

1 [Agreement - Zones, LLC - Microsoft Products Enterprise Agreement - Not to Exceed  
2 \$55,000,000]

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3 **Resolution authorizing the Department of Technology and the Office of Contract**  
4 **Administration to enter into an Agreement between the City and Zones, LLC for**  
5 **Enterprise Products for an amount not to exceed \$55,000,000 for an initial three-year**  
6 **term beginning on September 1, 2023, through August 31, 2026, with the option of six**  
7 **one-year extensions.**

8

9 WHEREAS, In 2023, the City sought an Enterprise Agreement (EA) to procure all  
10 Microsoft software products and cloud computing solutions to replace an existing EA set to  
11 expire in August 2023; and

12 WHEREAS, The procurement consist of the following: secure email, administrative  
13 tools, server space/capacity, and licenses required to operate the email system; the Microsoft  
14 Office Suite (including Word, PowerPoint and Excel), Teams, accessibility tools and trial or  
15 development scale access to new products and features otherwise not attainable on the open  
16 market at prices affordable to the City; and

17 WHEREAS, The EA products consist of Windows server licenses required to operate  
18 various software applications, SharePoint Online, Access Pro, Visio Pro, Project Pro and  
19 training credits and technical support credits usable during the agreement term to provide  
20 knowledge and expertise to City employees regarding how to use, and to a limited extent,  
21 troubleshoot the software programs and applications; and

22 WHEREAS, Microsoft only sells its products through resellers known as “Licensed  
23 Solution Providers” (LSPs); and

24 WHEREAS, The Department of Technology and the Office of Contract Administration  
25 conducted an Invitation for Bids (IFB) for a large account LSP; and

1           WHEREAS, Zones, LLC submitted the lowest bid with the lowest reseller mark-up  
2 resulting in a not to exceed amount of \$55,000,000; and

3           WHEREAS, The Department of Technology has assessed City departments' projected  
4 needs for Microsoft products through 2026 and the procurement is based on the required  
5 product and licensing requirements from 22 City departments; and

6           WHEREAS, The estimated cost of the contract includes \$9,000,000 for possible  
7 upgrades to employee email accounts with enhanced security features and as needed  
8 products; and

9           WHEREAS, The Reseller will be required to meet the requirements established in the  
10 agreement negotiated with Microsoft; and

11           WHEREAS, Charter, Section 9.118, "Contract and Lease Limitations," Subsection (b),  
12 requires Board of Supervisors approval of any contract estimated to exceed \$10,000,000 in  
13 expenditures; now, therefore, be it

14           RESOLVED, That the Board of Supervisors authorizes the Department of Technology  
15 and the Office of Contract Administration to execute the Zones, LLC Agreement for a term of  
16 three years for a maximum amount to \$55,000,000, substantially in the form of the agreement  
17 on file with the Clerk of the Board of Supervisors, in File No. 230694, with such changes or  
18 modifications, as may be acceptable to the Director of the Department of Technology and the  
19 City Attorney and which do not materially increase the obligations and liabilities of the City;  
20 and, be it

21           FURTHER RESOLVED, That upon execution of the Agreement, the Director of the  
22 Department of Technology shall transmit to the Clerk of the Board of Supervisors a copy of  
23 the Agreement, for inclusion in File No. 230694 and, be it

24           FURTHER RESOLVED, That this Resolution shall take effect immediately upon its  
25 adoption.