



# ADMINISTRATION COMMITTEE

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## Agenda Report

**File #:** 2024-3941

**Agenda Date:** 11/20/2024

**Agenda Item No:** 21.

**FROM:** Robert Thompson, General Manager  
Originator: Wally Ritchie, Director of Finance

**SUBJECT:**

**MICROSOFT ENTERPRISE LICENSE AGREEMENT (ELA) FOR MICROSOFT ENTERPRISE SOFTWARE LICENSES**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

- A. Approve a Purchase Order for a three-year contract to purchase Microsoft Enterprise licenses under the Microsoft ELA in accordance with Microsoft Volume Enterprise Enrollment - for State and Local government, Riverside County Master Licensing Agreement 01E73970, payable annually and with a contract expiration date of December 31, 2027, for a total amount not to exceed \$2,255,657; and
- B. Approve a contingency of \$451,131 (20%).

**BACKGROUND**

The Orange County Sanitation District (OC San) relies on various Microsoft product licensing for key components of its software architecture, including Windows desktop and server operating systems, email and chat communications, Office suite, databases, cyber defense software, and conference room integrations.

Approval of the Microsoft ELA ensures that OC San receives the best pricing on software purchases and subscriptions while staying compliant with software license agreements and copyright law. Other benefits include access to the latest security patches and feature updates as well as centralized license management, records management, and tools to fulfill public records act requests.

Staff is requesting a contingency of 20% to cover any additional Microsoft licensing required during this three-year contract. Additional licenses may be required to comply with contractor staffing changes, growth of existing systems, new system implementations and upgrades, including Microsoft Copilot a generative artificial intelligence.

**RELEVANT STANDARDS**

- Protect OC San assets
- Ensure the public's money is wisely spent

- Participate in local, state, and national cooperative purchasing programs
- Commitment to safety & reducing risk in all operations

**PROBLEM**

The existing Microsoft ELA expires December 31, 2024. OC San must have a renewed ELA in place by January 1, 2025, to ensure seamless transition of licensing for access to Microsoft products and services.

**PROPOSED SOLUTION**

Approve a Purchase Order for a three-year contract to purchase Microsoft Enterprise licenses under the Microsoft ELA.

**TIMING CONCERNS**

Renewal of the Microsoft ELA should occur prior to December 31, 2024, to ensure no gaps in licensing coverage come January 1, 2025.

**RAMIFICATIONS OF NOT TAKING ACTION**

Access to the Microsoft 365 Platform, including Office 365 and e-mail would become unavailable to OC San Staff. Certain Microsoft software would fall out of compliance with licensing requirements. Any delay in approval will delay the procurement of the Microsoft ELA renewal and will result in loss of function for OC San's Microsoft products and services.

**PRIOR COMMITTEE/BOARD ACTIONS**

November 2021 - Approved a Purchase Order for a three-year contract to purchase Microsoft Enterprise licenses under the Microsoft ELA in accordance with Microsoft Volume Enterprise Enrollment - for State and Local government, Riverside County Master Licensing Agreement 01E73970, payable annually and with a contract expiration date of December 31, 2024, for a total amount not to exceed \$1,470,495; and approved a contingency of \$220,574 (15%).

**ADDITIONAL INFORMATION**

The County of Riverside negotiated a contract for an ELA with Microsoft to be used by any government agency in the State of California. There are many public agencies in California currently using this contract.

This contract aggregates the quantities of all participating agencies to secure the highest bulk discount provided by Microsoft. This results in the lowest possible rates across all Microsoft licensing.

**CEQA**

N/A

**FINANCIAL CONSIDERATIONS**

This request complies with authority levels of the OC San's Purchasing Ordinance. This item has been budgeted (Budget FY 2024-25 and 2025-26, Section 8, Page 4, Information Management Systems) and the budget is sufficient for the recommended action.

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

N/A