

CITY COUNCIL ACTION REQUEST

Department(s): Finance	CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment	Coordination: Information Technology Department, City Attorney's Office, City Manager's Budget Office	Dept. Approval: /s/ Julia H. Cooper
Council District(s): Citywide			CMO Approval:  9-5-19

SUBJECT: ACTIONS RELATED TO THE PURCHASE ORDER FOR MICROSOFT OPERATING SYSTEMS AND PLATFORMS SOFTWARE

RECOMMENDATION:

Adopt a resolution authorizing the City Manager to:

- (a) Execute purchase orders and Microsoft enrollment documentation with Crayon Software (Dallas, TX) to purchase Microsoft operating system and platform software through the Microsoft Enterprise License Agreement for State and Local Governments ("Enterprise Agreement"), a cooperative agreement administered by the County of Riverside, California ("Riverside") on behalf of State and Local public agencies, for an initial three-year term beginning October 1, 2019 and ending September 30, 2022 in an amount not to exceed \$853,569, subject to the appropriation of funds; and
- (b) Execute additional purchase orders and required enrollment documentation for up to two additional three-year options to extend the term through September 30, 2028, subject to the appropriation of funds; and
- (c) Execute amendments, change orders, and enrollment documents as required to cover any unanticipated changes, including additional subscriptions at the Enterprise Agreement discounted rates as may be required, subject to the appropriation of funds.

Desired Outcome: To provide employees with modern desktop operating systems to enable secure computing, software support, and new features.

BASIS FOR RECOMMENDATION:

Microsoft operating system licenses are required on most City desktops, virtual desktops, and servers for secure operation. The software licenses enable the City's computing devices to function and support the use of business software by City employees. The City must upgrade a large number of desktops from the Windows 7 operating system to Windows 10 because Microsoft will discontinue support for Windows 7 in January 2020, leaving City desktops vulnerable to cybersecurity threats.

In July 2019, the Finance Department issued a Request for Bids (RFB) for Microsoft Operating Systems and Platforms Software to the pool of awarded Licensing Solution Providers identified in Riverside's Request for Quotes competitive process conducted in 2016. Two bids were received. Staff recommends award to Crayon Software Experts, LLC as the lowest-priced responsive and responsible bidder pursuant to the formal bidding procedures of the San José Municipal Code, Section 4.12.310B.

Commission Recommendation/Input: There is no commission recommendation or input associated with this action.

This Council item is consistent with the City's 2019-2020 Adopted Operating Budget City Service Areas Delivery Framework: *"To effectively develop, manage, and safeguard the City's fiscal, physical, technology, and human resources to enable and enhance the delivery of City services and projects."*

COST AND FUNDING SOURCE:

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Recommendation *	2019-2020 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No)
001	0432	Information Technology Department – Non-Personal/Equipment	13,102,437	284,524	VIII-220	06/18/2019 30286

*Reflects costs for the first year of the initial three-year term; Microsoft license costs are paid over three years. Funding for Years 2 and 3 will be programmed through the annual budget process.

FOR QUESTIONS CONTACT: Jennifer Cheng, Deputy Director of Finance, at (408) 535-7059