

1 [Agreement Amendment - En Pointe Technologies Sales, LLC - Microsoft Online 365  
2 Subscription Services - Not to Exceed \$13,909,873]

3 **Resolution authorizing the Department of Technology and the Office of Contract**  
4 **Administration to enter into Amendment No. 1 to the Agreement between the City and**  
5 **County of San Francisco and En Pointe Technologies Sales, LLC, for Microsoft**  
6 **Online 365, to increase the agreement amount by \$4,335,418 for an amount not to**  
7 **exceed \$13,909,873 over the agreement term of June 25, 2014, through May 31, 2017.**

8

9 WHEREAS, In 2014, the City sought to procure certain products and software services  
10 related to the City's needs for information technology; and

11 WHEREAS, The County of Riverside ("Riverside") solicited bids for a Microsoft  
12 Enterprise program that was focused on government information technology needs; and

13 WHEREAS, Microsoft's response included a customized Enterprise Agreement that  
14 was designed to work for all government agencies within the state of California; and

15 WHEREAS, The objective of Riverside's bid process was to select Microsoft authorized  
16 and responsible large account resellers in the State of California; and

17 WHEREAS, The evaluation of responses was conducted by Information Technology  
18 Professionals from throughout the State of California; and

19 WHEREAS, The result of that competitive bidding process was a list of large account  
20 resellers that could offer the products and pricing required in the County of Riverside's  
21 Enterprise Program; and

22 WHEREAS, The City wanted to piggyback on the County of Riverside's competitive  
23 process and enter into an agreement with a large account reseller who was selected as a  
24 reseller under the Riverside Microsoft Enterprise Program with the intent to enter into a three-  
25 year contract for core Microsoft Office 365 subscription services and server licenses; and

1           WHEREAS, The Department of Technology (DT) sought and received approval from  
2 the Office of Contract Administration to use the County of Riverside’s competitive  
3 procurement process under Administrative Code § 21.16(b); and

4           WHEREAS, The O365 subscription services consist of secure email and administrative  
5 tools, server and SQL licenses required to operate the email system, the Microsoft Office  
6 Suite, Skype for Business and trial or development-scale access to new products and features  
7 otherwise not attainable on the open market at prices affordable to The City; and

8           WHEREAS, After the City requested quotes from the previously approved vendors, the  
9 City selected En Pointe as the O365 reseller and entered into an agreement with En Pointe  
10 which terminates on May 31, 2017, and limits the total cost of the agreement to \$9,574,455;  
11 and

12           WHEREAS, When the City entered into the Agreement in 2014, it tried to estimate the  
13 amount that would be necessary to roll out the services and deploy the Microsoft products  
14 over the next three years, but the popularity of the products and the growth in demand for the  
15 services were much greater than the estimates made by the City when the agreement  
16 became effective; and

17           WHEREAS, The City estimates that the money projected to be spent with En Pointe  
18 could reach the contract’s not-to-exceed amount in the reasonably near future; and

19           WHEREAS, There is only \$329,000 in spending authority left in the En Pointe O365  
20 agreement and the City expects it will need additional services for a cost of \$4,335,418 the  
21 City wishes to execute an amendment to the agreement increasing the maximum amount to  
22 \$13,909,873 a copy of the amendment is on file with the Clerk of the Board of Supervisors in  
23 File No. 161227; and

1           WHEREAS, Charter, Section 9.118, "Contract and Lease Limitations," subsection (b),  
2 requires Board of Supervisors approval of any contract estimated to exceed \$10 million in  
3 expenditures; now, therefore, be it

4           RESOLVED, That the Board of Supervisors authorizes the Department of Technology  
5 and the Office of Contract Administration to execute the First Amendment to the En Pointe  
6 O365 Agreement increasing the maximum guaranteed amount to \$13,909,873 substantially in  
7 the form of the agreement on file with the Clerk of the Board of Supervisors in File  
8 No. 161227, with such changes or modifications, as may be acceptable to the Director of the  
9 Department of Technology and the City Attorney and which do not materially increase the  
10 obligations and liabilities of the City; and, be it

11           FURTHER RESOLVED, That upon execution of the Amendment, the Director of the  
12 Department of Technology shall transmit to the Clerk of the Board of Supervisors a copy of  
13 the Amendments, for inclusion in File No. 161227; and, be it

14           FURTHER RESOLVED, That this resolution shall take effect immediately upon its  
15 adoption.