

# Agenda Report

May 8, 2017

**TO:** Honorable Mayor and City Council

**FROM:** Department of Information Technology

**SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH AGREEYA SOLUTIONS, INC FOR THE MIGRATION OF CITY EMAIL SERVICES TO MICROSOFT OFFICE 365**

**RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3);
2. Authorize the City Manager to enter into a contract, without competitive bidding pursuant to City Charter Section 1002(F), contracts for professional or unique services, with AgreeYa Solutions, Inc. for planning and migration services of City email services to Microsoft Office 365 in an amount not to exceed \$97,405.

**BACKGROUND:**

The Department of Information Technology (DoIT) is responsible for managing, hosting and supporting City email Outlook calendar and contact list services for all City departments. To provide these services, DoIT maintains and operates a Microsoft Exchange platform that includes email software, system infrastructure and data storage within the City's data centers. In addition, DoIT maintains additional software and infrastructure for the sole purpose of providing email archive capabilities to facilitate responses for public records requests, litigation and other City needs.

The current Microsoft Exchange platform and infrastructure are at end-of-life. The hardware is no longer supported by the manufacturer and the software is on 'extended support' by Microsoft and will be phased out completely by January 2020. Additionally, the current hardware no longer meets the performance and capacity needs of the City, which has nearly doubled in size since the last lifecycle replacement occurred in 2011.

As DoIT prepared for the lifecycle replacement of the Microsoft Exchange platform, staff evaluated and is recommending the City adopt Microsoft Office 365, a Microsoft hosted electronic communications platform that provides 24 x 7 support, redundancy, and

access to email, calendar and contact list services from a variety of devices and locations. Office 365 includes advanced protection services to protect the City against spam and phishing attempts and continuously checks email links and attachments, blocking access to malicious links and code. As the hosting provider, Microsoft manages the email infrastructure upgrades, which will keep services up-to-date and reduce the amount of City staff support needed. Office 365 also provides highly-available email services, disaster recovery, and data backup and protection that together ensure the highest levels of business continuity to this key communication tool. Hosting email in Office 365 will also reduce, and in some cases remove, existing license costs for eDiscovery, anti-spam, anti-malware, and email archiving software, and remove all data storage costs for email.

Keeping the current Microsoft Exchange platform and upgrading the software and systems infrastructure would incur \$110,000 in new hardware costs and additional costs for the professional services to assist with the significant planning and execution tasks of the upgrade. Ongoing operations of the current system will continue to consume significant amounts of staff time to administer and maintain, including the ongoing costs associated with backup, disaster recovery, eDiscovery, and data center operations. Similar lifecycle replacement costs would be needed again in approximately five years for the next upgrade. Therefore, staff recommends moving to the Office 365 platform to reduce and/or eliminate ongoing expenses associated with the current Microsoft Exchange platform, eliminate future lifecycle replacement costs, and relieve staff time associated with many support tasks.

To plan and implement the migration of City email services to Office 365, DoIT prepared a Request for Proposals (RFP) and posted it on PlanetBids on December 14, 2016. The posting automatically notified 1,827 registered vendors with 48 downloading the RFP for review, including five local vendors. Five responsive proposals were received on January 23, 2017. Based on the evaluation criteria specified in the RFP, the proposals were scored and ranked by a selection committee comprised of DoIT staff as follows:

Rank	Proposer	Location	Score (100 max)
1.	AgreeYa Solutions, Inc.	Folsom, CA	79.5
2.	Catapult Systems, LLC	Austin, TX	76.5
3.	Acumor Solutions, LLC	Pasadena, CA	62.9
4.	PCM-G, Inc.	El Segundo, CA	48.8
5.	SBase Technologies, Inc.	Irving, TX	38.3

The selection committee invited each of the top three scoring proposers to individual conference calls to respond to the selection committee's questions regarding technical, reference and methodological aspects of their respective proposals. Customer and industry reference checks were also completed for each of the top three scoring proposers. AgreeYa Solutions, Inc. scored the highest, and the selection committee

recommended them as the proposer with the strongest ability to perform the scope of services requested. Attachment A contains a summary of scoring for all the proposals.

Staff recommends authorization to enter into a contract with AgreeYa Solutions, Inc. for the migration of City email services to Office 365 for an amount not to exceed \$91,347. A summary of the contract is as follows:

Professional Services	\$81,560
Contingency (12%)	<u>\$ 9,787</u>
Contract "Not to Exceed" Amount	\$91,347

It is anticipated that it will take three months to migrate City email services to Office 365 under the proposed contract. The City does not have any active contracts with AgreeYa Solutions, Inc.

**COUNCIL POLICY CONSIDERATION:**

The proposed contract with AgreeYa Solutions, Inc. supports the City Council's goal to improve, maintain and enhance public facilities infrastructure; to provide a high quality of public service, which adds to the quality of life in the City and increases its attractiveness through more efficient management of resources.

**ENVIRONMENTAL ANALYSIS:**

The proposed contract is exempt from CEQA per section 15061(b) (3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed action provides resources to migrate email services, and will not result in any new development or physical changes.

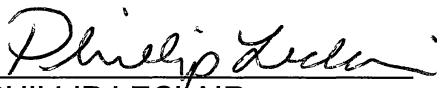
**FISCAL IMPACT:**

The total cost of this action will be \$91,347. Funding for this action will be addressed by the utilization of existing budgeted appropriations in Capital Improvement Program Budget account number #71157 (DoIT Equipment Lifecycle Replacement FY 2015 - 2019). It is anticipated that half the cost will be spent during the current fiscal year and the remainder in the following fiscal year. Ongoing annual operating expenses for email services in Office 365 will be offset by reductions in operating costs and the elimination of future lifecycle costs.

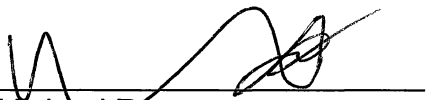
The following table presents a summary of the sources of funds that will be used:

CIP #71157 - DoIT Equipment Lifecycle Replacement FY 2015 - 2019	\$91,347
<b>Total Sources</b>	<b>\$91,347</b>

Respectfully submitted,

  
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Attachment A: Summary of Proposal Scoring