



April 23, 2021

The Honorable Mayor Sam Liccardo and City Council
City of San Jose
200 East Santa Clara Street
San Jose, CA 95113

RE: Council Item 3.5 – Support

Dear Mayor and City Council,

On behalf of Microsoft Corporation, we write in strong support of the staff recommendation on item 3.5 related to extending the City's use of Microsoft Office 365 productivity and collaboration tools.

Microsoft has been part of the south bay community since 1981, growing to over 9,000 Bay Area employees in San Jose, Sunnyvale, Mountain View, Santa Clara, San Francisco, and Berkeley. Our Skilling Initiative is helping Bay Area residents gain skills for in-demand professions, our TEALS program is helping youth learn computer science (CS) in 9 high schools in Santa Clara County (7 of which are in San Jose), and our Bay Area Give Program contributed over \$6M to nonprofits last year, inclusive of employee donations and company match. With our upcoming datacenter development in North San Jose, Microsoft anticipates investing more than a billion dollars in San Jose over the next few years.

We value our deepening partnership over the years that has allowed the City of San Jose to modernize its technology tools and be efficient in its necessary shift to remote work. That trusted partnership will be enhanced by this new agreement.

Thanks to work with the City's Information Technology Department (ITD), this agreement takes advantage of a statewide agreement and other discounts to provide over \$1.9M in savings from the initial proposal over the life of the agreement and incorporates engineering and training resources. We believe this aggressively discounted proposal offers the best value, least risk, and most digitally transformative proposal to support City employees for the next five years.

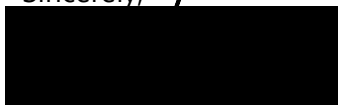
Microsoft tools provide industry leading capabilities that are integral to the City's major software solutions for financials, payroll, revenue management, agenda management, and legal files, as well as compliance with key criminal justice and other regulatory standards that other providers do not. As highlighted in the memo, a shift to another productivity vendor would lead to a mixed-solution environment, significant process and work disruptions, and anticipated \$1-2M in implementation costs, as well as unknown costs to manage and match multiple vendors to achieve the capabilities and security of Microsoft's industry leading tools.

Furthermore, Microsoft provides the best in market cybersecurity, enterprise management, eDiscovery, and work automation tools available, and this agreement provides for these resources to be included in addition to the productivity tools. Microsoft 365 Government is a set of productivity, security, and mobility cloud software capabilities tailored for US government agencies and contractors sponsored to hold controlled, unclassified information. Microsoft 365 Government helps US government leaders and workers be productive anywhere, anytime by enabling mobile productivity and secure collaboration with compliance by helping agencies effectively manage regulatory data-compliance requirements. Comprehensive features and capabilities delivered through Teams (with Zoom integration), MyAnalytics, Power Platform, and our integrated approach with Microsoft Enterprise Mobility + Security, allows your local government to focus on meeting constituents needs, while being secure and compliant in a hybrid work environment.

In short, we agree with City staff that Microsoft Office 365 represents the best option to optimize staff productivity at the most effective cost point.

Thank you for your consideration. Should you have any questions, please feel free to reach out to me at mfellows@microsoft.com or Jonathan Noble, Director, State & Local Government Affairs, at jnoble@microsoft.com.

Sincerely, ,



Mark Fellows
California Client Director
Microsoft State and Local Government