



# CITY OF SAN MATEO

City Hall  
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[www.cityofsanmateo.org](http://www.cityofsanmateo.org)

## Agenda Report

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Agenda Number: 7

Section Name: {{section.name}}

File ID: {{item.tracking\_number}}

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**TO:** City Council  
**FROM:** Drew Corbett, City Manager  
**PREPARED BY:** Information Technology Department  
**MEETING DATE:** January 19, 2021  
**SUBJECT:**  
Microsoft Software Support – Agreement Renewal

### RECOMMENDATION:

Adopt a Resolution to approve an alternative purchasing process and authorize a three-year renewal of the City's Microsoft Enterprise Agreement for software licensing, cloud hosting, upgrades, and technical support for the City's servers, workstations, and mobile devices through CDW-G, Inc. for an amount of \$665,225.10 and authorize the City Manager to issue the purchase order.

### BACKGROUND:

The City established its Enterprise Agreement (EA) relationship with Microsoft in March of 2007 and last renewed it in 2018. Since that time, the City has benefited from entitlements to regular software upgrades of Office versions, Windows desktop operating systems, and server products including Exchange, SharePoint, and MS SQL Server. In November 2014, the City converted its conventional desktop software licenses to Microsoft Office 365, a subscription-based suite of remotely-hosted software and services. At the end of each year of the agreement, the City will adjust its annual payment in consideration of any licenses added or removed during the year. Any cumulative change in the amount of the agreement costs of \$100,000 or more will require Council approval.

Office 365 enables employees to work with data and applications from virtually anywhere and on virtually any device. It affords the City the unique benefit of seamless data recovery and will assist in continuity of government in the event of a regional disaster. Through Microsoft Teams, the City also enjoys the ability to interact with external partners and the public using familiar, commonly available instant messaging and video conferencing.

While competitive bidding is often desirable to ensure lowest cost options, Municipal Code section 3.60.050(b) grants exception "where calling for bids is impracticable, unavailing, or impossible ...". Calling for bids is unavailing in this instance since this product is sold by a limited number of vendors at standard governmental pricing. Owing to its much larger purchasing needs, the County of Riverside, California has negotiated a master agreement with CDW-G under which San Mateo may attach. The terms of this master agreement afford participating agencies a discount of 7.5% beyond Microsoft's State of California governmental pricing - which include Microsoft's largest enterprise volume discounts.

### BUDGET IMPACT:

Funds for this agreement have been included in the operating budget for the Information Technology Department.

### ENVIRONMENTAL DETERMINATION:

This agreement is not a project subject to CEQA, because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. (CEQA Guidelines Section 15378(b)(5).)

**NOTICE PROVIDED**

All meeting noticing requirements were met.

**ATTACHMENTS**

Att 1 – Proposed Resolution

Att 2 – Enterprise Agreement Terms & Conditions

Att 3 – Sales Quote

**STAFF CONTACT**

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