



# Staff Report

## City of Manhattan Beach

**TO:** Honorable Mayor Tell and Members of the City Council

**THROUGH:** *DC* David N. Carmany, City Manager

**FROM:** Bruce Moe, Finance Director *BM*  
Leilani Flores Emnace, Information Systems Manager  
Gwen Eng, General Services Manager *CEM*

**DATE:** September 20, 2011

**SUBJECT:** Consideration of the Award of a Three-Year Renewal of Microsoft Enterprise Software Licensing Agreement to CompuCom Systems (Estimated Value \$160,477.02)

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### RECOMMENDATION:

Staff recommends that the City Council approve the award of Bid #845-12 to CompuCom Systems for the renewal of a three-year Microsoft Enterprise Software Licensing Agreement in the amount of \$160,477.02, and authorize the City Manager to execute the agreement.

### FISCAL IMPLICATION:

The total cost of obtaining the Microsoft Enterprise Software licensing is \$53,492.34 per year, or \$160,477.02 for three years. Sufficient funds are available in Fiscal Year 2011-12, and will be provided for in future budgets.

### DISCUSSION:

Since inception of the City's network in 1995, the City has standardized on Microsoft products for our workstation operating systems (OS), network service operating systems, and the Microsoft suite of office applications (Word, Excel, PowerPoint, etc.). This decision was based upon the de facto standardization on Microsoft products throughout the country, as well as the integration and compatibility of all products.

The Microsoft Enterprise Software Licensing Agreement gives public agencies volume pricing for Microsoft licenses at a discounted rate and upgrade rights to the latest Microsoft software products. Historically, the City has purchased these licenses by utilizing larger agencies' existing contracts. This is done because such agencies purchase in greater quantities and consequently obtain preferential pricing. Because these contracts were awarded to multiple vendors, staff felt it prudent to solicit bids independently and included vendors that have won these large agencies' contracts in the past.

**Bid Recaps**

Staff sent out formal bid requests and received four responses. The summary below shows the pricing for a three-year agreement:

<u>Vendor</u>	<u>Total Bid</u>
1. CompuCom Systems	\$160,477.02
2. CDW Government	\$174,717.48
3. Dell Marketing	\$179,348.40
4. GST	No bid

Based on these bids, staff recommends awarding to the lowest bidder, CompuCom Systems, for the renewal of a three-year Microsoft Enterprise Software Licensing Agreement in the amount of \$160,477.02.

Attachment: Supplemental Enterprise Enrollment Agreement

# Microsoft | Volume Licensing

## Program Signature Form

MBA/MBSA number



Agreement number



**Note:** Enter the applicable active numbers associated with the documents below. Microsoft requires the associated active number be indicated here, or listed below as new.

For the purposes of this form, Customer can mean the signing entity, Enrolled Affiliate, Government Partner, Institution, or other party entering into a Volume Licensing program agreement.

This signature form and all contract documents identified in the table below are entered into between the Customer and the Microsoft Affiliate signing, as of the effective date identified below.

Contract Document	Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
<Choose Agreement>	Document Number or Code
Enterprise Enrollment	EX201014121
<Choose Enrollment/Affiliate Registration Form>	Document Number or Code
<Choose Enrollment/Affiliate Registration Form>	Document Number or Code
<Choose Enrollment/Affiliate Registration Form>	Document Number or Code
Supplemental EA Terms & Conditions	None
Document Description	Document Number or Code
Document Description	Document Number or Code
Document Description	Document Number or Code
Document Description	Document Number or Code

By signing below, Customer and the Microsoft Affiliate agree that both parties (1) have received, read and understand the above contract documents, including any websites or documents incorporated by reference and any amendments and (2) agree to be bound by the terms of all such documents.

