



Agenda Item No: 4.e

Meeting Date: July 21, 2025

## SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Digital Service and Open Government

Prepared by: Tessa Rudnick,  
Enterprise Applications Manager

City Manager Approval: \_\_\_\_\_

**TOPIC: THREE-YEAR RENEWAL OF SOFTWARE ONE AGREEMENT FOR MICROSOFT LICENSING**

**SUBJECT: RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH SOFTWARE ONE, INC., FOR MICROSOFT SOFTWARE LICENSES AT A COST NOT TO EXCEED \$240,000 PER FISCAL YEAR THROUGH FISCAL YEAR 2028-2029**

### RECOMMENDATION:

Staff recommends that the City Council adopt a resolution authorizing the City Manager to negotiate and execute an agreement with Software ONE, Inc., for Microsoft software licenses at a cost not to exceed \$240,000 per fiscal year through fiscal year 2028-2029.

### BACKGROUND:

Since 2000, the City of San Rafael has used Microsoft products as its standard computer software for both servers and workstations. In August 2004, the City began purchasing its Microsoft software licenses through a joint volume licensing program known as the County of Riverside's Microsoft Enterprise Agreement (the Riverside EA). This cooperative purchasing program was initiated through a Request for Proposals (RFP) process by the County of Riverside and remains the primary procurement vehicle for Microsoft licenses for many government agencies throughout California. The City's current enrollment is due to expire on July 31, 2025.

The City has greatly expanded its utilization of Microsoft products since our last renewal in July 2022. Digital Service and Open Government led the effort to migrate all City files from physical servers to virtualize nearly all storage, utilizing SharePoint, and socializing the City to use Microsoft Teams for enhanced collaboration and improved security. The City now uses Teams Phones for both soft phones and landlines, which has allowed for greater flexibility for staff. Although the Teams Phone license was purchased through a separate agreement, the use of Teams has enabled staff to more seamlessly adapt to the Teams Phone environment.

In addition to these advancements, the City has also implemented several other Microsoft solutions to enhance its digital infrastructure, including Microsoft Azure for cloud computing and Microsoft Power BI

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FOR CITY CLERK ONLY

Council Meeting: \_\_\_\_\_

Disposition: \_\_\_\_\_

for data analytics, which enable data-driven decision-making through comprehensive reporting and data visualizations. All these Microsoft products have collectively contributed to a more efficient and secure digital environment for the City.

**ANALYSIS:**

To avoid any lapse in coverage, the City recommends executing the necessary forms to renew with Microsoft by July 31, 2025, subject to approval by the City Attorney. Software ONE provided an initial quote that maintains our licensing costs at the same level as the last renewal in July 2022.

The estimated \$220,000 per year covers the cost for all the City's Microsoft products for each year of a three-year renewal period. Costs include support and maintenance for all previously purchased licenses and subscription services, as well as support for new products purchased within the last three years. The additional \$20,000 requested by staff for each year would provide the flexibility to purchase any necessary licenses or services (such as those required for increased operational needs and/or to support new technology projects) during this period.

**FISCAL IMPACT:**

The estimated annual costs, including contingency, for renewing licensing and subscription support for the City's Microsoft products are \$240,000, which is budgeted and available in the fiscal year 2025-26 Department of Digital Service and Open Government operating budget, in the Technology Fund (fund 601).

All funds needed in future fiscal years will continue to be requested through the annual fiscal year budget process.

**RECOMMENDED ACTION:**

Staff recommends that the City Council adopt a resolution authorizing the City Manager to negotiate and execute an agreement with Software ONE, Inc., for Microsoft software licenses at a cost not to exceed \$240,000 per fiscal year through fiscal year 2028-2029.

**ATTACHMENTS:**

1. Resolution

## **RESOLUTION**

### **RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN RAFAEL AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH SOFTWARE ONE, INC., FOR MICROSOFT SOFTWARE LICENSES AT A COST NOT TO EXCEED \$240,000 PER FISCAL YEAR THROUGH FISCAL YEAR 2028-2029**

**WHEREAS**, the City has used Microsoft products as its standard for computer software since 2000 and has been purchasing its Microsoft software licenses under the County of Riverside's Microsoft Enterprise Agreement since 2004; and

**WHEREAS**, the County of Riverside's Microsoft Enterprise Agreement is a cooperative purchasing program and the primary procurement vehicle for Microsoft licenses by many government agencies in California; and

**WHEREAS**, the City's current enrollment with Microsoft Corporation as part of the County of Riverside's Microsoft Enterprise Agreement expires on July 31, 2025, and the City wishes to renew its Microsoft licenses after that date; and

**WHEREAS**, City funds in the amount of \$220,000 are budgeted and available for expenditure in the FY 2025-26 Department of Digital Service and Open Government operating budget, in Technology Fund 601, while the additional \$20,000 in contingency funds would be appropriated separately by any technology projects requiring additional Microsoft licenses, and all funds needed in future fiscal years would continue to be appropriated through the normal budget process;

**NOW, THEREFORE BE IT RESOLVED**, that the City Council hereby authorizes the City Manager to negotiate and execute the required forms to renew the City's enrollment with Microsoft Corporation, subject to approval as to form by the City Attorney, for Microsoft software licenses at a cost not to exceed \$240,000 per fiscal year through fiscal year 2028-2029, subject to funds being appropriated in each fiscal year's budget.

**I, LINDSAY LARA**, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael, held on Monday, the 21st day of July 2025, by the following vote, to wit:

**AYES:**           **Councilmembers:**  
**NOES:**          **Councilmembers:**  
**ABSENT:**       **Councilmembers:**

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**Lindsay Lara, City Clerk**