



## Legislation Text

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**File #:** RES 17-0107, **Version:** 1

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**TO:**

Honorable Mayor and Members of the City Council

**THROUGH:**

Mark Danaj, City Manager

**FROM:**

Sanford Taylor, Information Technology Director

Bruce Moe, Finance Director

Leilani Emnace, Information Technology Manager

Gwen Eng, Purchasing Manager

**SUBJECT:**

Resolution Approving a Three-Year Contract with Comparex for Microsoft Enterprise Software Licensing with an Estimate Total Value \$222,000 and Waiving Formal Bid Requirements Pursuant to Manhattan Beach Municipal Code Section 2.36.150 (Information Technology Director Taylor).

**ADOPT RESOLUTION NO. 17-0107**

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**RECOMMENDATION:**

Staff recommends that the City Council: a) waive formal bid requirements pursuant to Manhattan Beach Municipal Code Section 2.36.150 (cooperative purchasing), and b) adopt Resolution No. 17-0107 approving a three-year contract with Comparex for Microsoft Enterprise software licensing with an estimated value of \$222,000.

**FISCAL IMPLICATIONS:**

The total estimated cost of obtaining Microsoft Enterprise software licensing is \$222,000 over a three-year period. Sufficient funds are available in Fiscal Year 2017-2018, and will be provided for in future budgets.

**BACKGROUND:**

Since inception of the City's network in 1995, the City has standardized on Microsoft products for workstation operating systems (OS), network service operating systems, and the Microsoft suite of office applications (Word, Excel, PowerPoint, etc.). This decision was based upon the de facto standardization on Microsoft products as well as the integration and compatibility of all products.

The City's most recent contract for Microsoft Enterprise software licensing with EnPointe Technologies is scheduled to expire on August 31, 2017. As a result, staff reviewed competitive options including independently bidding the City's requirements, as well as piggybacking on other public agencies' existing large scale/high volume contracts (Piggybacking is the extension of pricing, terms and conditions to other governmental agencies at the mutual consent of all parties, permissible under the City's Municipal Code, Section 2.36.150).

## **DISCUSSION:**

In reviewing piggybacking opportunities, staff identified a County of Riverside contract for Microsoft licenses as being most beneficial. In this instance, the County of Riverside served as the lead agency on a cooperative bid (which takes into account aggregate volume from other public agencies) with the intent of making the contract available to any public agency in the State of California. Ultimately, the County of Riverside contract was awarded to seven separate vendors to provide flexibility to other public agencies based on each agency's procurement practices. Since the City is not formally bidding this requirement and utilizing another agency's procedures and contract, staff is requesting waiver of formal bidding procedures which is permissible under the City's Municipal Code, Section 2.36.150.

In order to differentiate the vendors under the multiple award for the City's requirements, staff solicited informal quotes from the seven vendors to determine the lowest cost for the City (see Attachment #1). Based on these results, staff recommends that City Council approve a contract with Comparex for a three-year Microsoft Enterprise Licensing Agreement in the amount of \$221,795.28. Payment for these licenses will be made annually over the next three years.

## **PUBLIC OUTREACH/INTEREST:**

This bid was advertised on the County of Riverside's website as well as Public Purchase, a public bid notification board.

## **ENVIRONMENTAL REVIEW**

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

## **LEGAL REVIEW**

The agreement has been reviewed by the City Attorney and is approved as to form.

## **Attachments:**

1. Bid Comparison
2. Resolution No. 17-0107
3. Comparex Contract