Customer	Microsoft Affiliate
<b>Name of Entity (must be legal entity name) *</b> City of Manhattan Beach	<b>Microsoft Licensing, GP</b>
<b>Signature *</b>	<b>Signature</b> 
<b>Printed Name *</b> David N. Carmany	<b>Printed Name</b> Ellen O'Rourke
<b>Printed Title *</b> City Manager	<b>Printed Title</b> Contract Administrator
<b>Signature Date *</b> 9/16/2011	<b>Signature Date</b> SEP 15 2011 <small>(date Microsoft Affiliate countersigned)</small>

<b>Tax ID</b>	<b>Effective Date</b> (may be different than Microsoft's signature date)
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\* indicates required field

**Optional 2<sup>nd</sup> Customer signature or Outsourcer Signature (if applicable)**

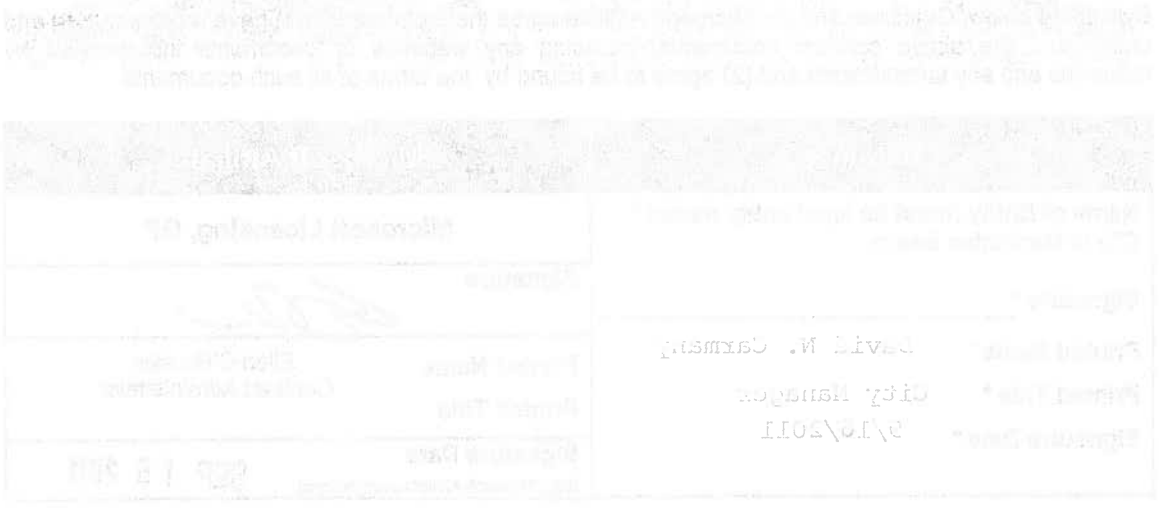
Customer	Outsourcer
<b>Name of Entity (must be legal entity name) *</b>	<b>Name of Entity (must be legal entity name) *</b>
<b>Signature *</b> _____	<b>Signature *</b> _____
<b>Printed Name *</b>	<b>Printed Name *</b>
<b>Printed Title *</b>	<b>Printed Title *</b>
<b>Signature Date *</b>	<b>Signature Date *</b>

If Customer requires physical media, additional contacts, or is reporting multiple previous Enrollments, include the appropriate form(s) with this signature form. If no media form is included, no physical media will be sent.

After this signature form is signed by the Customer, send it and the Contract Documents to Customer's channel partner or Microsoft account manager, who must submit them to the following address. When the signature form is fully executed by Microsoft, Customer will receive a confirmation copy.

**Microsoft Licensing, GP**  
 Dept. 551, Volume Licensing  
 6100 Neil Road, Suite 210  
 Reno, Nevada 89511-1137  
 USA

<b>Prepared By:</b> Bruce Valentin bvalenti@compucom.com
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4

## Enterprise Enrollment

## State and Local

Enterprise Enrollment number <i>(Microsoft to complete)</i>		Proposal ID	
Previous Enrollment number <i>(Reseller to complete)</i>	7022640	Earliest expiring previous Enrollment end date <sup>1</sup>	8/31/2011

<sup>1</sup> If consolidating from multiple previous Enrollments with Software Assurance, complete the multiple previous Enrollment form and attach it to this Enrollment. Enterprise Products can only be renewed from a Qualifying Enrollment. Additional Products can be renewed from any previous Enrollment with Software Assurance.

**This Enrollment must be attached to a signature form to be valid.**

This Microsoft Enterprise Enrollment is entered into between the entities as of the effective date identified in the signature form. Customer represents and warrants that it is the same Customer, or an Affiliate of the Customer, that entered into the Enterprise Agreement identified above.

