



# City of Culver City

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## Staff Report Details (With Text)

**File #:** 23-429      **Version:** 1      **Name:**  
**Type:** Minute Order      **Status:** Consent Agenda  
**File created:** 11/15/2022      **In control:** City Council Meeting Agenda  
**On agenda:** 12/5/2022      **Final action:**  
**Title:** CC - CONSENT ITEM: (1) Authorization to Renew an Enterprise Agreement with the Microsoft Corporation through CDWG, LLC or any Approved Large Account Reseller (LAR) for PC Operating Systems, Office 365 Cloud Software, Client Access Licenses, and Server Licenses for a Term Not-to-Exceed Six Years (including the Current Fiscal Year 2022-2023) in the Amount of \$270,187 Per Year; and (2) Authorization to the City Manager to Approve Amendment(s) to the Agreement in an Additional Amount of Ten Percent (10%) Per Year for the Term of the Agreement for Unanticipated Costs.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
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**Meeting Date:** December 5, 2022

**Contact Person/Dept:** Johnnie Griffing / IT Department

**Phone Number:** (310) 253-5976

**Fiscal Impact:** Yes ☒ No ☐

**General Fund:** Yes ☒ No ☐

**Attachments:** Yes ☐ No ☒

**Commission Action Required:** Yes ☐ No ☒

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (11/30/2022)

**Department Approval:** Michele Williams (11/17/2022)

## RECOMMENDATION

Staff recommends the City Council (1) approve the renewal of an Enterprise License Agreement with Microsoft Corporation, using CDWG, LLC. or any approved Large Account Reseller (LAR) for PC Operating Systems, Office 365 Cloud software, Client Access Licenses, and Server Licenses for a term not-to-exceed six years (including the current fiscal year 2022-2023), in the amount of \$270,187 per year; and (2) authorize the City Manager to approve amendment(s) to the agreement in an additional amount of ten percent (10%) per year for the term of the agreement for unanticipated costs.

## **BACKGROUND**

The City relies on Microsoft's operating systems, office productivity software, client access licenses (CALs), server products, and cloud services to run its desktop computers, e-mail/productivity software systems, and servers. Microsoft Office 365 includes word processing and spreadsheet applications along with presentation, collaboration, and data storage software. E-mail and Internet software is used for communication, research, and access to software applications on a daily basis.

The City has also purchased a wide range of department specific software for handling financial transactions, timekeeping, police and fire record keeping, public works requests for service and many other functions. These applications sit on the City's desktops and servers using the Microsoft products as foundation to do their work.

This agreement simplifies licensing and record keeping compliance for the City. Culver City declares the number of desktop computers, the number of server licenses, and number of e-mail users desired to be on the program as they are purchased. Each year a payment is made for the licensing. In exchange Microsoft provides the City with the current version of every declared product. For Office 365, the City receives additional storage space for e-mail and file storage as additions are made to the program without additional charge.

## **DISCUSSION**

The Enterprise Agreement has been very beneficial to the City, including monthly operating system and Office software updates that provide new functionality as well as enhanced security. In addition, moving to Office 365 has increased e-mail storage capacity and given the City access to eDiscovery tools required by the City Attorney's office for litigation discovery and providing records in response to public records requests. The City also benefits from preferential pricing on new purchases for City use, web use of Office applications, online storage of files, and access to support services.

One stop licensing through the large account resellers (LARs) reporting to Microsoft has simplified licensing compliance checks and ensures that Culver City will be able to pass compliance audits. Additional purchases during the life of the agreement are at preferential pricing and added to the agreement's annual coverage.

Annual budgeting for the license payment has enabled the Information Technology (IT) Department to estimate costs over multiple years and eliminated large lump sum capital budget

requests when a major update is released during a particular year.

Staff recommends renewing the Microsoft Enterprise License Agreement for a term of six years, including the current fiscal year 2022-2023. Extending the contract benefits the City and avoids significant operational impacts:

- The City maintains its current licenses and benefits at the preferred volume rates. If the City allows coverage to lapse, all new purchases will be at non-preferred pricing schedules and each new version rolled out will have to be purchased at then-current prices as a new purchase.
- The City will receive any changes and additions of software as Microsoft updates and refines its offerings that are covered under the City's license agreement.
- If coverage lapses, the City will lose its e-mail and access to files stored in the Microsoft Cloud after 30 days. A new e-mail and file storage infrastructure would have to be built, and existing resources migrated to it. The time required for this would result in significant disruption to operations of all City departments.
- If coverage lapses, the City will lose access to the eDiscovery tools gained with Office 365 and have to investigate new software, tools, and storage space at additional expense.

Pursuant to Culver City Municipal Code (CCMC) Section 3.07.055.E, formal competitive bidding procedures are not required where the items to be purchased are computer software, hardware maintenance services or software maintenance services. Additionally, per CCMC Section 3.07.055.G competitive bidding is not required where such process has already been utilized by another public agency and is being supplied to the City at the same or better price, as was obtained through the competitive bid procedures of that entity. This procurement qualifies for both of the foregoing exceptions. The City's agreement is based on the negotiated pricing of the City of Riverside's agreement.

Office 365 licenses cover e-mail, productivity software, online storage of user files, and a license and storage space for collaboration files and applications. Desktop Operating System and Server and Application operating system software are covered. The server and database Client Access Licenses (CALs) are also covered by the agreement. The annual count of server licenses changes slightly as Microsoft drops some product lines, merges some product lines, or grants new licenses as their licensing model evolves. IT will add or drop licenses as the City's mix of servers and services evolves as well. As new programs or staff require e-mail services, IT will add Office 365 licenses as needed to support their missions. The CBCs and e-mail accounts for the Emergency Operations Center positions are examples of accounts needed beyond staff accounts.

The total for the Enterprise Agreement is \$270,187 annually. Electronic delivery of the software will not impose any sales tax. If additional licenses are required during the term of the contract, the total expenditure may vary slightly but the additional licenses will still be made available based on the negotiated pricing per the terms of the City of Riverside Agreement.

## **FISCAL ANALYSIS**

Sufficient funding for the annual payment of \$270,187 is included in the Adopted Budget for Fiscal Year 2022-2023 in Account #10124100.600200 (Information Technology - Repairs and

Maintenance). Funding for future years will be included during the annual budget process to be approved by City Council each subsequent fiscal year.

## ATTACHMENTS

None.

## MOTION

That the City Council:

1. Approve the renewal of the Microsoft Enterprise License Agreement for a term not-to-exceed six years, including the current fiscal year 2022-2023, with a base expenditure each year of \$270,186 (electronic delivery will not impose tax) through CDWG, LLC or any approved Large Account Reseller; and
2. Authorize to the City Manager to approve amendment(s) to the agreement in an additional amount of ten percent (10%) per year for the term of the agreement for unanticipated costs; and
3. Authorize the City Attorney to review/prepare the necessary documents; and
4. Authorize the City Manager to execute such documents on behalf of the City.