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Item No. 7

JUL 21 2020

City of South Gate
CITY COUNCIL

CITY OF SOUTH GATE
OFFICE OF THE CITY MANAGER

1:30pm

AGENDA BILL

For the Regular Meeting of July 28, 2020
Originating Department: Administrative Services

Department Director:


Jackie Acosta

City Manager:


Michael Flad

SUBJECT: MICROSOFT ENTERPRISE LICENSE AGREEMENT WITH SHI FOR OFFICE 365 LICENSES

PURPOSE: To approve an Enterprise License Agreement with SHI for Microsoft Office 365, a cloud-based electronic mail system to replace the existing electronic mail system (Exchange 2010).

RECOMMENDED ACTIONS:

- a. Approve Microsoft Enterprise License Agreement with SHI for Microsoft Office 365, a cloud-based electronic mail system, for a three-year term, in the amount of \$218,442, or \$72,814 annually; and
- b. Authorize the issuance of a Purchase Order to SHI for the purchase of this 3-year Microsoft Enterprise License Agreement.

FISCAL IMPACT: Funds for this purchase, in the amount of \$73,500, were included in the adopted Fiscal Year 2020/21 Municipal Budget for this Agreement in account number 522-310-12-9006 (Information Technology Fund – Technology Master Plan – Computer Equipment & Software).

ALIGNMENT WITH COUNCIL GOALS: Item No. 162 in the Fiscal Year 2019/20 Work Program is “Complete the Technology Master Plan.” On January 28, 2020, the City Council accepted the Technology Master Plan (TMP) prepared by ClientFirst Technology Consulting completing this work program item. However, now that the TMP has been completed, the work of implementing the 82 initiatives contained in the TMP begins. One of the key initiatives of the TMP is an upgrade of the City’s electronic mail system.

ANALYSIS: Electronic mail has become the preferred communications mechanism of residents and staff, often replacing the phone. The City’s existing electronic mail system is Microsoft Exchange 2010. Exchange 2010 has reached the end of its useful life and is no longer supported by Microsoft. Over the past several months, the City has experienced several problems with the Exchange 2010 environment, many of which relate to the amount of electronic mail storage required on City servers. In March/April of 2020, the City experienced a significant Exchange outage, disrupting staff communications for several days and causing a significant loss in productivity.

Cloud-based applications, including Microsoft Office 365, are procured on a subscription basis versus the traditional model of purchasing a license which includes perpetual use. The procurement vehicle recommended by staff is a three-year subscription to Office 365, utilizing an existing Riverside County,

CA contract with SHI that contains a piggy-back clause allowing other government agencies to take advantage of Riverside County's purchasing power. The Office 365 subscription would be paid annually for the three-year term.

Microsoft Office 365 electronic mail implementation is expected be completed in three-to-four months. Additional work efforts will be required to take full advantage of additional Microsoft Office 365 features that can increase staff collaboration and productivity.

BACKGROUND: On January 28, 2020, the City Council accepted the Technology Master Plan (TMP) prepared by ClientFirst Technology Consulting. One of the key initiatives of the TMP is an upgrade of the City's electronic mail system. Since that time, COVID-19 has dramatically increased the need for staff mobility and access to City systems from cellular phones, tablets and laptops, in addition to traditional in-office desktop computers.

The City's TMP recommends replacing the existing Exchange 2010 environment with Microsoft Office 365, which is a cloud-based product. Staff concurs with this recommendation. Microsoft Office and Microsoft email products had a market share of 87.5% (source Gartner) in business and local government in 2018. The next closest competitor is Google G-Suite with 10.5% market share. Using Microsoft Office 365, all City electronic mail will be stored on servers in the United States that are designated for government use. These servers and data storage meet federal and state requirements for secure data storage and transmission. The amount of space allocated to each email user is 50 gigabytes (GB), significantly larger than any individual City email box.

