



ADMINISTRATION COMMITTEE

Agenda Report

Administration Building
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File #: 2021-1906

Agenda Date: 11/10/2021

Agenda Item No: 6.

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

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

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- 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, 2024, for a total amount not to exceed \$1,470,495; and
- B. Approve a contingency of 220,574 (15%).

BACKGROUND

The Orange County Sanitation District (OC San) relies on various Microsoft products for key components of its software architecture, for example: Windows desktop and server operating systems, email and calendaring, Office suite, web servers, databases, and cyber defense software.

Renewal 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 15% to cover any additional Microsoft licensing required during this three-year contract. Additional licenses may be required to comply with contractor staffing changes and new system implementations. This contingency level is consistent with past requests for Microsoft agreements.

RELEVANT STANDARDS

- Protect OC San assets
- Sound engineering and accounting practices, complying with local, state, and federal laws
- Participate in local, state, and national cooperative purchasing programs
- Commitment to safety & reducing risk in all operations

PROBLEM

The existing Microsoft ELA expires on December 31, 2021. OC San needs the licensing to stay current on the latest supported and secure versions of the software.

PROPOSED SOLUTION

Renew OC San's Microsoft ELA for three years.

TIMING CONCERNS

Renewal of the Microsoft ELA should occur prior to December 31, 2021 to maintain compliance of the software license agreement with Microsoft.

RAMIFICATIONS OF NOT TAKING ACTION

Access to the Microsoft 365 Platform, including Office 365 and e-mail, would become unavailable for OC San staff. Certain Microsoft software would fall out of compliance with licensing requirements.

PRIOR COMMITTEE/BOARD ACTIONS

November 2018 - Board of Directors authorized a Purchase Order with 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 01E73134, payable annually and with contract expiration date of December 31, 2021, for a total amount not to exceed \$1,335,952; and approved a contingency of 15% (\$200,393).

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 over 100 public agencies in California currently using this contract.

The cost to purchase the licenses needed by OC San without the ELA would be an additional \$745,398, for a total of \$2,215,893.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted. (FY2020-21 and FY2021-22 Budget, Section 6, Page 36).

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
11/17/2021	\$1,470,495	\$220,574 (15%)

ATTACHMENT

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

- Insight MS EA Quote Request