This Enrollment consists of (1) this document, (2) the terms of the Enterprise Agreement identified on the signature form, and (3) any supplemental contact information form or multiple previous enrollment form that may be required. If Customer's Enterprise Agreement is a version 6.4 or earlier, the Desktop Terms and Conditions are incorporated by reference.

All terms used but not defined are located at <http://microsoft.com/licensing/contracts>. In the event of any conflict the terms of this agreement control.

**Effective date.** If Customer is renewing Software Assurance from one or more previous Qualifying Enrollments, then the effective date will be the day after the first Enrollment expires. Otherwise the effective date will be the date this Enrollment is accepted by Microsoft.

If renewing Software Assurance, the Reseller will need to insert the previous Enrollment number and end date in the respective boxes above.

**Term.** This Enrollment will expire 36 full calendar months from the effective date. It could be terminated earlier or renewed as provided in the Microsoft Enterprise Agreement. Microsoft will advise Customer of the renewal options before it expires.

**Product order.** The Reseller will provide Customer with Customer's Product pricing and order. Prices and billing terms for all Products ordered will be determined by agreement between Customer and the Reseller. The Reseller will provide Microsoft with the order separately from this Enrollment.

**Qualifying systems Licenses.** All desktop operating system Licenses provided under this program are upgrade Licenses. *No full operating system Licenses are available under this program.* If Customer selects the Desktop Platform or the Windows Desktop Operating System Upgrade & Software Assurance, all Qualified Desktops on which the Windows Desktop Operating System Upgrade must be licensed to run one of the qualifying operating systems identified in the Product List at <http://microsoft.com/licensing/contracts>. Note that the list of operating systems that qualify for the Windows Desktop Operating System Upgrade varies with the circumstances of the order. That list is more extensive at the time of the initial order than it is for some subsequent true-ups and system refreshes during the term of this Enrollment.

*For example, Windows XP Home Edition or successor Products are not qualifying operating systems.*

5

1. **Contact information.**

Each party will notify the other in writing if any of the information in the following contact information page(s) changes. The asterisks (\*) indicate required fields. By providing contact information, Customer consents to its use for purposes of administering this Enrollment by Microsoft, its Affiliates, and other parties that help administer this Enrollment. The personal information provided in connection with this Enrollment will be used and protected in accordance with the privacy statement available at <http://licensing.microsoft.com>.

- a. **Primary contact information:** The Customer of this Enrollment must identify an individual from inside its organization to serve as the primary contact. This contact is the default administrator for this Enrollment and receives all notices unless Microsoft is provided written notice of a change. The administrator may appoint other administrators and grant others access to online information.

**Name of entity (must be legal entity name)\*** City of Manhattan Beach  
**Contact name\* First** Leilani **Last** Emnace  
**Contact email address\*** lemnace@citymb.info  
**Street address\*** 1400 Highland Ave.  
**City\*** Manhattan Beach **State \*** CA **Postal code\*** 90266  
**Country\*** USA  
**Phone\*** 310-802-5571 **Fax** 310-802-5251  
**Tax ID** (if applicable)

- b. **Notices and online administrator:** This individual receives online administrator permissions and thus may grant online access to others. This contact also receives all notices.

*Same as primary contact*

**Name of entity (must be legal entity name)\***

**Contact name\* First**                      **Last**

**Contact email address\***

**Street address\***

**City\***                      **State \***                      **Postal code\***

**Country\***

**Phone\***                      **Fax**

This contact is a third party (not the Customer). **Warning:** This contact receives personally identifiable information of the Customer.

- c. **Language preference:** Select the language for notices. English
- d. **Microsoft account manager:** Provide the Microsoft account manager contact for this Customer.

**Microsoft account manager name:** Gina Kirby

**Microsoft account manager email address:** gkirby@microsoft.com

- e. If Customer requires a separate contact for any of the following, attach the Supplemental Contact Information form. Otherwise, the notices contact remains the default.

- Additional notices contact
- Software Assurance manager
- Subscription manager
- Online Services manager
- Customer Support Manager (CSM) contact


- f. Is a purchase under this Enrollment being financed through MS Financing?  Yes,  No.

