

Meeting Date: 4/28/2015

Report Type: Consent

Report ID: 2015-00342

Title: Microsoft Enterprise Licensing & Software (Published for Review 04/16/2015)

Location: Citywide

Recommendation: Pass a Motion to a) approve the City Manager or his designee's use of the County of Riverside Cooperative Purchasing Agreement No. 01E73134, b) authorize the City Manager or his designee to execute an agreement with CompuCom Systems, Inc., and Microsoft Corporation through the cooperative agreement to purchase Microsoft licenses and software products for an amount not-to-exceed \$3,520,000 for a maximum five-year period.

Contact: Cassy Vaioleti-Matu, Program Analyst, (916) 808-8047, Information Technology

Presenter: Ignacio Estevez, IT Manager, (916) 808-7349, Information Technology

Department: Information Technology

Division: IT Business Management

Dept ID: 07001011

Attachments:

1-Description/Analysis

2-Background

3-Agreement

City Attorney Review

Approved as to Form
Audreyell A. Anderson
4/15/2015 2:34:22 PM

Approvals/Acknowledgements

Department Director or Designee: Maria MacGunigal - 4/9/2015 5:31:51 PM

Description/Analysis

Issue Detail: On April 1, 2010, City Council adopted Resolution 2010-167 that authorized the use of the County of Riverside cooperative purchasing agreement (“Microsoft Master Enterprise Agreement” or “Agreement”) for the purchase of Microsoft enterprise software licensing and technical support services for the City’s personal computers and enterprise email messaging system from CompuCom, Inc, and authorized the City Manager to issue purchase orders with CompuCom, Inc., for this purpose for a total amount not to exceed \$3,000,000 over a five-year period.

The Microsoft Enterprise Agreement is due to expire on April 30, 2015. Staff is requesting approval to again use the Agreement to renew the licensing term for another five-year period and procure Microsoft enterprise licenses in order to continue to receive software upgrades and technical support assurance at a significant pricing discount rate.

City staff currently uses Microsoft products for personal computers (PCs), Exchange for email messaging, and other Microsoft tools including Office. Under Microsoft’s new licensing model, staff will be purchasing similar software products in addition to Office 365 that will provide enhanced software collaboration functionality that will generate greater staff productivity benefits for users and system administrators. Office 365 will also provide enhanced accessibility to Microsoft Office tools (Word, Excel, Outlook, etc.) via the web from multiple devices including PCs, tablets, and smart phones.

Policy Considerations: The recommendations in this report are in accordance with City Code Section 3.56.230 and Administrative Policy AP-4001, Section 2.2.2 for the Procurement of Supplies.

Economic Impacts: None.

Environmental Considerations: The report does not constitute a “project” and is therefore exempt from the California Environmental Quality Act (CEQA) [CEQA Guidelines Sections 15061(b)(3);15378(b)(2)].

Sustainability: Under Phase 1 of the City of Sacramento’s Climate Action Plan, all applicable “green” technology initiatives will be considered prior to the purchase of IT equipment hardware and software.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The City has a need to renew Microsoft enterprise software licenses, which are essential everyday tools for conducting City business.

Financial Considerations: No additional funding is requested. Annual software licensing for PCs and email are currently funded through departmental operating

budgets. The total software licensing amount for Microsoft EA products will not exceed \$3.52 million over a five-year period.

Local Business Enterprise (LBE): CompuCom Systems, Inc., and Microsoft Corporation are not LBEs.

Background

The City has participated in the County of Riverside cooperative purchasing agreement (“Microsoft Master Enterprise Agreement” or “Agreement”) for the purchase of Microsoft enterprise software products for over 13 years. There are over 388 governmental agencies in California that utilize this Agreement for the purchase of Microsoft software licenses and software assurance products. This negotiation process has obtained the deepest discounts offered to any governmental agencies, and as a result will be utilized by most of the public entities throughout the State of California.

The City currently uses the Agreement to license standard desktop software (Microsoft Office, Windows, and back office products), email messaging (Exchange), and Enterprise Platform products.

On April 1, 2010, City Council Adopted a Resolution (2010-167) that directed staff to migrate the City’s email messaging system from Novell GroupWise to Microsoft Exchange, approved the use County of Riverside cooperative purchasing agreement for the purchase of Microsoft enterprise software licenses, and issuing purchase orders for the purchase of software licenses and technical support from CompuCom Inc. for a total amount not to exceed \$3,000,000 over a five-year period.

On April 26, 2005, City Council Adopted a Resolution (2005-267) that suspended competitive bidding for the purchase of Microsoft products and licenses approved the use of the California Counties Information System Directors Association (CCISDA) competitive bidding process for the purchase of Microsoft products with CompuCom Inc. for an amount not to exceed \$500,000 annually for a five-year period.

Under Microsoft’s new licensing model, staff will purchase bundled software products including Office 365 that will provide enhanced software collaboration functionality that will generate greater staff productivity benefits for users and system administrators. Office 365 will also provide enhanced accessibility to Microsoft Office tools (Word, Excel, Outlook, SharePoint, etc.) via the web from multiple hardware devices including Personal Computers (PCs), tablets and smart phones.

Microsoft products are the most predominant software product used by all departments on all PCs. In an effort to keep software current and licensed at the City, a maintenance program is provided by Microsoft. A maintenance program will cost less than what departments would spend upgrading all products once over a three or five-year period. The potential for significant savings exists due to changes in Microsoft licensing policies and potential cost increases of Microsoft products over the next five years.

Some of the key benefits realized from this Agreement are:

- Departments have the ability to upgrade to the latest software version for the Product that they own.

- The Agreement provides a consistent year-to-year budget for this program in an effort to keep City software current, legal, and consistent.
- The Agreement protects the City against Microsoft price increases for the duration of the agreement.
- The flexibility to secure one user licenses to use on multiple devices such as desktops, laptops, tablets, and smart phones as opposed to multiple licenses for each device.
- Deep negotiated software licensing and software assurance discounts.

