



Administrative Report

H.13., File # 25-0823

Meeting Date: 6/17/2025

To: MAYOR AND CITY COUNCIL

From: MIKE COOK, INFORMATION TECHNOLOGY DIRECTOR

TITLE

APPROVE A THREE-YEAR AGREEMENT WITH INSIGHT PUBLIC SECTOR FOR A MICROSOFT ENTERPRISE LICENSING AGREEMENT WITH AN ANNUAL COST OF \$344,522 AND A TOTAL AMOUNT NOT TO EXCEED \$1,033,567 FOR THE TERM JULY 1, 2025 THROUGH JULY 31, 2028

EXECUTIVE SUMMARY

Staff recommends the City Council approve a three-year Enterprise Licensing Agreement (ELA) with Insight Public Sector for the continued licensing of Microsoft software and cloud services, including Microsoft G5 enterprise licenses, Windows Server Datacenter, and Azure server licensing. This ELA is among the most impactful Technology agreements for the City, as it provides Outlook Email, Calendar, Microsoft Windows Licensing, OneDrive, Sharepoint, Visio, Project, Cybersecurity tools, E-Discovery, and other critical information systems. The total not to exceed amount for the three-year term is \$1,033,567.17, which reflects an up to 54% discount from the ELA list price.

BACKGROUND

The City of Redondo Beach has maintained a long-standing partnership with Microsoft to support its enterprise information technology (IT) infrastructure, productivity tools, cloud platforms, and cybersecurity operations. This relationship has enabled the City to modernize and scale its digital services and maintain strong security and compliance standards while providing City staff with access to Word, Excel, Outlook, Windows and other best of type solutions.

In 2023, the City Council approved a strategic transition from Microsoft G3 to G5 licensing in recognition of the growing need for advanced cybersecurity, compliance tools, and analytics capabilities. The G5 license tier represents Microsoft's highest level of enterprise software and services and aligns with the City's long-term goals for digital transformation, information security, and operational efficiency. The proposed three-year agreement with Insight Public Sector, an authorized Microsoft reseller, provides the City with continued access to Microsoft's Government G5 Enterprise Licenses, which include:

- Microsoft 365 G5: Advanced productivity suite providing Office applications, Exchange Online, SharePoint, and Teams, as well as robust security features like Microsoft Defender, Information Protection, and compliance tools
- Exchange Online: Secure cloud-based email hosting, providing high availability and regulatory compliance
- OneDrive for Business: Cloud storage solution enabling staff to access files securely

from any location and device

- SharePoint Online: A collaborative platform that supports internal portals, document management, and workflow automation
- Windows Server Datacenter Licenses: Covers all virtual and physical server environments required for the City's infrastructure over the term of the agreement
- Microsoft Azure Licensing: Provides the necessary licensing for the City's Azure-hosted servers and services, supporting scalable cloud infrastructure and disaster recovery capabilities

This Agreement ensures the City remains compliant with Microsoft licensing requirements, while leveraging the most advanced enterprise tools available to government organizations.

COORDINATION

Information Technology staff collaborated directly with Microsoft and its authorized reseller, Insight Public Sector, to facilitate the Enterprise Licensing Agreement (ELA) renewal process. Microsoft's standard procedure requires the issuance of a purchase order to the reseller prior to providing final, signature-ready documentation. To enable legal review in advance, Microsoft provided draft versions of the required agreement documents, which are attached to this staff report. Upon issuance of the purchase order, final documents will be reviewed by the City Attorney's Office to verify that no material changes have been made. The draft documents have been reviewed and approved as to form by the City Attorney's Office.

FISCAL IMPACT

Funding for the first year of this Agreement has been included in the proposed Information Technology Department's annual operating budget and is part of the FY 2025-26 Information Technology Department Internal Service Fund calculations. The three-year cost is structured as a predictable, annual payment, ensuring budgetary stability while supporting the City's desire to maintain, and enhance, IT service delivery. Costs reflect a 32% to 54% discount off the regular list price.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Quote - Insight Public Sector ELA
- Enterprise Agreement State and Local - Legal Review Copy
- Enterprise Enrollment - Legal Review Copy
- Enterprise and Enterprise Subscription Enrollment Product Selection Form - Legal Review Copy
- Previous Enrollment Form - Legal Review Copy
- Program Signature Form - Legal Review Copy
- Qualifying Government Entity Addendum - Legal Review Copy
- Supplemental Contact Information Form - Legal Review Copy