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**Title:** CONSIDERATION OF APPROVAL OF AMENDMENT TO CONTRACT SERVICES AGREEMENT WITH SHI INTERNATIONAL, CORP. FOR WINDOWS SERVER LICENSING, OFFICE365 & MIMICAST SERVICES FOR THE CITY OF CARSON (CITY COUNCIL)

**Sponsors:**

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**Attachments:** 1. Amendment to SHI Contract Services Agreement

Date	Ver.	Action By	Action	Result
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**Report to Mayor and City Council**

Tuesday, November 16, 2021

Consent

**SUBJECT:**

**CONSIDERATION OF APPROVAL OF AMENDMENT TO CONTRACT SERVICES AGREEMENT WITH SHI INTERNATIONAL, CORP. FOR WINDOWS SERVER LICENSING, OFFICE365 & MIMICAST SERVICES FOR THE CITY OF CARSON (CITY COUNCIL)**

**I. SUMMARY**

On March 2, 2021, the City Council approved a contract with SHI International Corp., for the upgrade and re-license of the City of Carson’s Microsoft software to allow City staff continued use of it. Microsoft’s latest software is more compatible with the City’s latest business critical applications and hardware, ensures the latest antivirus patches, and will increase staff productivity. The Mimecast subscription provides the City with email security, continuity, archiving cloud services, legal discovery, and business continuance (Disaster Recovery) in the event of a City-wide disaster.

The contract term is for 3 years for a total not to exceed amount of \$437,213.00, with the Mimecast portion comprising over \$138,000 of the contract sum. On or about August 9, 2021, under City’s Contract Officer authority pursuant to Section 1.8 of the contract, the contract sum was increased by \$18,118.94 for extra work performed by consultant consisting of additional Mimecast features made available to City, thereby increasing the

contract sum from \$437,213 to \$455,331.94.

Recently, SHI called to staff's attention that the \$20,229.68 cost stated in the contract to provide Microsoft server and client access licenses for 3 years in fact reflects the cost of only 1 year of Microsoft server and client access licenses, and that SHI inadvertently included such error in its proposal. The parties now propose to rectify this error by amending the contract to increase the license fee by an additional \$23,804.24 to cover the cost of the Microsoft server and client access licenses from October 1, 2021 through January 31, 2024, a period of 2 years and 4 months, for an increased contract sum of \$479,136.18. The additional \$23,804.24 reflects a discounted price offered by SHI.

## **II. RECOMMENDATION**

TAKE the following actions:

1. APPROVE Amendment to Contract Services Agreement with SHI International, Corp.; and
2. AUTHORIZE the Mayor to execute the Amendment to Contract Services Agreement with SHI International, Corp. following approval as to form by the City Attorney.

## **III. ALTERNATIVES**

TAKE another action deemed appropriate by the City Council as allowed by law.

## **IV. BACKGROUND**

On March 2, 2021, the City Council approved a contract with SHI International Corp., for the upgrade and re-license of the City of Carson's Microsoft software to allow City staff continued use of it.

City has identified the following goals and objectives in connection with the Services:

### **Microsoft Exchange**

- Migrate 620 user mailboxes from on-premises Exchange 2010 to Office 365 Exchange Online
- Replace on-premise Exchange 2010 server with Exchange Server 2016
- Replace antiquated archiving software Arcmail with Mimecast
- Replace email filtering software Sendio with Mimecast

### **Microsoft Office365**

- Select Office Enterprise package (Excel, Word, PowerPoint, OneNote, Messaging, IM, Outlook) for all staff

- Migrate 320 FTE users to on-premise version of MS Office (Heavy users)
- Migrate 300 Part time users to cloud version of MS Office (less costly)

### **Windows Server**

- Add 4 Windows 2019 Standard DataCenter Operating Systems to virtual server environment (Vmware)
- Add 620 Server User Client Access Licenses (CALs) for user access

The Mimecast subscription provides the City with email security, continuity, archiving cloud services, legal discovery, and business continuance (Disaster Recovery) in the event of a City-wide disaster.

The contract term is for 3 years for a total not to exceed amount of \$437,213.00, with the Mimecast portion comprising over \$138,000 of the contract sum.

Competitive bidding was not required under the City's Municipal Code as City was able to utilize the competitive bidding exceptions under Sections 2611(e) and 2611(g) for sole sourcing and cooperative purchasing, respectively.

On or about August 9, 2021, under City's Contract Officer authority pursuant to Section 1.8 of the contract, the contract sum was increased by \$18,118.94 for extra work performed by consultant consisting of additional Mimecast features made available to City, thereby increasing the contract sum to \$455,331.94.

Several months after City and SHI entered into the contract, SHI noticed there was an error in the contract in that the \$20,229.68 cost stated in the contract for the Microsoft server and client access licenses for 3 years in fact reflects the cost of only 1 year of Microsoft server and client access licenses, and that SHI inadvertently included such error in its proposal. This error can be rectified by amending the contract to increase the license fee by an additional \$23,804.24 to cover the cost of the Microsoft server and client access licenses from October 1, 2021 through January 31, 2024, a period of 2 years and 4 months, for an increased contract sum of \$479,136.18. The additional \$23,804.24 reflects a discounted price offered by SHI.

## **V. FISCAL IMPACT**

Funds have been budgeted for these items in FY 2021/22 in - General Fund - City Manager - Information Technology Operations.

## **VI. EXHIBITS**

1. Amendment to SHI Contract Services Agreement

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