Because Microsoft only sells their products through resellers, the County of Riverside issued a Request for Quote (PURAC-1200) to establish a Master Microsoft Enterprise Agreement with Microsoft Large Account Resellers (LARs). Six LARs responded and were awarded contracts with the County of Riverside that authorizes them to enroll any government entity in California into software licensing terms. One of the six LARs is CompuCom Systems, Inc.

Enterprise Enrollment

State and Local

Enterprise Enrollment number
(Microsoft to complete)

5708494

Proposal ID/Framework ID

000-jorob-s-799

Previous Enrollment number
(Reseller to complete)

Earliest expiring previous
Enrollment end date ¹

4/30/2015

This Enrollment must be attached to a signature form to be valid.

This Microsoft Enterprise Enrollment is entered into between the entities as identified in the signature form as of the effective date. Enrolled Affiliate represents and warrants it is the same Customer, or an Affiliate of the Customer, that entered into the Enterprise Agreement identified on the program signature form.

This Enrollment consists of: (1) these terms and conditions, (2) the terms of the Enterprise Agreement identified on the signature form, (3) the Product Selection Form, (4) any supplemental contact information form or Previous Agreement/Enrollment form that may be required, (5) any order submitted under this Enrollment. This Enrollment may only be entered into under a 2011 or later Enterprise Agreement. By entering into this Enrollment, Enrolled Affiliate agrees to be bound by the terms and conditions of the Enterprise Agreement.

All terms used but not defined are located at <http://www.microsoft.com/licensing/contracts>. In the event of any conflict the terms of this Agreement control.

Effective date. If Enrolled Affiliate is renewing Software Assurance or Subscription Licenses from one or more previous Enrollments or agreements, then the effective date will be the day after the first prior Enrollment or agreement expires or terminates. Otherwise, the effective date will be the date this Enrollment is accepted by Microsoft. Any reference to "anniversary date" refers to the anniversary of the effective date each year this Enrollment is in effect.

Term. The initial term of this Enrollment will expire on the last day of the month, 36 full calendar months from the effective date of the initial term. If the Enrollment is renewed, the renewal term will expire 36 full calendar months after the effective date of the renewal term. Any reference in this Enrollment to "day" will be a calendar day.

Product order. The Reseller will provide Enrolled Affiliate with Enrolled Affiliate's Product pricing and order. Prices and billing terms for all Products ordered will be determined by agreement between Enrolled Affiliate and the Reseller. The Reseller will provide Microsoft with the order separately from this Enrollment.

Terms and Conditions

1. Definitions.

Terms used but not defined in this Enrollment will have the definition in the Enterprise Agreement. The following definitions are used in this Enrollment:

"Additional Product" means any Product identified as such in the Product List and chosen by Enrolled Affiliate under this Enrollment.

“Enterprise Online Service” means any Online Service designated as an Enterprise Online Service in the Product List and chosen by Enrolled Affiliate under this Enrollment. Enterprise Online Services are treated as Online Services, except as noted.

“Enterprise Product” means any Desktop Platform Product that Microsoft designates as an Enterprise Product in the Product List and chosen by Enrolled Affiliate under this Enrollment. Enterprise Products must be licensed for all Qualified Devices and Qualified Users on an Enterprise-wide basis under this program.

“Expiration Date” means the date upon which the Enrollment expires.

“Industry Device” (also known as line of business device) means any device that: (1) is not useable in its deployed configuration as a general purpose personal computing device (such as a personal computer), a multi-function server, or a commercially viable substitute for one of these systems; and (2) only employs an industry or task-specific software program (e.g. a computer-aided design program used by an architect or a point of sale program) (“Industry Program”). The device may include features and functions derived from Microsoft software or third-party software. If the device performs desktop functions (such as email, word processing, spreadsheets, database, network or Internet browsing, or scheduling, or personal finance), then the desktop functions: (1) may only be used for the purpose of supporting the Industry Program functionality; and (2) must be technically integrated with the Industry Program or employ technically enforced policies or architecture to operate only when used with the Industry Program functionality.

“L&SA” means a License with Software Assurance for any Product ordered.

“Qualified Device” means any device that is used by or for the benefit of Enrolled Affiliate’s Enterprise and is: (1) a personal desktop computer, portable computer, workstation, or similar device capable of running Windows Professional locally (in a physical or virtual operating system environment), OR (2) a device used to access a virtual desktop infrastructure (“VDI”). Qualified Devices do not include any device that is: (1) designated as a server and not used as a personal computer, OR (2) an Industry Device, OR (3) not managed (as defined in the Product List at the start of the applicable initial or renewal term of the Enrollment) as part of Enrolled Affiliate’s Enterprise. At its option, the Enrolled Affiliate may designate any device excluded above (e.g., Industry Device) that is used by or for the benefit of the Enrolled Affiliate’s Enterprise as a Qualified Device for all or a subset of Enterprise Products or Online Services the Enrolled Affiliate has selected.

“Qualified User” means a person (e.g., employee, consultant, contingent staff) who: (1) is a user of a Qualified Device, or (2) accesses any server software requiring an Enterprise Product Client Access License or any Enterprise Online Service. It does not include a person who accesses server software or an Online Service solely under a License identified in the Qualified User exemptions in the Product List.

“Reserved License” means for an Online Service identified as eligible for true-ups in the Product List, the License reserved by Enrolled Affiliate prior to use and for which Microsoft will make the Online Service available for activation.

“Transition” means the conversion of one or more License to or from another License(s). Products eligible for Transition and permitted Transitions are identified in the Product List.

“Transition Period” means the time between the Transition and the next Enrollment anniversary date for which the Transition is reported.

“Use Rights” means, with respect to any licensing program, the use rights or terms of service for each Product and version published for that licensing program at the Volume Licensing Site. The Use Rights supersede the terms of any end user license agreement (on-screen or otherwise) that accompanies a Product. The Use Rights for Software are published by Microsoft in the Product Use Rights. The Use Rights for Online Services are published in the Online Services Terms.

