



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: March 4, 2022

HCR22-054

SUBJECT: Amendment to Agreement with Insight Public Sector Inc. for Microsoft Enterprise Licensing

COUNCIL DISTRICT(S): Citywide

ORIGINATING DEPARTMENT: Information Technology Department

CONTACT/PHONE NUMBER: Beto Juarez (619) 578-7755

REQUESTED ACTION:

Authorize a third amendment to the San Diego Housing Commission's (Housing Commission) agreement for software licenses to increase the maximum allowable total compensation due to the increase in licenses obtained for Housing Commission operations, such as additional staff hired for homelessness programs and the COVID-19 Housing Stability Assistance Program, as well as accommodating ongoing remote work for Housing Commission employees.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The San Diego Housing Commission (Housing Commission) has been utilizing Microsoft Enterprise Licensing as its electronic business solution for many years.
- The County of Riverside entered into an agreement with Insight Public Sector Inc., an authorized reseller of Microsoft, through a competitive solicitation process in 2020. After conducting a due diligence review and consulting with legal counsel, Housing Commission staff determined that the County of Riverside's competitive solicitation met the requirements for cooperative purchasing as outlined in the Housing Commission's Procurement Policy.
- After negotiations, the Housing Commission entered into an agreement with Insight Public Sector Inc. on April 17, 2020, for a one-year term with two one-year renewal options for a maximum compensation amount of \$536,367.76.
- The Housing Commission has obtained more licenses to support the agency's operations, such as additional staff for homelessness programs and the COVID-19 Housing Stability Assistance Program, as well as accommodating ongoing remote work for Housing Commission employees.
- To support the necessary additional licenses, staff recommends amending the current agreement, subject to the Housing Commission Board of Commissioners' approval of additional funding, for the remainder of the contract term.
- The anticipated total increase for years two and three of the contract term (May 1, 2021 – April 30, 2023) is \$310,562.95 for a total contract amount over three years of \$846,930.71.
- The proposed funding sources and uses proposed for approval by this action were approved in the Fiscal Year (FY) 2022 Housing Commission budget. Approving this action will not change the FY2022 or FY2023 total budget.



REPORT

DATE ISSUED: February 24, 2022

REPORT NO: HCR22-054

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of March 4, 2022

SUBJECT: Amendment to Agreement with Insight Public Sector Inc. for Microsoft Enterprise Licensing

REQUESTED ACTION

Authorize a third amendment to the San Diego Housing Commission's (Housing Commission) agreement for software licenses to increase the maximum allowable total compensation due to the increase in licenses obtained for Housing Commission operations, such as additional staff hired for homelessness programs and the COVID-19 Housing Stability Assistance Program, as well as accommodating ongoing remote work for Housing Commission employees.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) take the following actions:

- 1) Authorize the third amendment to the Housing Commission's agreement with Insight Public Sector Inc. for the Microsoft Enterprise License Agreement to increase the maximum allowable compensation in the amount of \$310,562.62 for a maximum total compensation amount of \$846,930.71 due to the increase in licenses obtained for Housing Commission operations, such as additional staff hired for the COVID-19 Housing Stability Assistance Program and accommodating ongoing remote work for Housing Commission employees.
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources so long as the total program/project budget amount after substitution does not exceed the approved total budget, and to increase compensation by not more than 20 percent of the total agreement amount, if necessary, should the operational need arise without further action by the Housing Commission Board.
- 3) Authorize the President & CEO, or designee to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and take such actions as are necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, are submitted to each Housing Commissioner in advance of approval for the designee to sign..

SUMMARY

The Housing Commission has been utilizing Microsoft Enterprise Licensing as its electronic business solution for many years. In April 2020, staff solicited quotes for a Microsoft Enterprise Licensing solution in accordance with the Housing Commission's Statement of Procurement Policy (Policy). Through this process, a cooperative purchasing opportunity with the County of Riverside was identified. Cooperative purchasing fosters greater economy and efficiency by allowing public agencies

to take advantage of a competitive selection process already conducted by another agency and therefore saves the time and expense of conducting its own separate selection process.

