



## City of Grass Valley City Council Agenda Action Sheet

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**Title:** Approval of a Three-year Renewal Agreement with Dell for Citywide Microsoft Licensing, Utilizing the County of Riverside Agreement, in the Amount of \$63,796.65 Annually

**CEQA:** Not a project

**Recommendation:** Authorize the City Manager or designee to execute a three-year agreement with Dell in the amount of \$63,796.65 annually to pay for the City's annual Microsoft licensing and support (Attachment A).

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**Prepared by:** Bradford Kalstein, IT Analyst

**Council Meeting Date:** 11/28/2023

**Date Prepared:** 11/21/2023

**Agenda:** Consent

**Background Information:** This is a services contract for Microsoft Product Licensing and Maintenance as described in the Riverside County Microsoft Enterprise Agreement (a cooperative purchasing agreement per 3.08.170 of the City's Centralized Purchasing System policy). The City of Grass Valley has used the Riverside Enterprise Agreement since 2017 to secure discounted pricing of Microsoft licensing. Riverside's sheer volume of licenses of Microsoft products used has allowed them to obtain a deep discount on these products. This discount is allowed to be passed on to other agencies within the state. The products and services in this annual licensing run the City's email system, some of our Data Center core systems, productivity software such as Word, Excel, and PowerPoint (both installed and online), video conferencing, SharePoint, and Security Products.

Staff and the City's contracted IT Managed Service Provider, Integral Networks, diligently reviewed this new contract to ensure the City is accurately licensed for all necessary components such as server licensing, user licensing, and security licensing. Due to a planned change to the telephone system the City is saving approx. \$20,000 over the 3 year period on this Microsoft contract renewal. This is because with the purchase of new phone handsets, the Microsoft telephone integration licensing can be removed. This savings will more than offset future hardware costs for replacement handsets.

Every year on the City's anniversary date, an annual true-up is performed which compares the actual number of licenses used by City staff against how many licenses the City has already purchased. The cost associated with this true-up includes the

license cost of these items as well as the Software Assurance for the remaining years on the agreement. Software Assurance provides the City with planning services to enable efficient deployment of licenses and solutions, in-person and online training for IT and end users, and rights to new software releases during the term of the agreement.

**Council Goals/Objectives:** High Performance Government & Quality Service

**Fiscal Impact:** Funding for the contract is already budgeted in the City's IT General Fund.

**Funds Available:** Yes

**Account #:** 100-105

**Reviewed by:** \_\_\_\_ City Manager

**Attachments:** Dell Quote