



**SAN FRANCISCO**  
**DEPARTMENT OF**  
**TECHNOLOGY**

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Board of Supervisors  
1 Carlton B. Goodlett Place  
San Francisco, CA 94102

The Department of Technology worked diligently to avoid retroactive approval of this contract. The resolution approving the new contract was introduced on May 5, but because of the Memorial Day holiday, the Board of Supervisors will not vote on the resolution until June 2, 2020, two days after the previous contract for Microsoft licenses expires on May 31, 2020

The main limiting factor was that we were dependent on the completion of Riverside County's competitive solicitation for Microsoft resellers, which they conducted on behalf of all California government entities. This statewide effort resulted in much more favorable rates than we would have been able to negotiate on our own. Once Riverside County executed agreements with ten Microsoft resellers in November 2019, DT was able to begin negotiations with Microsoft on the particulars of the Request for Quotation (RFQ) for this contract. DT completed the RFQ in March and completed contract negotiations with Zone LLC., the selected reseller in April.

Under this new contract, the City will not only receive the greatest level of discounts offered by Microsoft to any government agency throughout the United States, but also achieve greater efficiency and transparency by consolidating all purchases of Microsoft products under one master contract. We also worked with City departments to review citywide usage and deactivate unused licenses. This enabled us to eliminate 6,386 licenses from the minimum commitment in this contract, which will save \$1.5 million in three years.

Sincerely,

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Department of Technology