



EXECUTIVE SUMMARY

MEETING DATE: March 15, 2024

HCR24-037

SUBJECT: Amendment to 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 an amendment to the San Diego Housing Commission's agreement with Insight Public Sector Inc. for Microsoft software licenses to increase the maximum allowable total compensation.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The San Diego Housing Commission (Housing Commission) has been utilizing Microsoft Enterprise Licensing as its electronic business solution for many years.
- The County of Riverside entered into an agreement with Insight Public Sector Inc., an authorized reseller of Microsoft, through a competitive solicitation process in 2020. After conducting a due diligence review and consulting with legal counsel, Housing Commission staff determined that the County of Riverside's competitive solicitation met the requirements for cooperative purchasing as outlined in the Housing Commission's Procurement Policy.
- The Housing Commission entered into an agreement with Insight Public Sector Inc. on March 19, 2023, for a one-year term annual licensing cost to the Housing Commission of \$199,041.16 with two one-year renewal options for a maximum compensation amount of \$597,123.48.
- The Housing Commission upgraded its licenses to provide greater flexibility and functionality to support the agency's operations, cybersecurity, phone service integration and archiving requirements for Housing Commission public records and communications.
- To support the necessary additional licenses, staff recommends amending the current agreement, subject to the Housing Commission Board of Commissioners' approval, for the remainder of the contract term.
- The anticipated total increase for year one of the contract term (May 1, 2023 – April 30, 2024) is \$88,945.80, which will make the maximum compensation \$287,986.96 in year one.
- The anticipated total increase for years two and three of the contract term (May 1, 2024 – April 30, 2026) is \$114,901.80 per year (\$229,803.60 both years), which will make the maximum compensation \$313,942.96 in each year.
- Including the increases, the total contract amount over three years will not exceed \$915,872.88.
- The funding sources and uses proposed for approval by this action were approved in the FY 2024 Housing Commission budget. Approving this action will not change the approved FY2024 total budget or FY2025 proposed total budget.



REPORT

DATE ISSUED: March 7, 2024

REPORT NO: HCR24-037

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of March 15, 2024

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

REQUESTED ACTION

Authorize an amendment to the San Diego Housing Commission's agreement with Insight Public Sector Inc. for Microsoft software licenses to increase the maximum allowable total compensation.

STAFF RECOMMENDATION

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

- 1) Authorize an amendment to the Housing Commission's agreement with Insight Public Sector Inc. for the Microsoft Enterprise License Agreement to increase the maximum allowable compensation in the amount of \$318,749.40 for a maximum total compensation amount of \$915,872.88
- 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 percent of the total agreement amount, if necessary, should the operational need arise without further action by the Housing Commission 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

The Housing Commission has been utilizing Microsoft Enterprise Licensing as its electronic business solution for many years. In April 2020, staff solicited quotes for a Microsoft Enterprise Licensing solution in accordance with the Housing Commission's Statement of Procurement Policy (Policy). Through this process, a cooperative purchasing opportunity with the County of Riverside was identified. Cooperative purchasing fosters greater economy and efficiency by allowing public agencies

to take advantage of a competitive selection process already conducted by another agency and therefore saves the time and expense of conducting its own separate selection process.

The County of Riverside entered into an agreement with Insight Public Sector Inc., an authorized reseller of Microsoft, through a competitive solicitation process in 2020. After conducting a due diligence review and consulting with legal counsel, Housing Commission staff determined that the County of Riverside’s competitive solicitation met the requirements for cooperative purchasing as outlined in the Housing Commission’s Policy. Housing Commission staff further determined that the anticipated annual licensing cost of \$199,041.16 for the first year and \$199,041.16 for years two and three was reasonable and a best value. After negotiations, the Housing Commission entered into an agreement with Insight Public Sector Inc. on March 19, 2023, for a one-year term with two one-year renewal options for a maximum compensation amount of \$597,123.48.

The agreement allows the Housing Commission to obtain additional licenses throughout the year to address the agency’s needs. At the conclusion of the contract year, the Housing Commission reports the inventory of its ongoing licenses through what it known as a “true up” process, and the cost to the Housing Commission is adjusted accordingly. With more licenses, the Housing Commission incurs a higher cost. If the number of licenses decreases, the Housing Commission’s cost also is lower. The proposed contract amendment will include a provision that addresses the requirement to invoice the Housing Commission solely for the number of licenses requested, should the need be less than anticipated, to ensure charges are not incurred and payments are not made for services not rendered.

The Housing Commission needed to upgrade its licensing to provide greater flexibility and functionality to support the agency’s operations, cybersecurity, phone service integration and archiving requirements for Housing Commission public records and communications. This includes enabling the Housing Commission to integrate an additional piece of software to connect multiple Microsoft products the Housing Commission uses and a tool to replace the existing visual analytics platform that will result in cost savings for the Housing Commission.

The table below provides cost details:

Table 1.1

Contract Term	Original	Amended	Variance
Year 1 May 1, 2023-April 30, 2024	\$ 199,041.16	\$ 287,986.96	\$ 88,945.80
Year 2 May 1, 2024-April 30, 2025	\$ 199,041.16	\$ 313,942.96	\$ 114,901.80
Year 3 May 1, 2025-April 30, 2026	\$ 199,041.16	\$ 313,942.96	\$ 114,901.80
TOTAL	\$ 597,123.48	\$ 915,872.88	\$ 318,749.40

The licenses included in the agreement are:

Enterprise Commitment
Windows OS
Office 365 G5
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 funding sources and uses proposed for approval by this action were approved in the FY 2024 Housing Commission budget. Approving this action will not change the approved FY2024 total budget or FY2025 proposed total budget.

HOUSING COMMISSION STRATEGIC PLAN

This item relates to Strategic Priority Area No. 3 in the Housing Commission Housing Commission Strategic Plan for Fiscal Year (FY) 2022-2024: Investing in Our Team

EQUAL OPPORTUNITY CONTRACTING (EOC)/EQUITY ASSURANCE

Insight Public Sector, a multinational corporation with global headquarters in Arizona, submitted the required EOC forms and Workforce Report with its original agreement. They have an acceptable Diversity, Equity and Inclusion policy and program, and staff will work closely with Insight to obtain regular updates on their program goals and objectives.

KEY STAKEHOLDERS and PROJECTED IMPACTS

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

ENVIRONMENTAL REVIEW

These activities are 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. The City of San Diego approved a determination that this activity is exempt pursuant to Section 58.5 of the National Environmental Policy Act on July 24, 2023.

March 7, 2024

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

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Respectfully submitted,



Geof Bartell

Vice President & Chief Information Officer

Information Technology Department

Approved by,



Jeff Davis

Deputy Chief Executive Officer

San Diego Housing Commission

Hard copies are available for review during business hours at the information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101. Docket materials are also available in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org.