2. Order requirements.

- a. **Minimum Order requirements.** Enrolled Affiliate's Enterprise must have a minimum of 250 Qualified Users or Qualified Devices. The initial order must include at least 250 Licenses for Enterprise Products or Enterprise Online Services.
 - (i) **Enterprise Commitment.** If ordering any Enterprise Products, Enrolled Affiliate's order must include coverage for all Qualified Users and/or all Qualified Devices in any Product pool an Enterprise Product is ordered in. Enrolled Affiliate may elect to mix Enterprise Products and the corresponding Enterprise Online Services within a Product pool as long as all devices not covered by an Enterprise Product are only used by users covered with a per user license.
 - (ii) **Enterprise Online Services.** If ordering Enterprise Online Services *only*, then Enrolled Affiliate must maintain at least 250 Subscription Licenses.
- b. **Additional Products.** Upon satisfying the minimum order requirements above, Enrolled Affiliate may order Additional Products and Services.
- c. **Use Rights for Enterprise Products.** For Enterprise Products, if a new Product version has more restrictive use rights than the version that is current at the start of the applicable initial or renewal term of the Enrollment, those more restrictive use rights will not apply to Enrolled Affiliate's use of that Product during that term.
- d. **Country of usage.** Enrolled Affiliate must specify the countries where Licenses will be used on its initial order and on any additional orders.
- e. **Adding Products.**
 - (i) **Adding new Products not previously ordered.** New Enterprise Products or Enterprise Online Services may be added at any time by contacting a Microsoft Account Manager or Reseller. New Additional Products, other than Online Services, may be used if an order is placed in the month the Product is first used. For Additional Products that are Online Services, an initial order for the Online Service is required prior to use.
 - (ii) **Adding Licenses for previously ordered Products.** Additional Licenses for previously ordered Products other than Online Services may be added at any time but must be included in the next true-up order. Additional Licenses for Online Services must be ordered prior to use, unless the Online Services are (1) identified as eligible for true-up in the Product List or (2) included as part of other Licenses.
- f. **True-up requirements.** Enrolled Affiliate must submit an annual true-up order that accounts for any changes since the initial order or last order. If there are no changes, then an update statement must be submitted instead of a true-up order.
 - (i) **Enterprise Products.** For Enterprise Products, Enrolled Affiliate must determine the number of Qualified Devices and Qualified Users (if ordering user-based Licenses) at the time the true-up order is placed and must order additional Licenses for all Qualified Devices and Qualified Users that are not already covered by existing Licenses, including any Enterprise Online Services.
 - (ii) **Additional Products.** For Additional Products that have been previously ordered under this Enrollment, Enrolled Affiliate must determine the maximum number of Additional Products used since the latter of the initial order, the last true-up order, or the prior anniversary date and submit a true-up order that accounts for any increase.
 - (iii) **Online Services.** For Online Services identified as eligible for true-up in the Product List, Enrolled Affiliate may reserve the additional Licenses prior to use. Microsoft will provide a report of Reserved Licenses in excess of existing orders to Enrolled Affiliate and its Reseller. Reserved Licenses will be invoiced retroactively to the month in which they were reserved.

(iv) Transitions. Enrolled Affiliate must report all Transitions. Transitions may result in an increase in certain Licenses to be included on the true-up order and a reduction of other Licenses for prior orders. Reductions in Licenses will be effective at end of the Transition Period. For Licenses paid up front, Microsoft will issue a credit for the remaining months of Software Assurance or Subscription Licenses that were reduced as part of the Transition.

(v) Subscription License reductions. Enrolled Affiliate may reduce the quantity of Subscription Licenses at the Enrollment anniversary date on a prospective basis if permitted in the Product List, as follows:

- a) For Subscription Licenses that are part of an Enterprise-wide purchase, Licenses may be reduced if the total quantity of Licenses and Software Assurance for an applicable group meets or exceeds the quantity of Qualified Devices and Qualified Users (if ordering user-based Licenses) identified on the Product Selection Form, and includes any additional Qualified Devices and Qualified Users added in any prior true-up orders. Step-up Licenses do not count towards this total count.
- b) For Enterprise Online Services that are not a part of an Enterprise-wide purchase, Licenses can be reduced as long as the initial order minimum requirements are maintained.
- c) For Additional Products available as Subscription Licenses, Enrolled Affiliate may reduce the Licenses. If the License count is reduced to zero, then Enrolled Affiliate's use of the applicable Subscription License will be cancelled.

Invoices will be adjusted to reflect any reductions in Subscription Licenses at the true-up order Enrollment anniversary date and effective as of such date.

(vi) Update statement. An update statement must be submitted instead of a true-up order if, as of the initial order or last true-up order, Enrolled Affiliate's Enterprise: (1) has not changed the number of Qualified Devices and Qualified Users licensed with Enterprise Products or Enterprise Online Services; and (2) has not increased its usage of Additional Products. This update statement must be signed by Enrolled Affiliate's authorized representative.

(vii) True-up order period. The true-up order or update statement must be received by Microsoft between 60 and 30 days prior to each Enrollment anniversary date. The third-year true-up order or update statement is due within 30 days prior to the Expiration Date, and any license reservations within this 30 day period will not be accepted. Enrolled Affiliate may submit true-up orders more often to account for increases in Product usage, but an annual true-up order or update statement must still be submitted during the annual order period.

(viii) Late true-up order. If the true-up order or update statement is not received when due:

- 1) Microsoft will invoice Reseller for all Reserved Licenses not previously ordered.
- 2) Transitions and Subscription License reductions cannot be reported until the following Enrollment anniversary date (or at Enrollment renewal, as applicable).

g. Step-up Licenses. For Licenses eligible for a step-up under this Enrollment, Enrolled Affiliate may step-up to a higher edition or suite as follows:

- (i) For step-up Licenses included on an initial order, Enrolled Affiliate may order according to the true-up process.
- (ii) If step-up Licenses are not included on an initial order, Enrolled Affiliate may step-up initially by following the process described in the Section titled "Adding new Products not previously ordered," then for additional step-up Licenses, by following the true-up order process.

