



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

DATE: April 6, 2018

HCR 18-031

SUBJECT: Amendment to Agreement with Insight Public Sector Inc. for Microsoft Licensing

COUNCIL DISTRICT: Citywide

ORIGINATING DEPARTMENT: Information Technology

CONTACT/PHONE NUMBER: Geof Bartell (619) 578-7762

REQUESTED ACTION:

Approve an amendment to the existing agreement with Insight Public Sector Inc. for ongoing software licensing through April 30, 2020.

EXECUTIVE SUMMARY OF KEY FACTORS:

- This is a request to approve additional funding for the remainder of the three-year contract term for the Housing Commission's Microsoft Enterprise License agreement with Insight Public Sector, Inc.
- The Housing Commission entered into an Agreement in June 2017 with Insight Public Sector Inc. for a total term of 36 months for a maximum compensation amount of \$446,193.66. The contract initially was capped at \$250,000 to meet timing requirements for licenses to become effective and make adjustments to the user count for products after the first year.
- The agreement was entered into with the understanding that it would be amended, subject to the approval of additional funding by the Housing Commission Board for the remainder of the three-year contract term.
- Actual licensing requirements during the first year totaled \$146,985.79. Anticipated licensing, based on adjusted user count for products, is \$142,980.19 for Year 2 and \$156,227.68 for Year 3, for a total not to exceed \$446,193.66.
- The proposed funding sources and uses approved by this action were approved in the FY 2018 Housing Commission budget. Approving this action will not change the FY2018 or FY2019 total budget.
- The Housing Commission has been utilizing Microsoft Enterprise Licensing as its' electronic business solution for many years.



REPORT

DATE ISSUED: March 28, 2018

REPORT NO: HCR18-031

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of April 6, 2018

SUBJECT: Amendment to Agreement with Insight Public Sector Inc. for Microsoft Licensing

REQUESTED ACTION

Approve an amendment to the existing agreement with Insight Public Sector Inc. for ongoing software licensing through April 30, 2020.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) take the following actions:

- 1) Approve additional funds in an amount not to exceed \$196,193.66 for the Housing Commission's Microsoft Enterprise License agreement with Insight Public Sector, Inc.;
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources so long as the total program/project budget amount after substitution does not exceed the approved total budget, should the operational need arise or should such actions be to the benefit of the Housing Commission and its mission; and
- 3) Authorize the President & CEO, or designee to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and take such actions as are necessary and/or appropriate to implement these approvals.

SUMMARY

The Housing Commission has been utilizing Microsoft Enterprise Licensing as its' electronic business solution for many years. In April 2017, the Housing Commission solicited quotes for a Microsoft Enterprise Licensing solution. Through this process, staff identified a cooperative purchasing opportunity with the County of Riverside. Through a competitive solicitation process conducted in 2016, the County of Riverside entered into an agreement with Insight Public Sector Inc., an authorized reseller of Microsoft. After conducting a due diligence review and consulting with Housing Commission legal counsel, it was determined that the solicitation conducted by the County of Riverside met the requirements for cooperative purchase as outlined in the Housing Commission's Statement of Procurement policy. It was further determined that the anticipated annual licensing cost to the Housing Commission of \$148,731 was reasonable and a best value.

After negotiations, the Housing Commission entered into an Agreement in June 2017 with Insight Public Sector Inc, The total term of the Agreement is 36 months for a maximum compensation amount of \$446,193.66. The contract initially was capped at \$250,000 to meet timing requirements for licenses to become effective and make adjustments to the user count for products after the first year. This was

with understanding that the Agreement would be amended, subject to the approval of additional funding by the Housing Commission Board of Commissioners for the remainder of the three-year contract term.

As seen in Table 1.1, actual licensing requirements during the first year totaled \$146,985.79. Anticipated licensing, based on adjusted user count for products, is \$142,980.19 for Year 2 and \$156,227.68 for Year 3, for a total not to exceed \$446,193.66.

Table 1.1

Contract Term	Dollar Amount	Note
Year 1 (May 1, 2017– April 30, 2018)	\$146,985.79	
Year 2 (May 1, 2018- April 30, 2019)	\$142,980.19	
Year 3 (May 1, 2019- April 30, 2020)	\$156,227.68	Additional licensing requirements
TOTAL	\$446,193.66	

The licenses included in the agreement are:

Enterprise Commitment
Windows OS
Office 365 E3
Enterprise CAL Bridge for Office 365
Additional Products
Exchange Hosted Encryption
Project
Project Pro
Visio Pro
SharePoint Server
SQL Server Enterprise Core Edition
SQL Server Standard Core Edition
Windows RDS User CAL
Windows Datacenter
Windows Standard
Project Online (per user)

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this action were approved in the FY 2018 Housing Commission budget. Approving this action will not change the FY2018 or FY2019 total budget.

EQUAL OPPORTUNITY/CONTRACTING

Insight Public Sector, a multinational corporation with global headquarters in Arizona, submitted the required EOC forms and Workforce Report with its original agreement.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Key stakeholders include Housing Commission staff and their internal and external customers.

ENVIRONMENTAL REVIEW

This activity is not a project as defined by the California Environmental Quality Act Section 21065 and State CEQA Guidelines Section 15378(b)(5), as it is an administrative activity of government that will

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not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to appeal the Environmental Determination (NORA) is not required. This activity is categorically excluded from the National Environmental Policy Act pursuant to Section 58.35(b)(3) of Title 24 of the Code of Federal Regulations as operating or maintenance related.

Respectfully submitted,



Geoffrey Bartell
Interim Vice President
Information Technology

Approved by,



Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission

Hard copies are available for review during business hours at the security information desk in the main lobby and the fifth floor reception desk of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the "Public Meetings" section of the San Diego Housing Commission website at www.sdhc.org