

Citywide Enterprise Agreement for Microsoft Products

Budget and Finance Committee
May 20, 2020



Enterprise Agreement for Microsoft Products

Contract with Zones, LLC for the purchase of Microsoft products, software licenses and maintenance/support.

Microsoft provides critical software and infrastructure for City operations:

Office 365: Email, Word, Excel, PowerPoint, Teams, Sharepoint, PowerBI

Server/SQL Server

Azure Cloud (storage and processing)

Cybersecurity

Microsoft



Competitive Solicitation

“Piggybacking” on Riverside County’s contract

- Negotiated with Microsoft on behalf of State of California
- Negotiated Government Level D, minus 2% discounts
- No other state in the U.S. has received a discount over and above Level D pricing
- Created a pool of 10 qualified Microsoft Resellers

San Francisco conducted an RFQ to these 10 resellers

- Zones was selected as the lowest responsive bidder



Benefits of Enterprise Agreements

Efficiency

- Single contract vs 26 department contracts
- Departments can order licenses immediately and pay annually
- DT maintains a pool of licenses that are available to departments
- Each order would require individual procurement process

Transparency

- Greater visibility of City's total spend after consolidating all purchases in one master contract, resulting in more effective procurement and vendor management

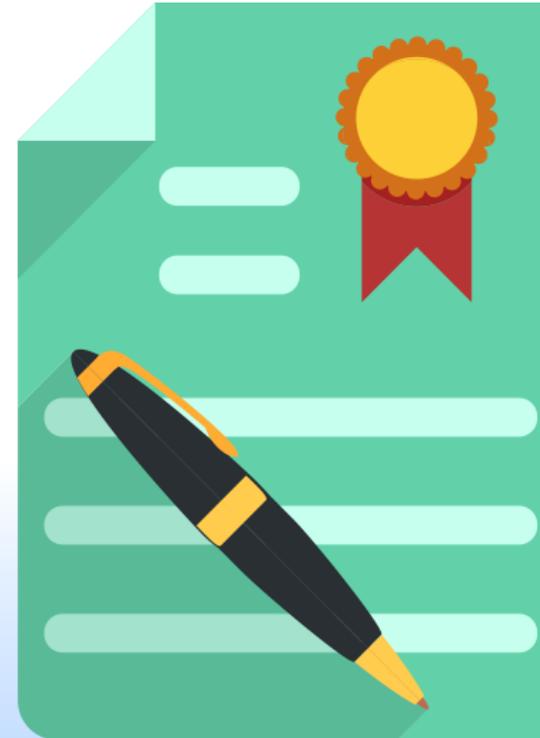
Savings

- Negotiated better discount through volume purchases



Terms of the Contract

- Reseller: Zones, LLC
- Term: 39 months, 6/1/2020 to 8/31/2023
- Minimum Commitment: \$32M
- Previous contract FY 17/20: \$30M, 36 months
- Not-to-Exceed Amount: \$40 million
 - \$4M projected for additional products needed by departments (based on historical usage)
 - \$4M reserved for email security enhancements



Future Cybersecurity Enhancements

\$4 million reserved for future cybersecurity enhancements

- Advanced Threat Protection (ATP)
 - We would receive Microsoft's latest security patches immediately
 - ATP would replace our current third-party email security
- Enterprise Mobility and Security (EMS E-3)
 - Enhanced security on mobile
 - Accelerate adoption of mobile devices
 - EMS E-3 would replace our current third-party mobile security