- (iii) If Enrolled Affiliate has previously ordered an Online Service as an Additional Product and wants to step-up to an Enterprise Online Service eligible for a Transition, the step-up may be reported as a Transition.
- (iv) If Enrolled Affiliate Transitions a License, it may be able to further step-up the Transitioned License. If Enrolled Affiliate chooses to step-up and the step-up License is separately eligible to be Transitioned, such step-up Licenses may result in a License reduction at the Enrollment anniversary date following the step-up.
- h. **Clerical errors.** Microsoft may correct clerical errors in this Enrollment, and any documents submitted with or under this Enrollment, by providing notice by email and a reasonable opportunity for Enrolled Affiliate to object to the correction. Clerical errors include minor mistakes, unintentional additions and omissions. This provision does not apply to material terms, such as the identity, quantity or price of a Product ordered.
- i. **Verifying compliance.** Microsoft may, in its discretion and at its expense, verify compliance with this Enrollment as set forth in the Enterprise Agreement.

3. **Pricing.**

- a. **Price Levels.** For both the initial and any renewal term Enrolled Affiliate's Price Level for all Products ordered under this Enrollment will be Level "D" throughout the term of the Enrollment.
- b. **Setting Prices.** Enrolled Affiliate's prices for each Product or Service will be established by its Reseller. As long as Enrolled Affiliate continues to qualify for the same price level, Microsoft's prices for Resellers for each Product or Service will be fixed throughout the applicable initial or renewal Enrollment term. Price levels and Microsoft's prices for Resellers are reestablished at the beginning of the renewal term. However, if Enrolled Affiliate qualifies for a different price level during the applicable initial or renewal term, Microsoft may at its discretion establish a new price level for future new orders either upon Enrolled Affiliate's request or on its own initiative. Any changes will be based upon price level rules in the Product Selection Form.

4. **Payment terms.**

For the initial or renewal order, Enrolled Affiliate may pay upfront or elect to spread its payments over the applicable Enrollment term. If spread payments are elected, unless indicated otherwise, Microsoft will invoice Enrolled Affiliate's Reseller in three equal annual installments. The first installment will be invoiced upon Microsoft's acceptance of this Enrollment and on each Enrollment anniversary date. Subsequent orders are invoiced upon acceptance of the order and Enrolled Affiliate may elect to pay annually or upfront for Online Services and upfront for all other Licenses.

5. **Transitions.**

- a. **Transition requirements.**
 - (i) Licenses with active Software Assurance or Subscription Licenses may be Transitioned at any time if permitted in the Product List. Enrolled Affiliate may not, however, reduce the quantity of Licenses or associated Software Assurance prior to the end of the Transition Period.
 - (ii) Enrolled Affiliate must order the Licenses to which it is transitioning for the year(s) following the Transition Period.
 - (iii) If a Transition is made back to a License that had active Software Assurance as of the date of Transition, then Software Assurance must be re-ordered for all such Licenses on a prospective basis following the Transition Period. Software Assurance coverage may

not exceed the quantity of perpetual Licenses for which Software Assurance was current at the time of any prior Transition. Software Assurance may not be applied to Licenses transferred by Enrolled Affiliate.

- (iv) If a device-based License is Transitioned to a user-based License, all users of the device must be licensed as part of the Transition.
 - (v) If a user-based License is Transitioned to a device-based License, all devices accessed by the user must be licensed as part of the Transition.
- b. Effect of Transition on Licenses.**
- (i) Transition will not affect Enrolled Affiliate's rights in perpetual Licenses paid in full.
 - (ii) New version rights will be granted for perpetual Licenses covered by Software Assurance up to the end of the Transition Period.
 - (iii) For L&SA not paid in full at the end of the Transition Period, Enrolled Affiliate will have perpetual Licenses for a proportional amount equal to the amounts paid for the Transitioned Product as of the end of the Transition Period.
 - (iv) For L&SA not paid in full or granted a perpetual License in accordance with the above or Subscription Licenses, all rights to Transitioned Licenses cease at the end of the Transition Period.

6. End of Enrollment term and termination.

- a. General.** At the Expiration Date, Enrolled Affiliate must immediately order and pay for Licenses for Products it has used but has not previously submitted an order, except as otherwise provided in this Enrollment.
- b. Renewal Option.** At the Expiration Date of the initial term, Enrolled Affiliate can renew Products by renewing the Enrollment for one additional 36 full calendar month term or signing a new Enrollment. Microsoft must receive a Renewal Form, Product Selection Form, and renewal order prior to or at the Expiration Date. The renewal term will start on the day following the Expiration Date. Microsoft will not unreasonably reject any renewal. Microsoft may make changes to this program that will make it necessary for Customer and its Enrolled Affiliates to enter into new agreements and Enrollments at renewal.
- c. If Enrolled Affiliate elects not to renew.**
 - (i) **Software Assurance.** If Enrolled Affiliate elects not to renew Software Assurance for any Product under its Enrollment, then Enrolled Affiliate will not be permitted to order Software Assurance later without first acquiring L&SA.
 - (ii) **Online Services eligible for an Extended Term.** For Online Services identified as eligible for an Extended Term in the Product List, the following options are available at the end of the Enrollment initial or renewal term.
 - 1) Extended Term.** Licenses for Online Services will automatically expire in accordance with the terms of the Enrollment. An extended term feature that allows Online Services to continue month-to-month ("Extended Term") is available. During the Extended Term, Online Services will be invoiced monthly at the then-current published price for Enrolled Affiliate's price level as of the Expiration Date plus a 3% administrative fee for up to one year. If Enrolled Affiliate does want an Extended Term, Reseller must submit a request to Microsoft. Microsoft must receive the request not less than 30 days prior to the Expiration Date.
 - 2) Cancellation during Extended Term.** If Enrolled Affiliate has opted for the Extended Term and later determines not to continue with the Extended Term, Reseller must submit a notice of cancellation for each Online Service. Cancellation will be effective at the end of the month following 30 days after Microsoft has received the notice.

