

# STAFF REPORT

**DATE:** February 27, 2023  
**TO:** Sacramento Regional Transit Board of Directors  
**FROM:** Shelly Valenton, Deputy General Manager/CEO  
**SUBJ:** DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AND EXECUTE A CONTRACT FOR LICENSING SOLUTION PROVIDER FOR PURCHASE OF MICROSOFT PRODUCTS AND ASSOCIATED AGREEMENTS

## RECOMMENDATION

Adopt the Attached Resolution.

## RESULT OF RECOMMENDED ACTION

The proposed Resolution will allow the General Manager/CEO to enter into a contract over \$150,000 with an authorized Microsoft Licensing Solution Provider (LSP) to act as a reseller for SacRT to enroll in a 3-year Microsoft Enterprise Enrollment Agreement (EA) for Microsoft products that are critical to SacRT's operations.

## FISCAL IMPACT

The costs of products to be acquired under the Contract and Microsoft EA are budgeted in the Fiscal Year 2023 Information Technology Operations Budget in the amount of \$93,339.80. Future Fiscal Year costs will be included in the respective Operating Budgets.

The costs are estimated at \$1,201,498 over the 36-month term.

FY 2023 (April 2023 – June 2023)	\$ 93,339.80
FY 2024 (July 2023- June 2024)	\$ 379,745.20
FY 2025 (July 2024 – June 2025)	\$ 406,493.20
FY 2026 (July 2025 – March 2026)	\$ 321,920.40
<b>Total</b>	<b>\$ 1,201,497.60</b>

## DISCUSSION

SacRT uses Microsoft products on a day-to-day basis and these products are critical to agency operations. Microsoft requires organizations utilizing their products to pay an annual licensing fee and, in the case of some of services, a monthly usage fee.

In March 2020, SacRT leveraged the County of Riverside's Master Agreement #8084445 to execute and enroll in a Microsoft EA as an Enrolled Affiliate for volume licensing. To enter into a Microsoft Enterprise Agreement/Volume Licensing Agreement, Microsoft requires that organizations identify an LSP. An LSP is a Microsoft Partner that is authorized to be named as the partner of record in enterprise licensing deals and is authorized to resell Microsoft products. SacRT's existing Microsoft EA specified SHI International Corp. as its authorized LSP. That agreement will expire on March 31, 2023. Unfortunately, based on the terms of the County of Riverside solicitation, the agreement cannot be renewed.

To continue to use Microsoft products and maintain access to future releases of software while taking advantage of volume licensing discounts, SacRT must solicit a new LSP. An Invitation for Bid (IFB) was posted to PlanetBids on Monday February 13, 2023, to solicit bids from interested LSPs, which are due February 28, 2023. Under the EA, SacRT must commit to a minimum product purchase that will apply for the 3-year term. The IFB reflects SacRT's current needs as the "base bid." The lowest responsive and responsible bidder will be selected based on those needs. SacRT will retain the right, under the terms of the IFB, to purchase additional Microsoft products as needs arise and has asked prospective bidders to provide a proposed percentage markup for those products, not to exceed 2%. The Contract with the reseller and the new EA term will be for a concurrent period of three years, from April 1, 2023, through March 31, 2026.

As in the past, it is expected that this procurement will provide SacRT access to special volume licensing programs that will provide more generous discounts to government agencies in California than Microsoft's standard licensing program.

There are multiple benefits of enrolling in a Microsoft EA, including locking in pricing for the three-year term, unlimited access to all Microsoft products, as well as the flexibility to raise and lower commitments on hosted services. It will also allow SacRT to keep its software current while minimizing associated costs.

As additional licenses are needed, SacRT will have the ability to add licenses and new products on a pro-rated bases throughout the year. On an annual basis, SacRT must submit an annual true-up order that accounts for any changes since the initial order or last order. If there are no changes, then an Update Statement must be submitted instead of a true-up order. The Contract language will allow the AVP, Technology, Innovation & Performance Monitoring to place additional product orders during the Contract term as needed, with no additional Board or General Manager approval. Consequently, there will be no maximum total consideration amount for this Contract. It will be incumbent on the Information Technology Department to monitor new product orders and expenditures and adjust the budget line items accordingly.

RESOLUTION NO. 2023-02-015

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

February 27, 2023

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE AND EXECUTE A CONTRACT FOR LICENSING SOLUTION PROVIDER FOR PURCHASE OF MICROSOFT PRODUCTS AND ASSOCIATED AGREEMENTS**

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

THAT, authority is delegated to the General Manager/CEO to approve and execute a competitively-solicited Contract for Licensing Solution Provider for Purchase of Microsoft Products, which will allow SacRT to maintain its existing Microsoft products and licensing and permit the AVP, Technology, Innovation & Performance Monitoring to acquire new products and licenses through Microsoft and the selected Licensing Solution Provider (LSP) the 3-year term as needed to support SacRT's operations.

THAT, in connection with the foregoing contract, the General Manager/CEO may approve and execute any additional contractual instruments required by Microsoft to purchase Microsoft products through the selected LSP, including but not limited to a Volume Licensing Agreement or Enterprise Enrollment Agreement.

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Tabetha Smith, Assistant Secretary