Subject to future appropriation by Mayor and Board of Supervisors



Negotiated Savings in the Contract

Citywide pooling of Microsoft licenses achieved volume discount

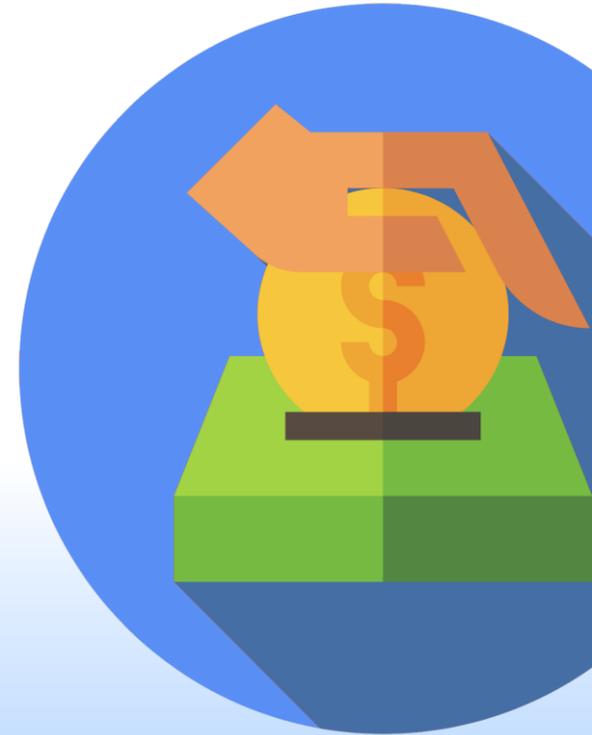
- Previously each department purchased licenses individually
- This resulted in many departments have excess unused licenses
- By pooling licenses citywide, DT minimizes license usage

Successfully negotiated lower contract pricing

- Government Level D, minus 2% discount, \$700k contract saving
- Unified Support from 15% to 7% - \$1.2M contract saving

Deactivation of unused accounts

- DT monitors citywide usage of Microsoft license
- Deactivated licenses that have been unused
- Reduced 6,386 licenses, saving \$480k/yr, \$1.5M contract saving



Key Benefits of Microsoft Products



Productivity Tools

- Multiple products
- Scalability
- Multi-device
- Cost efficiency
- Resources & support



Power BI

- Visualization
- Large data mgt for decisions support



Teams

- All-in-one Hub for files, chat, video, conferencing
- Secure



Sharepoint

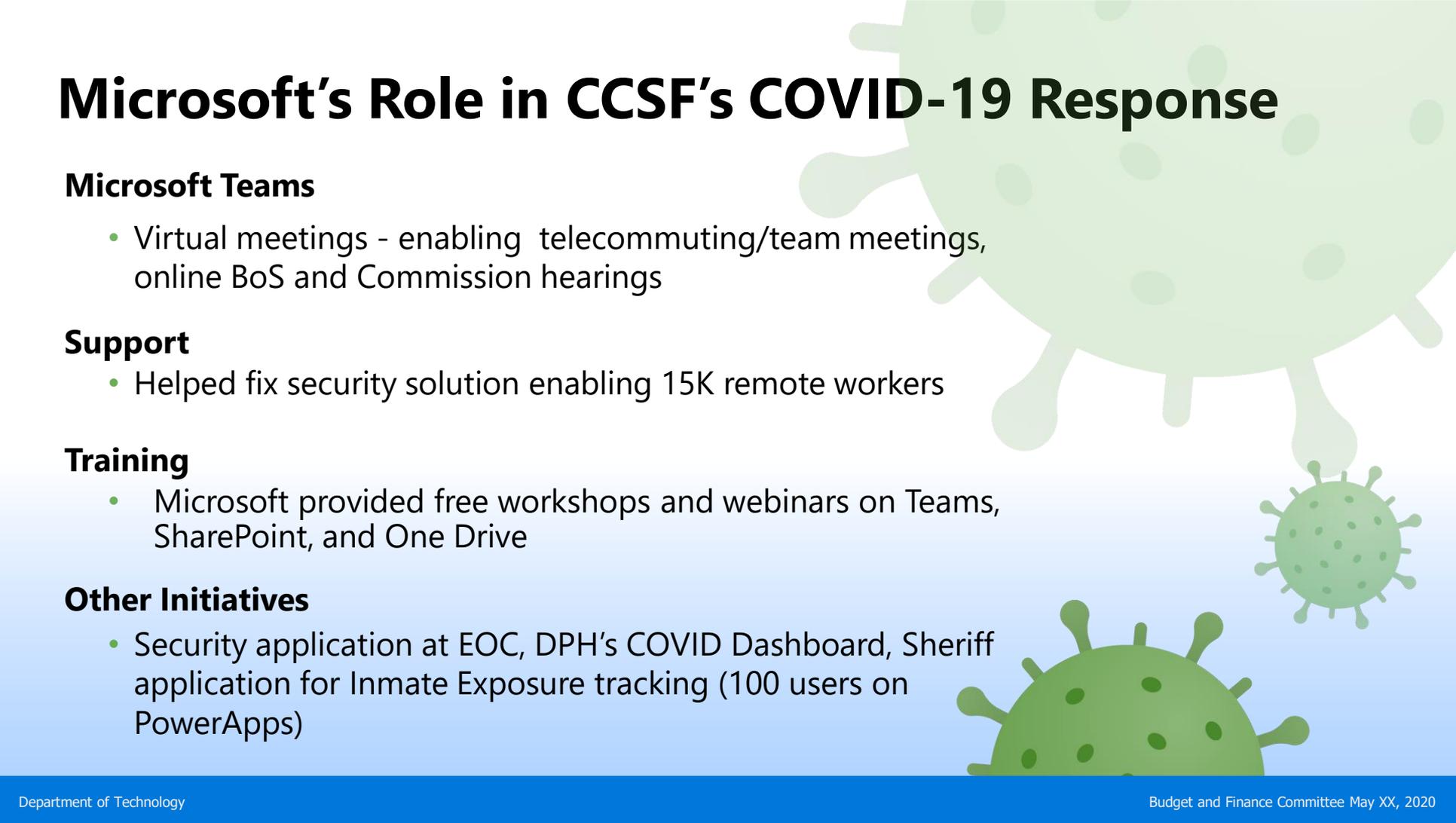
- Document workflows
- PowerApps
- File storage



