



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Administration Committee

DATE: April 6, 2011

FR: Executive Director

W. I. 1161

RE: Purchase Order – Microsoft Enterprise Volume Licensing Agreement: CompuCom

Staff recommends that the Committee approve a purchase order in the amount not to exceed \$165,000 with CompuCom Systems, Inc., for a multi-year Microsoft Enterprise Software License Agreement.

Background

MTC has standardized on Microsoft's operating system (Microsoft Windows) and desktop productivity software (Microsoft Office) for all of our desktop personal computers since the early 1990's. Since 2006, we have had an enterprise-wide volume licensing and support agreement with Microsoft. In addition to Windows and Office, which are used by all employees, a volume licensing agreement also substantially lowers the costs for other Microsoft software that is used by a smaller number of staff, such as Project (for project planning and management) and Visio (for technical diagrams), as well as any server operating system software.

A volume licensing agreement (a) lowers the per-computer costs for the software compared to buying small quantities as staffing or technical needs change, (b) includes all future software upgrades during the life of the agreement, (c) provides a higher level of technical support, (d) provides on-line software training opportunities, (e) locks in annual pricing for the duration of the agreement, and (f) provides advantages to employees in obtaining low-cost software for home use.

In April 2006, this Committee authorized the Executive Director to enter into a five-year licensing arrangement using a low-bid purchase order with PCMallGov, an authorized reseller of Microsoft enterprise software licensing in California. PCMallGov was one of five vendors that were competitively selected by Riverside County in 2003 as part of a multi-agency procurement, the provisions of which were available to all California governmental organizations. We sent an RFP to all five vendors, and PCMallGov was the low bidder.

In 2008, Riverside County re-bid the Microsoft volume licensing agreement on behalf of the California County Information Services Directors Association (CCISDA) and the Municipal Information Systems Association of California (MISAC), again making the licensing available to all government agencies in the state. We do not have to be members of CCISDA or MISAC to take advantage of the volume discounts available through this program.

Riverside County qualified five vendors for state-wide use. PCMallGov was not one of the five this time. Of the five qualified vendors, Riverside selected for itself CompuCom Systems, Inc., based on the greatest level of discounts offered. We would like your approval again to piggyback on Riverside's procurement, and select their lowest bidder, as allowed by EDMM 352 (Third-Party Contracting Policies and Procedures), Paragraph G., "Intergovernmental Procurements." CompuCom is a national information technology hardware, software and services provider, headquartered in Dallas, TX, with more than one hundred sales and service locations, including California offices in Rancho Cordova, San Ramon and Orange County.

Scope of Work

The enterprise volume license will cover all standard desktop software (such as Windows and Microsoft Office), specialized software (such as Project and Visio), and server-based software (such as Windows Server and SQLServer database).

Staff proposes a three-year term this time, rather than five, due to the rapidly changing technology offerings, including "cloud"-based services and virtual desktops, that could alter our future methods for licensing software. However, we again are requesting your authorization to extend this agreement by another three-year term, if the vendor performs satisfactorily, and if it remains in MTC's economic and technological interests to continue this enterprise licensing agreement.

Recommendation

Staff recommends that the Committee authorize the Executive Director or his designee to execute a purchase order with CompuCom in an amount not to exceed \$165,000 over three years, subject to subsequent annual operating budget approvals. The approximate amount is requested to cover any year-to-year changes in software products or quantities. Funds in the amount of \$55,000 have been included in the operating budget for this purpose in FY 2010-11, to cover the first twelve months of the three-year agreement. We are requesting that this agreement be subject to renewal for an additional term of up to three years, subject to subsequent annual operating budget approvals.

Steve Heminger

REQUEST FOR COMMITTEE APPROVAL
Summary of Proposed Purchase Order

Work Item No.: 1161

Work Project Title: Microsoft Enterprise License Agreement

Vendor: CompuCom Systems, Inc. Rancho Cordova, CA

Purpose of Project: Enterprise software licenses April 2011- April 2014

Brief Scope of Work: Vendor will provide Microsoft Enterprise Licensing for all Microsoft desktop and server software used within MTC, including version upgrades and technical support.

Project Cost: Not to exceed \$55,000 in FY 2010-11 and each subsequent year of the three-year agreement, renewable for one additional term of up to three years.

Funding Source: FY 2010–11 Agency General Operations budget.

Fiscal Impact: First year, project is included in MTC’s budget for FY 2010-11, future years will be included in the FY 2011-12 and FY 2012-13 budgets.

Motion by Committee: That the Executive Director or his designee is authorized to issue a purchase order to CompuCom Systems, Inc. for the acquisition of enterprise software licenses through a Microsoft Enterprise Agreement for the remainder of FY 2010-11 through FY 2013-14, with the option to renew for one additional term of up to three years, and the Chief Financial Officer is authorized to set aside funds in the amount of \$55,000 for the purchase order in FY 2010-11 and \$55,000 per year through FY 2012-13 (and FY 2014-17 if renewed for one additional term of up to three years), subject to further agency annual budget approvals.

Administration
Committee:

Scott Haggerty, Chair

Date Approved: April 13, 2011