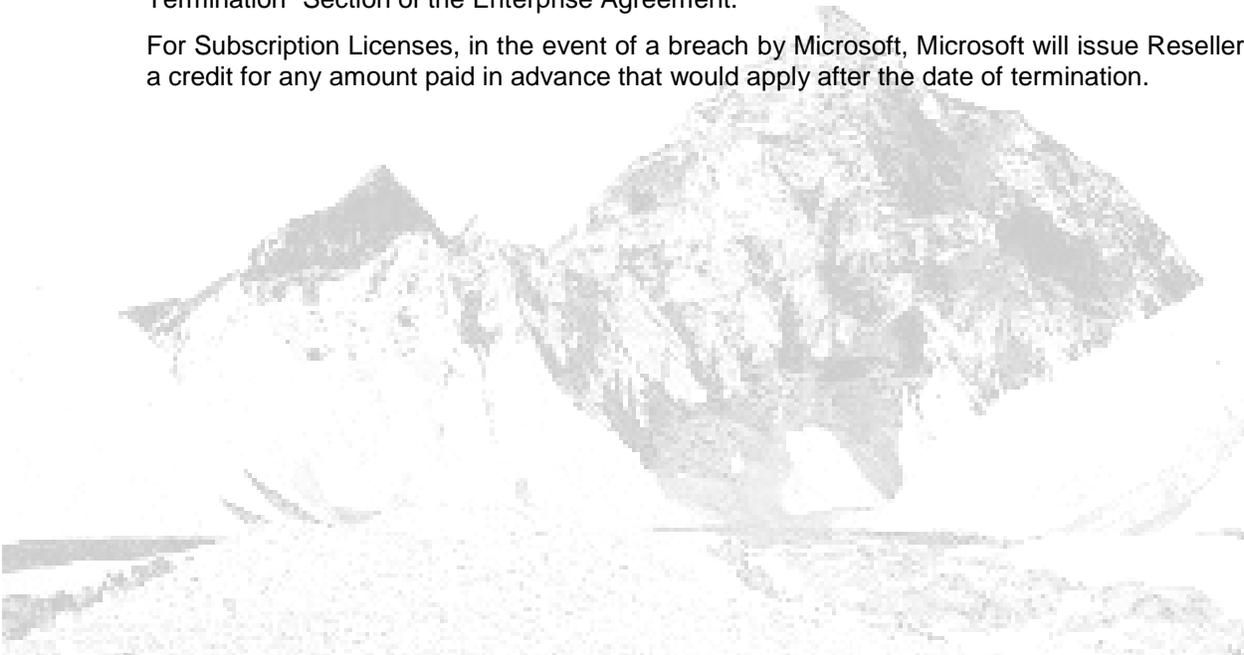
(iii) Subscription Licenses and Online Services not eligible for an Extended Term. If Enrolled Affiliate elects not to renew, the Licenses will be cancelled and will terminate as of the Expiration Date. Any associated media must be uninstalled and destroyed and Enrolled Affiliate's Enterprise must discontinue use. Microsoft may request written certification to verify compliance.

(iv) Customer Data. Upon expiration or termination of a License for Online Services, Microsoft will keep Customer's Data in a limited function account for 90 days so that Customer may extract it. Enrolled Affiliate will reimburse Microsoft if there are any associated costs. After 90 days Microsoft will disable Enrolled Affiliate's account and will delete its Customer Data. Enrolled Affiliate agrees that, other than as described above, Microsoft has no obligation to continue to hold, export or return Enrolled Affiliate's Customer Data and that Microsoft has no liability whatsoever for deletion of Enrolled Affiliate's Customer Data pursuant to these terms.

d. Termination for cause. Any termination for cause of this Enrollment will be subject to the "Termination for cause" section of the Agreement.

e. Early termination. Any Early termination of this Enrollment will be subject to the "Early Termination" Section of the Enterprise Agreement.

For Subscription Licenses, in the event of a breach by Microsoft, Microsoft will issue Reseller a credit for any amount paid in advance that would apply after the date of termination.



Enrollment Details

1. Enrolled Affiliate's Enterprise.

- a. Identify which Agency Affiliates are included in the Enterprise. (Required) Enrolled Affiliate's Enterprise must consist of entire offices, bureaus, agencies, departments or other entities of Enrolled Affiliate, not partial offices, bureaus, agencies, or departments, or other partial entities. Check only one box in this section. If no boxes are checked, Microsoft will deem the Enterprise to include the Enrolled Affiliate only. If more than one box is checked, Microsoft will deem the Enterprise to include the largest number of Affiliates:

Enrolled Affiliate only

Enrolled Affiliate and all Affiliates

Enrolled Affiliate and the following Affiliate(s) (Only identify specific affiliates to be included if fewer than all Affiliates are to be included in the Enterprise):

Enrolled Affiliate and all Affiliates, with following Affiliate(s) excluded:

Public Laboratories in City Community Centers

City owned, student used, systems located in schools

- b. Please indicate whether the Enrolled Affiliate's Enterprise will include all new Affiliates acquired after the start of this Enrollment: Exclude future Affiliates

2. Contact information.

Each party will notify the other in writing if any of the information in the following contact information page(s) changes. The asterisks (*) indicate required fields. By providing contact information, Enrolled Affiliate consents to its use for purposes of administering this Enrollment by Microsoft, its Affiliates, and other parties that help administer this Enrollment. The personal information provided in connection with this Enrollment will be used and protected in accordance with the privacy statement available at <https://www.microsoft.com/licensing/servicecenter>.

