

DATE SUBMITTED 10/08/2025
 SUBMITTED BY R. ALEJANDRO ESTRADA
 DATE ACTION REQUIRED 10/15/25

COUNCIL ACTION
 PUBLIC HEARING REQUIRED
 RESOLUTION
 ORDINANCE 1ST READING
 ORDINANCE 2ND READING
 CITY CLERK'S INITIALS

**IMPERIAL CITY COUNCIL
 AGENDA ITEM**

SUBJECT: DISCUSSION/ACTION: 1. APPROVAL OF THE MICROSOFT ENTERPRISE AGREEMENT, THREE-YEAR RENEWAL IN THE AMOUNT OF 32,974.59 PER YEAR.	
DEPARTMENT INVOLVED: DEPARTMENT OF INNOVATION & TECHNOLOGY	
BACKGROUND/SUMMARY: The city has maintained a Microsoft Enterprise Agreement (EA) for the past several years to ensure compliance, standardization, and cost-effective management of Microsoft software licenses. The EA covers critical products, including Microsoft 365, Microsoft Teams, and other cloud and desktop applications that are essential for daily operations. As the current agreement term approaches expiration, it is necessary to renew the EA to maintain uninterrupted access to Microsoft products, cloud services, security updates, and technical support for a period of three years at an annual cost of \$32,974.59.	
FISCAL IMPACT: Items included in 2025-2026 Innovation & Technology Budget. Account 19-144-5251: 32,974.59.	FINANCE INITIALS <p align="center"><u>JMS</u></p>
STAFF RECOMMENDATION: The staff recommends approving the disbursements of funds for the Microsoft EA 2025-26 (1 of 3) in the amount of 32,974.59.	DEPT. INITIALS <p align="center"><u>[Signature]</u></p>
MANAGER'S RECOMMENDATION: <p align="center"><u>approve</u></p>	CITY MANAGER'S INITIALS <p align="center"><u>[Signature]</u></p>
MOTION: SECONDED: _____ APPROVED <input type="checkbox"/> REJECTED <input type="checkbox"/> AYES: _____ DISAPPROVED <input type="checkbox"/> DEFERRED <input type="checkbox"/> NAYES: _____ ABSENT: _____ REFERRED TO: _____	



**INFORMATION TECHNOLOGY
DEPARTMENT**

DIRECTOR
R. Alejandro Estrada

October 06, 2025

To: Dennis Morita, City Manager

Re: **Document Justification: Microsoft Enterprise Agreement (AE) Renewal**

Mr. Morita,

Overview

The purpose of this justification is to obtain approval for the renewal of the Microsoft Enterprise Agreement (EA), which provides licensing, support, and maintenance for all Microsoft software products currently in use across the city.

Background

The city has maintained a Microsoft Enterprise Agreement (EA) for the past several years to ensure compliance, standardization, and cost-effective management of Microsoft software licenses. The EA covers critical products, including Microsoft 365, Microsoft Teams, and other cloud and desktop applications that are essential for daily operations.

As the current agreement term approaches expiration, it is necessary to renew the EA to maintain uninterrupted access to Microsoft products, cloud services, security updates, and technical support for a period of three years at an annual cost of \$32,974.59.

Justification

- **License Compliance and Legal Protection**
Renewal of the Microsoft EA ensures the organization remains fully compliant with Microsoft licensing requirements. This mitigates legal and financial risks associated with software audits and unlicensed product usage.
- **Operational Continuity:**
Microsoft software products are deeply integrated into our infrastructure, including servers, workstations, and cloud environments. A lapse in licensing could disrupt operations, delay projects, and reduce productivity across all departments.

- **Cost Efficiency and Budget Predictability**

The EA offers significant volume-based discounts, consolidated billing, and the ability to spread payments over multiple years. This provides predictable budgeting and avoids costly one-time license purchases.

- **Access to Cloud Services and Security Enhancements**

The agreement includes access to Microsoft 365, Azure Active Directory, and advanced security and compliance tools that strengthen our cybersecurity posture and enable continued modernization of IT services.