Expected benefits of Microsoft Office 365 include:

- Reduced downtime – Microsoft cloud-based servers are resilient and fail-over to other server clusters in the event of an outage. Microsoft has not experienced a significant Office 365 outage in several years.
- Reduced staff time managing Exchange – the existing Exchange 2010 environment requires nearly continuous maintenance to manage disk space utilization and backups. These maintenance tasks will no longer be required of staff with a cloud-based product.
 - Staff time managing Office licenses and patches will also be reduced.
- Staff will have access to electronic mail and Word/Excel/PowerPoint files from anywhere on any authorized device.
 - Local installation of Word, Excel, or Power Point on specific desktop computers are not required.
- Staff will have access to calendars, resources, meetings and video conferences from anywhere on any authorized device.
- Office 365 can be used to collaborate with others from any location on documents or spreadsheets.
- In a future phase, we expect to train staff to utilize “Teams” (a subset of Office 365) for video conferences and collaboration.
 - Functionality for creating meeting notes and using virtual whiteboards are included in Teams.
- Office 365 allows secure file sharing between individuals and groups.
 - Provides file transfer capabilities for files too large for email.

- Groups can be internal to South Gate or can include third parties, allowing collaboration between agencies.
- Using Exchange and current versions of Office, work-from-home staff need to store email or files locally (at home) or on unauthorized devices. With Office 365, emails and files will be stored in the cloud infrastructure and accessible from anywhere on any authorized device.

As recommended by the TMP, staff is currently implementing an electronic mail archiving system, which will improve staff's ability to conduct Public Records Act request searches of electronic mail and provide staff with a long-term email storage location that does not impact electronic mail performance. Immediately following the email archiving system implementation, staff hopes to begin implementation of the Microsoft Office 365 electronic mail system, if approved.

ATTACHMENT: Quote from SHI



Pricing Proposal
 Quotation #: 19025287
 Reference #: New EA upon Invoice
 Created On: 6/16/2020
 Valid Until: 6/30/2020

City of South Gate

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Inside Account Manager

Christopher Carrillo
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 Somerset, NJ, 08873
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All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 O365GCCE3 ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: AAA-11894 Contract Name: County of Riverside - Microsoft EA Contract #: RIVCO-20800-001-11/19 Note: Software, ESD, New EA upon Invoice, Year 1	350	\$208.04	\$72,814.00
2 O365GCCE3 ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: AAA-11894 Contract Name: County of Riverside - Microsoft EA Contract #: RIVCO-20800-001-11/19 Note: Software, ESD, New EA upon Invoice, Year 2	350	\$208.04	\$72,814.00
3 O365GCCE3 ShrdSvr ALNG SubsVL MVL PerUsr Microsoft - Part#: AAA-11894 Contract Name: County of Riverside - Microsoft EA Contract #: RIVCO-20800-001-11/19 Note: Software, ESD, New EA upon Invoice, Year 3	350	\$208.04	\$72,814.00
		Subtotal	\$218,442.00
		Shipping	\$0.00
		*Tax	\$0.00
		Total	\$218,442.00

*Tax is estimated. Invoice will include the full and final tax due.

Additional Comments

Year 1 Total - \$72,814.00
 Year 2 Total - \$72,814.00
 Year 3 Total - \$72,814.00

Thank you for choosing SHI International Corp! The pricing offered on this quote proposal is valid through the expiration date listed above. To ensure the best level of service, please provide End User Name, Phone Number, Email Address and applicable Contract Number when submitting a Purchase Order. For any additional information including Hardware, Software and Services Contracts, please contact an SHI Inside Sales Representative at (888) 744-4084. SHI International Corp. is 100% Minority Owned, Woman Owned Business. TAX ID# 22-3009648; DUNS# 61-1429481; CCR# 61-243957G; CAGE 1HTF0

Hardware items on this quote may be updated to reflect changes due to industry wide constraints and fluctuations.

WSCA Contract for California: ADSPO11-00000358-3 PA 70-12-70-19

Trend Micro Contract for California: SLP-12-70-0003V

Attachmate Contract for California: SLP-13-70-0003W

First time user for SHI Direct website? Please use the following information when registering.

California Gov't:

<http://www.publicsector.shidirect.com/slg/ca>

Token: 30343

Access Key: HBB59KL3PK

The products offered under this proposal are resold in accordance with the terms and conditions of the Contract referenced under that applicable line item.