- a. **Primary contact.** This contact is the primary contact for the Enrollment from within Enrolled Affiliate's Enterprise. This contact is also an Online Administrator for the Volume Licensing Service Center and may grant online access to others. The primary contact will be the default contact for all purposes unless separate contacts are identified for specific purposes

Name of entity (must be legal entity name)* City of Sacramento

Contact name* First Ignacio **Last** Estevez

Contact email address* iestevez@cityofsacramento.org

Street address* 1000 I Street, Suite 120

City* Sacramento

State/Province* CA
Postal code* 95814-2819
(For U.S. addresses, please provide the zip + 4, e.g. xxxxx-xxxx)
Country* USA
Phone* 916-808-7349
Tax ID
** indicates required fields*

- b. Notices contact and Online Administrator.** This contact (1) receives the contractual notices, (2) is the Online Administrator for the Volume Licensing Service Center and may grant online access to others, and (3) is authorized for applicable Online Services to add or reassign Licenses, step-up, and initiate Transitions prior to a true-up order.

Same as primary contact (default if no information is provided below, even if the box is not checked).

Contact name* First Last

Contact email address*

Street address*

City*

State/Province*

Postal code* -

(For U.S. addresses, please provide the zip + 4, e.g. xxxxx-xxxx)

Country*

Phone*

Language preference. Choose the language for notices. English

This contact is a third party (not the Enrolled Affiliate). Warning: This contact receives personally identifiable information of the Customer and its Affiliates.

** indicates required fields*

- c. Online Services Manager.** This contact is authorized to manage the Online Services ordered under the Enrollment and (for applicable Online Services) to add or reassign Licenses, step-up, and initiate Transitions prior to a true-up order.

Same as notices contact and Online Administrator (default if no information is provided below, even if box is not checked)

Contact name*: First Last

Contact email address*

Phone*

This contact is from a third party organization (not the entity). Warning: This contact receives personally identifiable information of the entity.

** indicates required fields*

- d. Reseller information.** Reseller contact for this Enrollment is:

Reseller company name* CompuCom Systems, Inc.

Street address (PO boxes will not be accepted)* 7171 Forest Lane

City* Dallas

State/Province* TX

Postal code* 75230-2306

Country* USA

Contact name* Greg Landry

Phone* 972-856-3534

Contact email address* msadmin@compucom.com

** indicates required fields*

By signing below, the Reseller identified above confirms that all information provided in this Enrollment is correct.

Signature* _____ Printed name* Greg Landry Printed title* Manager-Microsoft Ops Date*
--

** indicates required fields*

Changing a Reseller. If Microsoft or the Reseller chooses to discontinue doing business with each other, Enrolled Affiliate must choose a replacement Reseller. If Enrolled Affiliate or the Reseller intends to terminate their relationship, the initiating party must notify Microsoft and the other party using a form provided by Microsoft at least 90 days prior to the date on which the change is to take effect.

- e. If Enrolled Affiliate requires a separate contact for any of the following, attach the Supplemental Contact Information form. *Otherwise, the notices contact and Online Administrator remains the default.*
 - (i) Additional notices contact
 - (ii) Software Assurance manager
 - (iii) Subscriptions manager
 - (iv) Customer Support Manager (CSM) contact

3. Financing elections.

Is a purchase under this Enrollment being financed through MS Financing? Yes, No.

If a purchase under this Enrollment is financed through MS Financing, and Enrolled Affiliate chooses not to finance any associated taxes, it must pay these taxes directly to Microsoft.

Program Signature Form

MBA/MBSA number		000-jorob-s-799
Agreement number	01E73134	

Note: Enter the applicable active numbers associated with the documents below. Microsoft requires the associated active number be indicated here, or listed below as new.

For the purposes of this form, "Customer" can mean the signing entity, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement.

This signature form and all contract documents identified in the table below are entered into between the Customer and the Microsoft Affiliate signing, as of the effective date identified below.

Contract Document	Number or Code
<Choose Agreement>	
Enterprise Enrollment	X20-10632
<Choose Enrollment/Registration>	
EA Enrollment Amendment	M97 (New)
EA Enrollment Amendment	M254 (New)
EA Enrollment Amendment	CTM (New)
EA Product Selection Form	0277291.006_PSF

By signing below, Customer and the Microsoft Affiliate agree that both parties (1) have received, read and understand the above contract documents, including any websites or documents incorporated by reference and any amendments and (2) agree to be bound by the terms of all such documents.

Customer
Name of Entity (must be legal entity name)* City of Sacramento
Signature* _____
Printed First and Last Name*
Printed Title
Signature Date*
Tax ID

* indicates required field

Microsoft Affiliate
Microsoft Corporation
Signature _____ Printed First and Last Name _____ Printed Title _____ Signature Date (date Microsoft Affiliate countersigns)
Agreement Effective Date (may be different than Microsoft's signature date)

Optional 2nd Customer signature or Outsourcer signature (if applicable)

Customer
Name of Entity (must be legal entity name)* Signature* _____ Printed First and Last Name* _____ Printed Title _____ Signature Date* _____

** indicates required field*

Outsourcer
Name of Entity (must be legal entity name)* Signature* _____ Printed First and Last Name* _____ Printed Title _____ Signature Date* _____

** indicates required field*

If Customer requires physical media, additional contacts, or is reporting multiple previous Enrollments, include the appropriate form(s) with this signature form.

After this signature form is signed by the Customer, send it and the Contract Documents to Customer's channel partner or Microsoft account manager, who must submit them to the following address. When the signature form is fully executed by Microsoft, Customer will receive a confirmation copy.

Microsoft Corporation
 Dept. 551, Volume Licensing
 6100 Neil Road, Suite 210
 Reno, Nevada 89511-1137
 USA

CompuCom - software quote

Quoted by Miles Allarea, CompuCom 7171 Forest Lane, Dallas TX 75230

Phone 916-934-6023 miles.allarea@compucom.com

Please fax your POs to Client Assistance Center at 800-366-9994. You may call 800-400-9852, option 2, to check status on orders.