6

**g. Reseller information**

Reseller company name\* CompuCom Systems, Inc.  
Street address (PO boxes will not be accepted)\* 7171 Forest Lane  
City\* Dallas State \* TX Postal code\* 75230  
Country\* USA  
Contact name \* Bruce Valentin  
Phone\* 972-856-4617  
Fax  
Contact email address\* bvalenti@compucom.com

The undersigned confirms that the information is correct.

Name of Reseller* CompuCom Systems, Inc.
Signature* 
Printed name* Bruce E. Valentin
Printed title* Microsoft Licensing Specialist
Date* 9/15/2011

**Changing a Reseller.** If Microsoft or the Reseller chooses to discontinue doing business with one another, Customer must choose a replacement. If Customer intends to change the Reseller, it must notify Microsoft and the former Reseller, in writing on a form provided at least 90 days prior to the date on which the change is to take effect. The change will take effect 90 days from the date of Customer's signature.

**2. Defining your Enterprise.**

Use this section to identify which Affiliates are included in the Enterprise. Customer's Enterprise must consist of entire government agencies, departments or legal jurisdictions, not partial government agencies, departments, or legal jurisdictions. (Check only one box in this section.)

- Only you (and no other affiliates) will be participating
- Customer and all Affiliates are included (excluding new Affiliates with which you consolidate in the future)
- The following Affiliates are excluded

**3. Establishing Customer price level.**

The price level indicated in this section will be the price level for the initial Enrollment term for all Enterprise Products ordered and for any Additional Products in the same pool(s). The price level for any other Additional Products will be level "D".

<b>Qualified Desktops:</b> Customer represents that the total number of Qualified Desktops in its Enterprise is, or will be increased to, this number during the initial term of this Enrollment (This number must be equal to at least 250 desktops).	<b>285</b>
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7

**Qualified Users:** Customer represents that the total number of Qualified Users in its Enterprise is, or will be increased to, this number during the initial term of this Enrollment (This number must be equal to at least 250 users).

Number of desktops/ users	Price level
250 to 2,399	A
2,400 to 5,999	B
6,000 to 14,999	C
15,000 and above	D

Price level (for pools in which Customer orders an Enterprise Product):	Qualified Desktop	Qualified User
	D	D

Price level (for pools in which Customer does not order an Enterprise Product):	Price level "D"
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**4. Enterprise Product orders.**

Customer must select a desktop platform or any individual Enterprise Product before it can order Additional Products. The CAL selection must be the same across the Enterprise. The components of the current versions of any Enterprise Product are identified in the Product List.

**Enterprise Product Selection**

Please choose the Enrolled Affiliate's desktop option (Select 1):

Enterprise Desktop with MDOP     Enterprise Desktop  
 Professional Desktop with MDOP     Professional Desktop  
 Custom Desktop or Individual Enterprise Product Component(s):

Select at least 1 component. (For full platform, Windows Desktop, Office, and Client Access License components must all be selected.)

Windows Desktop (Includes Windows Desktop Operating System Upgrade and Windows VDA): Windows Desktop  
 Office: Office Professional Plus  
 Client Access License: Core CAL

**For any Client Access Licenses, please indicate whether licensing by Desktop or User: Desktop**

Unless stated/indicated otherwise, Microsoft will invoice Customer's Reseller in 3 equal annual installments. The first installment will be invoiced upon Microsoft's acceptance of this Enrollment and thereafter on the anniversary of the Enrollment. All subsequent new Additional Products and true-ups are billed in full.

250	Customer represents that the total number of Qualified Users in its Enterprise is, or will be increased to, this number during the initial term of this Enrollment (This number must be equal to at least 250 users).
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8



## Enterprise Enrollment State and Local Supplemental Enterprise Agreement Terms and Conditions

The following terms are required to update and supplement your license agreement to make it consistent with the current version of the Enterprise Agreement program and to allow for additional features and benefits which may or not have been available on the effective date of your license agreement.

For example, these terms address the following:

- your option to license some Client Access Licenses ("CALs") on a per user basis ("user-based CALs"), rather than on a per device basis, and some rights and obligations associated with user-based CALs;
- terms relating to ordering and use of online services;
- your right to order "step-up" licenses; and
- your ability, in some jurisdictions, to arrange for customized payment terms.

These terms and conditions amend your license agreement as it applies to this enrollment and any subsequent enrollments you or an enrolled affiliate enters into under it. It does not affect any prior enrollment already in existence. In the case of any conflict between these terms and conditions and the terms and conditions of your license agreement, these terms control.

