future fiscal years will include sufficient budget to cover the remaining cost of this contract. The \$14,000 increase in FY2019-20 and FY2020-21 are due to the need for additional Microsoft products to support new enterprise systems, staff growth, and the new South Area Office, which will serve as a disaster recovery location.

<b>Agreement Year</b>	<b>Fiscal Year</b>	<b>Cost</b>
Microsoft Enterprise Licensing Year 1	FY2018-19	\$61,000
Microsoft Enterprise Licensing Year 2	FY2019-20	\$75,000
Microsoft Enterprise Licensing Year 3	FY2020-21	\$75,000
<b>Total Cost</b>		<b>\$211,000</b>

**Cost Savings**

Leveraging County of Riverside's Master Agreement provides lower per unit pricing. See table below for pricing comparisons.

<b>Product</b>	<b>Non-County of Riverside Pricing (unit price)</b>	<b>County of Riverside Pricing (unit price)</b>
<b>Office 365 G1 Email</b>	76.56	71.76
<b>SQL Server</b>	673.26	542.27
<b>Windows Server 2016 Datacenter</b>	144.56	116.43
<b>Windows Server 2016 Standard</b>	20.37	16.41

**BOARD COMMITTEE REVIEW**

A Board Committee did not previously review this item.

**PUBLIC NOTICE**

Public notice was provided as required by the Brown Act.

**CEQA COMPLIANCE**

No action required.

**NEXT STEPS**

Upon Board approval, the General Manager will direct staff to enter into this three-year agreement with Microsoft Corporation.

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