Quoted to:

City of Sacramento

Office 365 5 Year EA Renewal

Date

4/3/2015

Important: Please provide the email address of the recipient designated to receive a CompuCom "order confirmation"

Quantity	Part #	Description	Unit Price	Ext. Price
4,125	CW2-00307	WinEntforSA ALNG SA MVL Pltfrm	\$28.75	\$ 118,593.75
4,429	U3J-00002	CoreCALBridgeOff365 ALNG LicSAPk MVL Pltfrm UsrCAL	\$16.49	\$ 73,034.21
2,444	7R2-00001	O365GovE3fromSA ShrdSvr ALNG SubsVL MVL PerUsr	\$140.66	\$ 343,773.04
1,985	U4S-00002	O365GovE1 ShrdSvr ALNG SubsVL MVL PerUsr	\$63.71	\$ 126,464.35
1,985	4ES-00001	ExchgOnlnArchGov ShrdSvr ALNG SubsVL MVL PerUsr	\$21.16	\$ 42,002.60
	Product-total			\$ 703,867.95
	Sub-Total			\$ 703,867.95
	Tax	Please write "Electronic Delivery Only" on your order.		\$ -
	Shipping			No Charge
	Total	Annual Payment		\$ 703,867.95

Prices good for 30 days

Pass-Through Warranty and Other Rights. As a reseller, end-user warranties and liabilities (with respect to any third party hardware and software products provided by CompuCom) shall be provided as a pass-through from the manufacturer of such products. All software products are subject to the license agreement of the applicable software supplier, as provided with the software packaging or in the software at time of shipment.

Enterprise Enrollment (Indirect) Invoice for Quoted Price Amendment ID M97

000-jorob-s-799

This amendment (“Amendment”) is entered into between the parties identified on the attached program signature form. It amends the Enrollment or Agreement identified above. All terms used but not defined in this Amendment will have the same meanings provided in that Enrollment or Agreement.

Notwithstanding anything to the contrary or in addition to any terms in the Enrollment, the Enrollment New is hereby amended to add the following paragraph:

The price quoted to Enrolled Affiliate’s Reseller is a fixed price based on an estimated order submission date. Microsoft will invoice Enrolled Affiliate’s Reseller based on this fixed price quote. If this order is submitted later than the estimated order submission date, Enrolled Affiliate’s Reseller will be charged for net new Online Services subscriptions for the period during which these services were not provided. Pricing to Enrolled Affiliate is agreed between Enrolled Affiliate and Enrolled Affiliate’s Reseller.

Except for changes made by this Amendment, the Enrollment or Agreement identified above remains unchanged and in full force and effect. If there is any conflict between any provision in this Amendment and any provision in the Enrollment or Agreement identified above, this Amendment shall control.

This Amendment must be attached to a signature form to be valid.

Enterprise Enrollment (Indirect) Amendment ID M254

000-jorob-s-799

This amendment (“Amendment”) is entered into between the parties identified on the attached program signature form. It amends the Enrollment or Agreement identified above. All terms used but not defined in this Amendment will have the same meanings provided in that Enrollment or Agreement.

For the purposes of this Amendment, “Entity” can mean the signing entity, Customer, Enrolled Affiliate, Government Partner, Institution, or other party entering into a volume licensing program agreement. Notwithstanding anything to the contrary or in addition to any terms in the Enrollment, the Enrollment is amended as follows:

Office 365 for Government

The following set of Terms applies to Entity when ordering Office 365 for Government Online Services. The parties agree to amend the Enrollment as follows:

1. The following definition is added to the Enrollment:

“Office 365 for Government” means Microsoft’s family of Office 365 Services that are offered as part of Office 365 Government Plans as described in this Amendment.

When provisioned and delivered as part of Office 365 for Government, Exchange Online, Lync Online, SharePoint Online, and Exchange Online Archiving are provisioned in Microsoft’s multi-tenant data centers for exclusive use by eligible US Federal, State, Local, and Tribal Government Customers only and offered in accordance with the National Institute of Standards and Technology (NIST) Special Publication 800-145. Microsoft refers to this offering as its Office 365 “Government Community Cloud.”

Other Online Services may be added to the Government Community Cloud as communicated by Microsoft. Other Office 365-branded or separately branded Online Services that may be made available as part of or in addition to Office 365 for Government are not included in the Government Community Cloud. Additional services configuration information is available upon request.

2. Office 365 for Governments Terms

Tables A and B, below, contain mappings for Office 365 for Government Online Services and their corresponding Office 365 for Enterprise Online Services (“Corresponding Online Services.” Each Office 365 for Government Online Service shown below is subject to the same terms and conditions as its Corresponding Online Service, except as otherwise provided in the applicable Product List and this Amendment. Notwithstanding contrary language in the Enrollment, Reserved Licenses are not available for Office 365 for Government through the Volume Licensing Service Center but may be available through a manual request process using a License Reservation Form available from Microsoft upon request.

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TABLE A: Office 365 for Government component Online Services– Corresponding Online Services Mapping

Office 365 for Government Online Services	Office 365 Equivalent Online Services
Exchange Online Plan 1 forGov	Exchange Online Plan 1
Exchange Online Plan 2 forGov	Exchange Online Plan 2
Exchange Online Kiosk forGov	Exchange Online Kiosk
Exchange Online Archiving for Exchange Server forGov	Exchange Online Archiving for Exchange Server
Lync Online Plan 1 forGov	Lync Online Plan 1
Lync Online Plan 2 forGov	Lync Online Plan 2
Lync Online Plan 3 forGov	Lync Online Plan 3
SharePoint Online Plan 1 forGov	SharePoint Online Plan 1
SharePoint Online Plan 2 forGov	SharePoint Online Plan 2
Office 365 ProPlus forGov	Office 365 ProPlus

TABLE B: Office 365 for Government Suites – Corresponding Enterprise Online Services Mapping

Office 365 for Government - Equivalent “Enterprise Online Services” Suites	Office 365 Enterprise Online Services
Office 365 Government E1 (<i>formerly G1</i>)	Office 365 Enterprise E1
Office 365 Government E3 (<i>formerly G3</i>)	Office 365 Enterprise E3
Office 365 Government E4 (<i>formerly G4</i>)	Office 365 Enterprise E4
Office 365 Government K1 ²	Office 365 Enterprise K1 ²

¹ Office 365 for Government “Corresponding Online Services” Suite Orders (E1-E4) will be captured on a separate Product Selection Form.

