



STAFF REPORT

DATE: January 25, 2021

TO: Sacramento Regional Transit Board of Directors

FROM: Shelly Valenton, VP, Integrated Services and Strategic Initiatives

SUBJ: SOLE BRAND PROCUREMENT OF EXCHANGE ONLY LICENSES FROM SHI INTERNATIONAL CORP. UNDER THE EXISTING MICROSOFT ENTERPRISE ENROLLMENT AGREEMENT AND VOLUME LICENSING AGREEMENT

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Approving this action will allow SacRT to provide email addresses for all employees, including Operations staff, for emergency and other communications.

FISCAL IMPACT

The licenses would be purchased for a period extending until March 31, 2023, which is the remaining term of the existing Enterprise Enrollment Agreement.

The prorated cost for Fiscal Year 2021 (1/1/2021 – 6/30/2021) is \$36,060, and is included in the currently-approved operating budget; The cost for Fiscal Year 2022 is a total of \$72,120.00, and the cost for Fiscal Year 2023 is \$54,090.00.

DISCUSSION

When the shelter-in-place order was issued on March 17, 2020, it quickly became apparent that the Sacramento Regional Transit District's (SacRT's) existing information technology resources and productivity software were insufficient to support widespread remote working. SacRT's email software, Groupwise, was already at end of life and planned for replacement; the COVID-19 pandemic accelerated the need for replacement of the email system and the need for a complete office productivity suite of solutions for file sharing, remote collaboration and video calling, and document management to maintain SacRT's business operations during the pandemic.

By Resolution No. 20-03-0022, the Board delegated authority to the General Manager/CEO to approve and execute contracts over \$150,000 to the extent necessary to address the pandemic. Acting pursuant to that authority, Staff swiftly identified a purchasing cooperative through which SacRT could quickly obtain the necessary productivity software to continue SacRT's operations. SacRT Staff determined that only the Microsoft Office 365 product suite would meet SacRT's needs.

In 2019, the County of Riverside conducted a competitive solicitation for Licensing Solution Providers (LSP)(#RIVCO-2020-RFQ-0000048) for its Microsoft Enterprise Agreement No. 8084445. An LSP serves as an authorized reseller and intermediary to manage the relationship and licensing between the end-user entity and Microsoft and can also provide technical support and professional services for Microsoft products.

The solicitation was structured to allow any government entity in the state of California to participate as an “Enrolled Affiliate” and take advantage of the services and pricing offered for a 3-year period beginning on enrollment. Each proposed LSP specified a mark up or mark down on products and services from the Government-level pricing established by Microsoft.

After evaluation, in October 2019, the County of Riverside awarded LSP Agreements to 10 different responsive LSPs, including SHI International Corp. (SHI), that were deemed capable of providing the required services. Under the terms of the RFQ, once an LSP is selected by an Enrolled Affiliate, all other Microsoft products must be acquired through that LSP for the term of the Enterprise Enrollment Agreement with Microsoft unless all products are transferred to a new LSP.

SacRT requested proposals for the needed licenses and the required Groupwise data migration from a number of the selected LSPs, but only SHI timely provided a proposal. SHI had experience successfully migrating other agencies from the Groupwise platform and offered an accelerated time schedule for performing that work.

Acting under his delegated authority, the General Manager/CEO entered into an Enterprise Enrollment and Volume Licensing Agreement with Microsoft and SHI to acquire 500 Office 365 Licenses for a 3-year term for the amount of \$319,665, based on the pricing offered by SHI under Licensing Solution Provider Agreement No. PSA-001528. The Enterprise Enrollment Agreement allows the Online Services Manager (designated as the Senior Manager, Cybersecurity & IT Projects) to acquire additional licenses for previously-ordered products, subject to an annual “true-up”. Acting under the delegation and the terms of the Enterprise Enrollment Agreement, an additional 75 Office 365 user licenses have since been acquired from SHI to meet SacRT’s increased staff levels. Payment for these licenses will be made during the annual “true-up” process.

Historically, email addresses have not been provided to front-line operational staff. Approval is being requested at this time for procurement of 1000 Exchange Only licenses from Microsoft, through SHI, to support emergency notification and on-going operations, which will provide all departments with Microsoft Exchange email capability. This will also allow SacRT to pursue further business optimization opportunities through technology, including moving toward paperless processes and transactions. Staff evaluated alternative options for employee communications and determined that expansion of the existing agreement with SHI and Microsoft was the most cost-effective and efficient option.

Because SacRT is limited, based on the terms of the County of Riverside contract, to acquiring all Microsoft enterprise products through its existing LSP, no competition was sought for the acquisition of these additional products; however, as stated above, the applicable competition requirements were met in the original County of Riverside solicitation.

Staff recommends approving the sole brand procurement of the Exchange Only licenses and authorizing the General Manager/CEO, or his designee, to execute the documents necessary to procure 1000 Exchange Only licenses.

RESOLUTION NO. 21-01-0009

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

January 25, 2021

SOLE BRAND PROCUREMENT OF EXCHANGE ONLY LICENSES FROM SHI INTERNATIONAL CORP. UNDER THE EXISTING MICROSOFT ENTERPRISE ENROLLMENT AGREEMENT AND VOLUME LICENSING AGREEMENT

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the purchase of 1000 Microsoft Exchange Only licenses for an amount not to exceed \$162,270 from SHI, International Corp. pursuant to SacRT's existing Microsoft Enterprise Enrollment Agreement, Volume Licensing Agreement, and Licensing Solution Provider Agreement No. PSA-001528, for a term from January 1, 2021 to March 31, 2023, is hereby approved.

THAT, the General Manager/CEO or his designee is hereby authorized to execute any and all documents necessary to complete the acquisition of the specified licenses.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary