



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

Cover Memo

File #: CONS 16-083, **Version:** 1

DATE: February 23, 2016
TO: Mayor and City Council
FROM: Director of Information Technology
SUBJECT: Approval of Microsoft Enterprise License Agreement (ELA) for Microsoft Enterprise Software Licenses including Office 365

RECOMMENDATION

That Council adopts the attached resolution authorizing the City Manager to negotiate and execute a purchase order and a three-year contract between the City of Hayward and PCM Gov, Inc., payable annually for a total amount not to exceed \$679,055; and approve a contingency of 10% (\$67,905).

BACKGROUND

The City of Hayward invests in technology to efficiently and economically support Hayward's mission and vision. The Microsoft Enterprise Agreement has proven to be a very cost-effective way to purchase Microsoft software to address key organizational objectives, such as building a secure and well-managed data center, maintaining line-of-business applications using the Microsoft Windows Operating System, SQL Database Software, and standardizing on Microsoft's popular productivity software, known as the Office Suite. With the addition of Microsoft Office 365, the City of Hayward will be able to implement hosted Exchange, individual or team sharepoint collaboration sites, hosted one terabyte user drives, instant messaging, and Skype for Business.

DISCUSSION

As part of the City of Hayward's Fiscal Year 2016 Budget, a renewal of its existing Microsoft Enterprise Agreement is planned. Bids were received from four Microsoft Large Account Resellers (LARs) that are approved to sell the Microsoft Enterprise Agreement via the County of Riverside's Master Agreement. Therefore, staff is seeking approval to piggy-back on the County of Riverside's Master Agreement.

Staff determined that the piggy-back procurement method would be the most advantageous to the City of Hayward. The County of Riverside competitively bids the renewal of the Microsoft Enterprise Agreement every five years. In its latest procurement, the County of Riverside awarded the contract to Insight Public Sector, as the firm bid the lowest volume pricing among the six Microsoft LARs. Because the County of Riverside's procurement included terms that allow surrounding public agencies within California to

benefit from volume pricing, a bench was created to include the six Microsoft LARs with their listed discount rates. This allows other public agencies to receive competitive quotes based on their specific Microsoft needs. In addition, the Microsoft LARs cannot go below their listed discount rates, which ensure fair and reasonable pricing.

Information Technology used a competitive procurement process by requesting four of the Microsoft LARs to submit quotes for the City of Hayward's Microsoft Enterprise renewal license. Upon receiving quotes, IT conducted a cost analysis and determined that the pricing from PCM Gov, Inc. was the lowest. Furthermore, the City of Hayward is agreeable to the contract terms agreed upon by the County of Riverside and PCMG. The County of Riverside's agreement contains the same Microsoft Master Agreement, which includes terms that are currently part of the City of Hayward's existing Microsoft contract.

FISCAL IMPACT

The project was approved in the City of Hayward's Fiscal Year 2016 Budget, account 730-30-0001-10001-61140, and is funded.

NEXT STEPS

If Council authorizes the City Manager to execute this purchase order, staff will execute the procure the licensing and start the installation. Project kickoff would commence in the fourth quarter of this current fiscal year.

Prepared by: Carolyn Saputo, Information Technology Manager - Infrastructure

Recommended by: Adam Kostrzak, Chief Information Officer

Approved by:



Fran David, City Manager

Attachments:

Attachment I: Resolution