² Office 365 K1 is a suite but is not an Enterprise Online Service.

3. Office 365 for Government Customer Requirements.

Entity both (1) acknowledges that Office 365 for Government may only be used by United States Federal, State, Local or Tribal government entities, and (2) certifies that it qualifies as such and will use the Services accordingly. In the event that Entity is found not to qualify as a United States Federal, State, Local or Tribal government entity, Microsoft may terminate Entity’s Office 365 for Government service.

Except for changes made by this Amendment, the Enrollment or Agreement identified above remains unchanged and in full force and effect. If there is any conflict between any provision in this Amendment and any provision in the Enrollment or Agreement identified above, this Amendment shall control.

This Amendment must be attached to a signature form to be valid.

Enterprise Enrollment Amendment ID CTM

000-jorob-s-799

This amendment (“Amendment”) is entered into between the parties identified on the signature form for the Enrollment identified above (“Enrollment”). All terms used but not defined in this Amendment will have the same meanings provided in the Enrollment. Except for changes made by this Amendment, the Enrollment remains unchanged and in full force and effect.

1. The parties agree to delete the section titled “Term” on the Enrollment and replace it with the following:

Enrollment Term. This Enrollment will expire on the last day of the month, **60 full calendar months** from the Enrollment Effective Date. Any reference in this Enrollment to "day" will be a calendar day. Customer may terminate this Enrollment for its convenience without penalty on the third anniversary of this Enrollment (or at any other time as permitted by state law) subject to proportional licensing as set forth in the Section titled “Early Termination” of the Agreement. *All references to a Three-year Licensed Period in the Enrollment are deemed to be a five-year Licensed Period.*

This Amendment must be attached to a signature form to be valid.

Proposal ID

0277291.006

Enrollment Number

Language: English (United States)

Enrolled Affiliate's Enterprise Products and Enterprise Online Services summary for the initial order:

Profile	Qualified Devices	Qualified Users	Device / User Ratio	Enterprise Product Platform	CAL Licensing Model
Enterprise	4,125	4,429	0.9	Yes	User Licenses

Products	Enterprise Quantity
Office 365 Plans	
Office 365 (Plan E3)	2,444
Client Access License (CAL)	
Core CAL, including Bridge CAL's (if applicable)	
Core CAL Bridge for Office 365	4,429
Windows Desktop	
Windows Enterprise OS Upgrade	4,125
Office 365 GOV E1	1,985

Enrolled Affiliate's Product Quantities:

Price Group	1	2	3	4
Enterprise Products	Office Professional Plus + Office Professional Plus for Office 365 + Office Standard + Office 365 (Plans E3 or E4) + Enterprise Cloud Suite USL	Client Access License + Office 365 (Plans E1, E3, E4) + Enterprise Cloud Suite USL	Client Access License + Windows Intune + EMS USL + Enterprise Cloud Suite USL	Win Desktop Upgrade + Win VDA + Win SA Per User USL + Win VDA Per User USL + Enterprise Cloud USL
Quantity	2444	4429	0	4125

Enrolled Affiliate's Price Level:

Product Offering / Pool	Price Level
Enterprise Products and Enterprise Online Services USLs: Unless otherwise indicated in associated contract documents, Price level set using the highest quantity from Groups 1 through 4.	D
Additional Product Application Pool: Unless otherwise indicated in associated contract documents, Price level set using quantity from Group 1.	D
Additional Product Server Pool: Unless otherwise indicated in associated contract documents, Price level set using the highest quantity from Group 2 or 3.	D
Additional Product Systems Pool: Unless otherwise indicated in associated contract documents, Price level set using quantity from Group 4.	D

NOTES	
<p>Unless otherwise indicated in the associated contract documents, the price level for each Product offering / pool is set as described above, based upon the quantity to price level mapping below:</p>	
Quantity of Licenses and Software Assurance	Price Level
2,399 and below	A
2,400 to 5,999	B
6,000 to 14,999	C
15,000 and above	D
<p>Note 1: Enterprise Online Services may not be available in all locations. Please see the Product List for a list of locations where these may be purchased.</p>	
<p>Note 2: Enrolled Affiliate acknowledges that in order to use a third party to reimage the Windows Operating System Upgrade, Enrolled Affiliate must certify that it has acquired qualifying operating system licenses. The requirement applies to Windows Enterprise OS Upgrade. See the Product List for details.</p>	
<p>Note 3: Enrolled Affiliate acknowledges that in order to use a third party to reimage the Windows Operating System Upgrade, Enrolled Affiliate must certify that it has acquired qualifying operating system licenses. See the Product List for details.</p>	
<p>Note 4: If Enrolled Affiliate does not order an Enterprise Product or Enterprise Online Service associated with an applicable Product pool, the price level for Additional Products in the same pool will be price level "A" throughout the term of the Enrollment. Refer to the Qualifying Government Entity Addendum pricing provision for more details on price leveling.</p>	
<p>Note 5: Bridge CAL, Office 365 Plan E3 Add Ons, EMS Add Ons, Windows Ent SA Per User Add Ons, and Enterprise Cloud Suite Add On quantities are not included for Price Leveling, as License quantities are determined by the corresponding Enterprise Online Service(s).</p>	