Accessibility

- Closed captioning
- Speech to text
- Dictation
- Various pointing devices

Microsoft's Role in CCSF's COVID-19 Response



Microsoft Teams

- Virtual meetings - enabling telecommuting/team meetings, online BoS and Commission hearings

Support

- Helped fix security solution enabling 15K remote workers

Training

- Microsoft provided free workshops and webinars on Teams, SharePoint, and One Drive

Other Initiatives

- Security application at EOC, DPH's COVID Dashboard, Sheriff application for Inmate Exposure tracking (100 users on PowerApps)

Citywide Enterprise Agreement for Microsoft Products

Any Questions?

Flexibility in case of Budget Cuts

Use Monitoring and Cleaning Up

- DT will monitor City usage of Microsoft licenses and work with Departments to transfer or cancel unused or inactive licenses.
- Agreement affords the City flexibility to decrease the number of licenses for Office products; the only current restriction is a decrease to the number of email licenses

Contract Terms Allowing Flexibility

- Section 3.1 Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation: "This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year."
- A large change in the workforce of over 10% is addressed through the "Reorganizations, Consolidations and Privatizations" provisions: "Microsoft will work with Enrolled Affiliate in good faith to determine how to accommodate its changed circumstances in the context of this Agreement."

Microsoft Open Source Commitment

Blog Posts

More “Python for Beginners”
Videos...times two!

May 4, 2020

Kubernetes v1.18 advances
Windows container support...

April 3, 2020

Breakthrough optimizations
for transformer inference ...

January 21, 2020

Join the Kubernetes Release
Team. Learn from and give...

April 11, 2020

Community Resources

[Discover Microsoft-released Open Source](#)

At opensource.microsoft.com you can explore open source that Microsoft teams have released and are collaborating with the broader community of software engineers.

[Microsoft Contributor License Agreements](#)

We appreciate community contributions to code repositories governed by Microsoft. By signing a contribution license agreement, we ensure that the community is free to use your contributions.

[Microsoft Open Source Code of Conduct](#)

The Microsoft Open Source Code of Conduct outlines expectations for participation in Microsoft-managed open source communities, as well as steps for reporting unacceptable behavior.

[Third-party Disclosures](#)

An archive of notices and source code for certain third-party components shipped with Microsoft products, in accordance with the corresponding licenses that contain disclosure obligations.