### 1. **Definitions.**

If your license agreement does not already include a definition for "qualified users," the following definition of "qualified users" is added. In addition, if any references appear in your license agreement to the "Core User CAL" or "Core CAL," those references will be deemed to refer to any user-based CALs.

"online services" means the Microsoft-hosted services identified in the online services section of the Product Use Rights.

"qualified user" means a person who (1) is a user of a qualified desktop or (2) accesses any server software or online services licensed within an enrolled affiliate's enterprise. It does not include a person who accesses the server software or online services solely under a license identified in the qualified user exemptions in the product list.

### 2. **Terms relating to user-based CALs.**

- a. **Price levels where user-based CALs are ordered.** When user-based CALs are ordered as an enterprise product, other than as part of the "platform," the price level for any enterprise products or additional products ordered from the server pool will be set based on the enrolled affiliate's initial number of qualified users, rather than its initial number of qualified desktops.

Similarly, upon any renewal, if user-based CALs are renewed, other than as part of the "platform," the renewal price level for the server pool will be reset based on the number of the enrolled affiliate's qualified users at the time of renewal, rather than its number of qualified desktops.

- b. **True-ups and update statements where user-based CALs are ordered.** The section of your license agreement that addresses the obligation to place true-up orders and submit update statements is hereby modified to require that, where user-based CALs are ordered as an enterprise product, the enrolled affiliate must determine the number of qualified users in its enterprise and, where that number has increased, submit a true-up order for L&SA for its user-based CALs covering those additional qualified users. If the number of qualified users has not increased, the enrolled affiliate must confirm this fact on its update statement.

At each anniversary, enrolled affiliate must submit either a true-up order or an update statement. This annual true-up order or update statement must be submitted between 60 days prior to, or 15 days following, the anniversary of the effective date of the enrollment to meet the annual true-up requirement. The third-year anniversary true-up order or update statement is due prior to, or upon the expiration date of, the enrollment term. While this annual true-up order or update statement are required to be submitted at the anniversary and upon enrollment expiration, an Enrolled Affiliate may also true-up more frequently and at any time during the term of the Enrollment.

Our commitment to work with the enrolled affiliate in good faith to accommodate changes in the number of its *qualified desktops* by more than ten percent as a result of mergers, acquisitions or divestitures will also apply, if user-based CALs are ordered as an enterprise product, in cases where the number of its *qualified users* changes by more than ten percent.

- c. **License grant for user-based CALs.** The following clarifications are made to the section of your license agreement titled "License grant — what your enrolled affiliates are licensed to run," to account for user-based CALs:

*For CALs, your license grant is as follows:* during the term, each qualified desktop (if device-based CALs have been ordered) or qualified user (if user-based CALs have been ordered) covered by the enrollment may access and use the associated server software.

*Regarding the number of perpetual licenses received for user-based CALs:* When user-based CALs have been ordered as an enterprise product, and once the enrolled affiliate qualifies for perpetual licenses, the number of the enrolled affiliate's perpetual licenses for such CALs will be equal to the number of qualified users covered by the enrollment, rather than the number of qualified desktops.

- d. **Placing renewal orders for user-based CALs.** Upon renewal of an enrollment, if user-based CALs were ordered as an enterprise product, the renewal order must include Software Assurance for such user-based CALs for the number of qualified users covered by the enrollment as of the date of renewal.

At renewal, where applicable, the enrolled affiliate can elect to exchange user-based CALs for device-based CALs or vice versa. In that event, the enrolled affiliate's renewal order must include L&SA for the number of qualified users or qualified desktops in excess of its current count. See the Product List for more information.

### 3. **Online services.**

Online services are provided as subscription services and are subject to the unique terms set forth in the Product Use Rights and the Product List.

### 4. **Right to order "step-up" Licenses.**

If an already ordered product has multiple editions, an enrolled affiliate may migrate to the higher edition by ordering the applicable step-up. If step up details are included in an initial enrollment order, then the enrolled affiliate may step-up in accordance with the true-up process. If the step-up details are not included in the initial enrollment order, the enrolled affiliate may step-up by placing an order in the month the step-up is first run in accordance with the process set out for adding new additional products not previously ordered.

10