- **Scalability and Flexibility**

The EA allows for the easy addition or removal of licenses as staffing levels or technology needs change, ensuring our environment remains right-sized and cost-effective.

- **Support and Software Assurance Benefits**

Renewal maintains Software Assurance benefits, including version upgrades, deployment planning services, training vouchers, and technical support, ensuring that IT staff can efficiently implement and maintain systems.

- **Financial Impact**

Renewing the Microsoft EA is a strategic investment that consolidates software expenses under a single, cost-controlled agreement. The renewal cost aligns with previous budget allocations, ensuring continued access to enterprise-grade tools and support without service disruption. Attached to this justification is the quote received from our vendor for renewing our agreement for three years at an annual cost of \$32,974.59.

Recommendation

It is recommended that the city proceed with renewing the Microsoft Enterprise Agreement to maintain compliance, ensure operational continuity, and support ongoing digital transformation initiatives. Renewal will safeguard our ability to deliver reliable and secure technology services to all departments and stakeholders.

Sincerely,



R. Alejandro Estrada
Director of Information Technology



Pricing Proposal
 Quotation #: 25868923
 Reference #: EA 48741229 Renewal
 Created On: 2/21/2025
 Valid Until: 10/31/2025

CA-City of Imperial

Alejandro Estrada

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Inside Account Manager

Alex Chrysanthopoulos

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 Somerset, NJ 08873
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 Fax:
 Email: alex_chrysanthopoulos@shi.com

All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 O365 G3 GCC Sub Per User Microsoft - Part#: AAA-11894 Contract Name: County of Riverside - Microsoft Contract #: ITARC-00929 Coverage Term: 12/1/2025 – 11/30/2026 Note: Year 1 of 3	95	\$245.55	\$23,327.25
2 Teams AC with Dial Out US/CA GCC Sub Add-on Microsoft - Part#: NYH-00001 Contract Name: County of Riverside - Microsoft Contract #: ITARC-00929 Coverage Term: 12/1/2025 – 11/30/2026 Note: Year 1 of 3	165	\$0.00	\$0.00
3 Visio P2 GCC Sub Per User Microsoft - Part#: P3U-00001 Contract Name: County of Riverside - Microsoft Contract #: ITARC-00929 Coverage Term: 12/1/2025 – 11/30/2026 Note: Year 1 of 3	2	\$136.12	\$272.24
4 O365 G1 GCC Sub Per User Microsoft - Part#: U4S-00002 Contract Name: County of Riverside - Microsoft Contract #: ITARC-00929 Coverage Term: 12/1/2025 – 11/30/2026 Note: Year 1 of 3	70	\$106.76	\$7,473.20
5 CCAL Bridge O365 Sub Per User Microsoft - Part#: AAA-12414 Contract Name: County of Riverside - Microsoft Contract #: ITARC-00929 Coverage Term: 12/1/2025 – 11/30/2026 Note: Year 1 of 3	95	\$20.02	\$1,901.90
Total			\$32,974.59

Additional Comments

Due to the potential impact of any current or future tariffs, the price and availability of hardware items on this quote may be subject to change.

12/1/25-11/30/26 - \$32,974.59

12/1/26-11/30/27 - \$32,974.59

12/1/27-11/30/28 - \$32,974.59

Hardware items on this quote may be updated to reflect changes due to industry wide constraints and fluctuations.

Thank you for choosing SHI International Corp! The pricing offered on this quote proposal is valid through the expiration date listed above. To ensure the best level of service, please provide End User Name, Phone Number, Email Address and applicable Contract Number when submitting a Purchase Order. For any additional information including Hardware, Software and Services Contracts, please contact an SHI Inside Sales Representative at (888) 744-4084. SHI International Corp. is 100% Minority Owned, Woman Owned Business. TAX ID# 22-3009648; DUNS# 61-1429481; CCR# 61-243957G; CAGE 1HTF0

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The products offered under this proposal are resold in accordance with the terms and conditions of the Contract referenced under that applicable line item.