



EXECUTIVE SUMMARY

MEETING DATE: March 13, 2026

HCR26-023

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

COUNCIL DISTRICT: Citywide

ORIGINATING DEPARTMENT: Information Technology

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

REQUESTED ACTION:

Authorize the San Diego Housing Commission to enter into an agreement with Insight Public Sector Inc. for Microsoft software licenses for a one-year term from May 1, 2026, through April 30, 2027, in an amount not to exceed \$459,165.53 plus a contract contingency equal to 10 percent of the contract amount per year, with two one-year options to renew. The total cost for a one-year term with two one-year options to renew is not to exceed \$1,398,373.79 plus the 10 percent contingency each year.

EXECUTIVE SUMMARY OF KEY FACTORS:

- SDHC has utilized Microsoft Enterprise Licensing for many years as the foundation of its technology environment.
- This licensing provides critical productivity tools—Word, Excel, Outlook and Teams—along with the Windows operating system and essential cloud services that power SDHC’s operations.
- Additionally, as Microsoft’s ecosystem evolves to support next-generation productivity tools, including new AI-enabled features such as Microsoft Copilot, licensing tiers across SDHC’s portfolio have shifted accordingly.
- In 2020, SDHC leveraged a competitively solicited agreement between the County of Riverside and Microsoft. This agreement, authorized under SDHC’s Procurement Policy for cooperative purchasing, offered a streamlined and compliant path forward.
- SDHC staff conducted a due diligence review, and General Counsel performed a legal review to confirm that the Riverside agreement met all SDHC requirements. This ensured a cost-effective solution without compromising compliance.
- In 2024, SDHC enhanced its Microsoft licensing to strengthen public records management, improve security and compliance, and enable Microsoft Teams phone integration for streamlined communication.
- The funding sources and uses proposed for approval by this action were included in the Housing Authority-approved Fiscal Year 2026 SDHC budget. Approval of sources and uses required for contract scope performed in future years will be included in the SDHC budget proposed for approval by the Housing Authority for that fiscal year.



REPORT

DATE ISSUED: March 5, 2026

REPORT NO: HCR26-023

ATTENTION: Chair and Members of the San Diego Housing Commission Board of Commissioners
For the Agenda of March 13, 2026

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

COUNCIL DISTRICT: Citywide

REQUESTED ACTION

Authorize the San Diego Housing Commission to enter into an agreement with Insight Public Sector Inc. for Microsoft software licenses for a one-year term from May 1, 2026, through April 30, 2027, in an amount not to exceed \$459,165.53 plus a contract contingency equal to 10 percent of the contract amount per year, with two one-year options to renew. The total cost for a one-year term with two one-year options to renew is not to exceed \$1,398,373.79 plus the 10 percent contingency each year.

STAFF RECOMMENDATION

That the San Diego Housing Commission (SDHC) Board of Commissioners (Board) take the following actions:

- 1) Authorize SDHC to enter into an agreement with Insight Public Sector Inc., an authorized Microsoft Licensing Solution Provider, for a one-year term from May 1, 2026, through April 30, 2027, in an amount not to exceed \$459,165.53 with two one-year options to renew.
- 2) Authorize the President and Chief Executive Officer (President and 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., and to increase compensation by not more than 10 percent of the total agreement amount per year, if necessary, should the operational need arise, without further action by the SDHC Board.
- 3) Authorize the President and 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, provided that a copy of the documents, signed as to form by General Counsel, are submitted to each Housing Commissioner.

SUMMARY

SDHC has utilized Microsoft Enterprise Licensing for many years as the foundation of its technology environment. This licensing provides critical productivity tools—Word, Excel, Outlook and Teams—along with the Windows operating system and essential cloud services that power SDHC's operations. Additionally, as Microsoft's ecosystem evolves to support next-generation productivity tools, including new AI-enabled features such as Microsoft Copilot, licensing tiers across SDHC's portfolio have shifted accordingly.

