



## Legislation Text

File #: 2022-1025, Version: 1

### Report to Mayor and City Council

Tuesday, March 07, 2023

Consent

#### **SUBJECT:**

**CONSIDERATION OF APPROVAL OF AMENDMENT 2 TO CONTRACT SERVICES AGREEMENT WITH SHI INTERNATIONAL, CORP. FOR MICROSOFT365 & MIMECAST SUBSCRIPTION SERVICES FOR THE CITY OF CARSON (CITY COUNCIL)**

#### **I. SUMMARY**

To support the city's impending Tyler Munis upgrade and its latest security model, all current and future planned staff will need a city email address, spam filter (Mimecast), and productivity software (Microsoft365) to perform their work. Departments have estimated the increased staff count to be close to 300 for FY 2022/23 (including summer workers).

Staff seeks City Council approval of Amendment 2 for the purpose of adding 300 licenses for both Microsoft365 and Mimecast users at a cost of \$46,688.74, bringing the increased contract sum to \$530,528.31, and to adjust the Agreement term to reflect an expiration date for Mimecast subscription of July 6, 2024 while the expiration for Microsoft subscription will remain unchanged at July 31, 2024.

#### **II. RECOMMENDATION**

TAKE the following actions:

1. APPROVE Amendment No. 2 to Contract Services Agreement with SHI International, Corp.; and
2. AUTHORIZE the Mayor to execute Amendment No. 2 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. 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 Agreement provides City with the following:

### **Microsoft Exchange**

- Migrate 620 user mailboxes from on-premises Exchange 2010 to Microsoft365 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

### **Microsoft365**

- Select Office Enterprise package (Excel, Word, PowerPoint, OneNote, Messaging, IM, Outlook) for all staff
- Migrate 320 FTE users to on-premise version of Microsoft365 (Heavy users)
- Migrate 300 Part time users to cloud version of Microsoft365 (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 and the original contract sum was 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 Agreement, the contract sum was increased by \$18,118.94 for extra licenses and

additional Mimecast features made available to City, 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 Agreement in that the \$20,229.68 cost stated in the Agreement 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. The parties rectified this error by amending the Agreement (Amendment 1) 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.

On April 5, 2022, the City approved Amendment 6 to the City's Enterprise Resource Planning (ERP) system, Tyler Munis, to add additional functional areas (Permits & Code Enforcement, Business License, Online Payment, Citizen Self Services, EnerGOV, Community/Business Development suites) and to transfer the ERP system to the Cloud for superior Disaster Recovery capabilities. Because Tyler Munis will be available from outside City walls (the Cloud), more stringent security measures need to be taken to ensure only authorized staff can access protected City data. To do this, a strong authentication measure needs to be used such as Multi-Factor Authentication (MFA) to ensure only authenticated staff can get access. This would require any staff that needs access to have a City authorized email account with Office365 and Mimecast. The City has an additional 300 part-time, seasonal, and internship staff that will need this access.

On June 24, 2022, under City's Contract Officer authority pursuant to Section 1.8 of the Agreement, the contract sum was increased by \$4,703.39 for extra work consisting of additional Microsoft features made available to City, thereby increasing the contract sum from \$479,136.18 to \$483,839.57.

Now, staff is seeking City Council approval of Amendment 2 to again amend the Agreement for the purpose of adding 300 licenses for both Microsoft365 and Mimecast uses at a cost of \$46,688.74, bringing the increased contract sum to \$530,528.31. The Agreement term will also be adjusted to reflect an expiration date for Mimecast subscription of July 6, 2024 while expiration for the Microsoft subscription will remain unchanged at July 31, 2024. This adjustment is made necessary by the slightly differing start dates of services that were made available to City by SHI shortly following commencement of the original Agreement.

## **V. FISCAL IMPACT**

The cost associated with the contract with SHI is not to exceed the amount of \$530,528.31. Funds have been budgeted for this year in FY 2022/23 in - General Fund -Information Technology Operations (101-54-520-101-6004) and similarly will be included for the third year in the following year's budget. As such, there is no unexpected fiscal impact.

## **VI. EXHIBITS**

1. SHI Contract Amendment No. 2

2. SHI Quote

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