



**October 13, 2021**

*[Handwritten signature of Darrell E. Johnson, Chief Executive Officer]*

**To:** Finance and Administration Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Microsoft Enterprise Agreement Renewal

### ***Overview***

As part of the Orange County Transportation Authority's Fiscal Year 2021-22 Budget, a renewal of its existing Microsoft Enterprise Agreement is planned. Quotes were received from three Microsoft Large Account Resellers that are approved to sell the Microsoft Enterprise Agreement via the County of Riverside's Master Agreement.

### ***Recommendations***

- A. Approve the selection of Dell, Inc., to provide the Microsoft Enterprise renewal license for all of the Orange County Transportation Authority's Microsoft software.
- B. Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C13676 between the Orange County Transportation Authority and Dell, Inc., in the amount of \$2,575,000, for the renewal of the Microsoft Enterprise Agreement for a three-year term.

### ***Discussion***

On October 22, 2018, the Orange County Transportation Authority's (OCTA) Board of Directors (Board) approved Purchase Order No. C81972 with PCMG, Inc., for a Microsoft Enterprise Agreement for the licensing of all of OCTA's Microsoft software. The term of the agreement was December 1, 2018 to November 30, 2021.

The Microsoft Enterprise Agreement has proven to be a very cost-effective way to purchase Microsoft software to address OCTA's key organizational objectives, such as building a secure and well-managed data center, maintaining line-of-business applications using the Microsoft Windows Operating System, Structured Query Language Database Software, and standardizing on

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Microsoft's popular productivity software, known as Office Suite. OCTA has also enhanced its document sharing and collaboration processes by implementing the use of the Microsoft SharePoint Server.

The Microsoft Enterprise Agreement has provided OCTA with the best overall pricing based on its organization's size, the benefits of Software Assurance, as well as simplified licensing management.

Software Assurance, included in the Microsoft Enterprise Agreement, is a core set of benefits that improves workforce productivity and streamlines software deployment. These benefits include access to new product demos, rights to new software versions, deployment planning days, 24/7 phone and web support, and training for both end-users and technical staff. Software Assurance has allowed OCTA's Information Systems department to maintain its strategic goal of always being on a supported release of its Microsoft software, whether on the back-end servers or on the business users' desktop workstations.

Renewal of the Microsoft Enterprise Agreement will provide OCTA with continued flexibility. With the use of Microsoft Office 365, OCTA will be able to implement Microsoft line-of-business applications, such as Outlook, Word, and Excel, either on-site (on-premise) or in the cloud (hosted). This flexibility will allow OCTA to determine and provide for different departmental needs, to more efficiently manage its computing environment, and to optimize spending of its technology dollars.

### ***Procurement Approach***

In planning for the procurement, the Contracts Administration and Materials Management (CAMM) department explored two different procurement methods for the renewal of the Microsoft Enterprise Agreement. OCTA can issue an Invitation for Bids (IFB) in accordance with OCTA's Board-approved procurement policies and procedures or piggy-back on another public agency's existing agreement in accordance with state law, which aims to allow public agencies to piggy-back on procurement contracts as a cost-savings measure.

Using the first option, OCTA would issue an IFB, whereby award is based on the lowest, responsive, and responsible bid. Advantages of this procurement method include OCTA having full authority over the procurement, such as detailing the renewal requirements, selecting a Microsoft Large Account Reseller (LAR) for award, and negotiating the contract terms. However, this procurement approach can take up to 90 days before the renewal is completely processed.

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Using the second option of a piggy-back procurement, OCTA would partner with another public agency that has an existing agreement with a Microsoft LAR for the renewal of the Microsoft Enterprise Agreement. This procurement method can result in a shortened procurement time, as well as administrative cost savings. OCTA is agreeable to all the terms and conditions of the County of Riverside's (County) Microsoft Enterprise Agreement No. 8084445. OCTA has used a piggy-back option when it renewed its previous Microsoft Enterprise Agreement in 2009, 2012, 2015, and 2018.

Staff determined that the piggy-back procurement method would be the most advantageous to OCTA. The County competitively bids the renewal of the Microsoft Enterprise Agreement every five years. Because the County's procurement included terms that allow eligible agencies within the State of California to benefit from volume pricing, a bench was created to include ten Licensed Solutions Providers (LSP) with their listed discount rates. This allows eligible agencies to receive competitive quotes based on their specific Microsoft needs. OCTA has been authorized to piggy-back on the County's agreement.

The CAMM department used a competitive procurement process to purchase Microsoft Enterprise renewal licenses by requesting quotes from the ten Microsoft LSPs on August 17, 2021. Upon receiving quotes from three of the ten Microsoft LSPs by the submittal deadline, August 23, 2021, CAMM conducted a cost analysis and determined that the pricing from Dell, Inc., was the lowest. Competing among the ten Microsoft LSPs with their discounted rates ensures fair and reasonable pricing.

#### **Fiscal Impact**

The project was approved in OCTA's Fiscal Year 2021-22 Budget, Finance and Administration/Information Systems department, Account No. 1283-7669-A5352-7F3, and is funded through local funds.

#### ***Summary***

Based on the information provided, staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C13676 with Dell, Inc., in the amount of \$2,575,000, for the renewal of the Microsoft Enterprise Agreement for a three-year term effective December 1, 2021 through November 30, 2024.

***Attachment***

None.

**Prepared by:**



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