In 2020, SDHC leveraged a competitively solicited agreement between the County of Riverside and Microsoft. This agreement, authorized under SDHC's Procurement Policy for cooperative purchasing,

offered a streamlined and compliant path forward. SDHC staff conducted a due diligence review, and General Counsel performed a legal review to confirm that the Riverside agreement met all SDHC requirements. This ensured a cost-effective solution without compromising compliance. By building on Riverside’s formal solicitation process, SDHC avoided duplicating a lengthy bid while maintaining full adherence to policy and legal standards—delivering both efficiency and compliance.

In 2024, SDHC enhanced its Microsoft licensing to strengthen public records management, improve security and compliance, and enable Microsoft Teams phone integration for streamlined communication. These upgrades created a unified platform that reduces risk, saves staff time, and ensures continuity during disruptions. On March 15, 2024, the SDHC Board approved an amendment to SDHC’s contract with Insight Public Sector Inc. for the Microsoft License Agreement.

Table 1 includes the cost details for the proposed agreement with Insight Public Sector Inc.

Table 1

Contract Term	Total Compensation
Year 1 May 1, 2026-April 30, 2027	459,165.53
Year 2 May 1, 2027-April 30, 2028	466,123.33
Year 3 May 1, 2028-April 30, 2029	473,084.93
TOTAL	1,398,373.79

The licenses included in the proposed agreement are:

Windows Operating System
Microsoft 365 G5
Exchange Hosted Email
Microsoft Copilot
Microsoft Copilot Studio
Microsoft Teams
Microsoft Power Automate
SharePoint Server
SQL Server
Windows RDS Users
Windows Server Datacenter/Standard
Project
Visio Pro

FISCAL CONSIDERATIONS

The funding sources and uses proposed for approval by this action were included in the Housing Authority-approved Fiscal Year 2026 SDHC budget. Approval of sources and uses required for contract scope performed in future years will be included in the SDHC budget proposed for approval by the Housing Authority for that fiscal year.

SDHC STRATEGIC PLAN

This item relates to Strategic Initiative 1.4 in SDHC's Strategic Plan for Fiscal Years 2026-2030: Optimize technology resources to improve how SDHC serves the community by modernizing tools, streamlining processes, and making information easier to access and use.

NONDISCRIMINATION ASSURANCE

At SDHC, we're about people. We are committed to ensuring a compassionate, person-centered approach to SDHC's programs, policies, projects and activities and to serving our community impartially, fairly and without bias. We are also committed to ensuring compliance with all applicable federal, state, and local laws and protections to the extent that they affect this action relative to nondiscrimination.

Insight Public Sector, a multinational corporation with global headquarters in Arizona, submitted the required Equal Opportunity Contracting forms and Workforce Report with its original agreement. Staff have requested an updated Workforce Report for record keeping purposes only.

PREVIOUS SDHC BOARD ACTIONS

On March 15, 2024, the SDHC Board voted 6-0 to authorize SDHC to amend its Microsoft Enterprise License agreement to increase the maximum allowable compensation to a total of \$915,872.88 (Report No. HCR24-037).

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 not result in direct or indirect physical changes in the environment. Federal funds constitute a portion of the project's funding. NEPA approval was obtained from the City of San Diego on July 9, 2021.

California Environmental Quality Act

The proposed activity to access income and employment history is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) (Common Sense) which states that CEQA applies only to projects that have the potential for causing a significant effect on the environment. The Common Sense Exemption is applicable where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The actions would not, on their own accord, cause a significant effect on the environment.

National Environmental Policy Act

Federal funds constitute a portion of the funding. NEPA approval was obtained from the City of San Diego on July 21, 2025.

Respectfully submitted,



Geoffrey Bartell
Vice President/Chief Information Officer
Information Technology Department

Approved by,



Azucena Valladolid
Chief Operating Officer
San Diego Housing Commission

A printed copy is available for review during business hours at the information desk in the main lobby of SDHC's offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the "Governance & Legislative Affairs" section of SDHC's website at www.sdhc.org.