The County of Riverside entered into an agreement with Insight Public Sector Inc., an authorized reseller of Microsoft, through a competitive solicitation process in 2020. After conducting a due diligence review and consulting with legal counsel, Housing Commission staff determined that the County of Riverside’s competitive solicitation met the requirements for cooperative purchasing as outlined in the Housing Commission’s Policy. Housing Commission staff further determined that the anticipated annual licensing cost of \$178,185.72 for the first year and \$179,091.02 for years two and three was reasonable and a best value. After negotiations, the Housing Commission entered into an agreement with Insight Public Sector Inc. on April 17, 2020, for a one-year term with two one-year renewal options for a maximum compensation amount of \$536,367.76.

The agreement allows the Housing Commission to obtain additional licenses throughout the year to address the agency’s needs. At the conclusion of the contract year, the Housing Commission reports the inventory of its ongoing licenses through what it known as a “true up” process, and the cost to the Housing Commission is adjusted accordingly. With more licenses, the Housing Commission incurs a higher cost. If the number of licenses decreases, the Housing Commission’s cost also is lower. The proposed contract amendment will include a provision that addresses the requirement to invoice the Housing Commission solely for the number of licenses requested, should the need be less than anticipated, to ensure charges are not incurred and payments are not made for services not rendered,

The Housing Commission has obtained more licenses to support the agency’s operations, such as additional staff for homelessness programs and the COVID-19 Housing Stability Assistance Program, as well as accommodating ongoing remote work for Housing Commission employees. To support the necessary additional licenses, staff recommends amending the current agreement, subject to the Housing Commission Board of Commissioners’ approval of additional funding, for the remainder of the contract term. The table below provides cost details:

Table 1.1

<u>Contract Term</u>	<u>Original Dollar Amount</u>	<u>Anticipated Increase</u>	<u>Final Dollar Amount</u>	<u>Note</u>
Year 1 May 1, 2020- April 30, 2021	\$178,185.72	0	\$178,185.72	
Year 2 May 1, 2021 – April 30, 2022	\$179,091.02	\$43,460.31	\$222,551.33	Additional licenses for COVID-19 Housing Stability Assistance Program (HSAP)
Year 3 May 1, 2022 – April 30, 2023	\$179,091.02	\$267,102.64	\$446,193.66	Additional licenses for HSAP and COVID-related responsibilities and projects
TOTAL	\$536,367.76	\$310,562.95	\$846,930.71	

The licenses included in the agreement are:

Enterprise Commitment
Windows OS
Office 365 E3
Enterprise CAL Bridge for Office 365
Additional Products
Exchange Hosted Encryption
Project
Project Pro
Visio Pro
SharePoint Server
SQL Server Enterprise Core Edition
SQL Server Standard Core Edition
Windows RDS User CAL
Windows Datacenter
Windows Standard
Project Online
Power Apps Per User

FISCAL CONSIDERATIONS

The proposed funding sources and uses proposed for approval by this action were approved in the FY 2022 Housing Commission budget. Approving this action will not change the FY2022 or FY2023 total budget.

EQUAL OPPORTUNITY CONTRACTING (EOC)/EQUITY ASSURANCE

Insight Public Sector, a multinational corporation with global headquarters in Arizona, submitted the required EOC forms and Workforce Report with its original agreement. Diversity and inclusion is essential at Insight’s 87 offices as they work to promote a culture that celebrates and rewards equity.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Key stakeholders include Housing Commission staff and their internal and external customers.

ENVIRONMENTAL REVIEW

This activity is not a project as defined by the California Environmental Quality Act Section 21065 and State CEQA Guidelines Section 15378(b)(5), as it is an administrative activity of government that will not result in direct or indirect physical changes in the environment. Federal funds constitute a portion of the project’s funding. NEPA approval was obtained from the City of San Diego on July 9, 2021.

Respectfully submitted,



Beto Juarez
Senior Vice President/Chief Information Officer
Information Technology

Approved by,



Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission

Docket materials are available in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at www.sdhc.org.