



ADMINISTRATION COMMITTEE

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Agenda Report

File #: 2022-2400

Agenda Date: 7/13/2022

Agenda Item No: 2.

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

SUBJECT:

MICROSOFT UNIFIED SUPPORT AGREEMENT FOR MICROSOFT ENTERPRISE SUPPORT

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Purchase Order for a two-year contract to purchase Microsoft Unified Support, payable annually and with a contract expiration date of December 31, 2024, for a total amount not to exceed \$182,521; and
- B. Approve a contingency of \$18,252 (10%).

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 security software.

OC San previously purchased enterprise support from Microsoft on an annual basis using a standard requisition approval method for purchases under \$100,000. To reduce administrative burden for managing annual renewals, we are proposing a multi-year contract that is co-termed to match OC San's existing Microsoft Enterprise Licensing Agreement contract period. Benefits of the Microsoft Unified Support agreement include access to expert support, training resources, and proactive audit tools.

Staff is requesting a contingency of 10% to cover any additional Microsoft support required during this two-year contract. Additional support may be required to enable new system implementations or to meet new security and compliance requirements.

RELEVANT STANDARDS

- Protect OC San assets
- 24/7/365 treatment plant reliability
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard
- Ensure the public's money is wisely spent

PROBLEM

Annual support agreement costs for Microsoft services were historically procured using standard requisition approval. Microsoft routinely raises support costs by a small percentage each year and it is projected that the annual cost will increase above the \$100,000 threshold in the near future.

Additionally, renewal of the Microsoft support agreement on an annual basis creates more administrative burden to manage renewal procurements within a different time period from OC San's existing Microsoft Enterprise Licensing Agreement renewal, which is on a multi-year contract.

PROPOSED SOLUTION

Renew OC San's Microsoft Unified Support agreement for two years, co-termed to the time period of OC San's existing Microsoft Enterprise Licensing Agreement.

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|--|------------------|
| Microsoft Unified Support (9/17/2022 - 12/31/2023) | \$ 82,635 |
| Microsoft Unified Support (1/1/2024 - 12/31/2024) | \$ 99,886 |
| Total | \$182,521 |

TIMING CONCERNS

Renewal of the Microsoft Unified Support agreement should occur prior to September 16, 2022 to prevent a lapse in coverage.

RAMIFICATIONS OF NOT TAKING ACTION

OC San would not be able to receive enterprise support from Microsoft after the existing term ends. Many OC San business processes rely on 25/7/365 reliability for Microsoft systems supported by this agreement.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

N/A

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted.

ATTACHMENT

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

N/A