



NEWPORT BEACH

City Council Staff Report

April 28, 2026
Agenda Item No. 11

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Tara Finnigan, Assistant City Manager - 949-644-3001,
tfinnigan@newportbeachca.gov

PREPARED BY: Michael Wojciechowski, IT Operations Supervisor - 949-644-3088,
mwoj@newportbeachca.gov
Avery Maglinti, IT Manager - 949-644-3091,
amaglinti@newportbeachca.gov

TITLE: Three-Year Software License Agreement for Microsoft

ABSTRACT:

Key components of the City of Newport Beach's (City) technology infrastructure, including enterprise systems, workstation security, collaboration tools, and office productivity applications, are provided through Microsoft's suite of products and services. These include Microsoft 365, Windows Server, Exchange Server, SQL Server and other enterprise applications that support daily operations across all departments. Approval of this agreement allows the City to continue participating in a Microsoft Enterprise Agreement (EA), providing cost savings through volume licensing, predictable annual costs and continued access to secure, up-to-date software and cloud-based services essential to City operations.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Authorize the Mayor and City Clerk to execute a renewal Software License Agreement with Dell Marketing L.P. for a three-year period for all Microsoft products in the amount of \$250,982 per year.

DISCUSSION:

The City uses an EA to license its Microsoft software, including Windows operating systems, Windows Server, Exchange Server (email), SQL Server, Visual Studio and other enterprise applications such as Microsoft Project, Power BI and Visio. These systems support daily operations across all departments and are used on nearly all City workstations and servers that support the delivery of City services.

The EA is the most efficient and cost-effective method for the City to manage its Microsoft software. It consolidates licensing under a single agreement, reduces overall costs through volume pricing, and simplifies license management for the City's workforce.

Microsoft 365 Product Suite

Microsoft 365 supports the City's needs for communication, collaboration and security. Since its implementation, the platform has become an essential tool for City operations. Key benefits include:

- **Access:** Staff can access Microsoft applications from virtually any location using web-based and mobile platforms.
- **Collaboration:** Microsoft Teams provides a centralized workspace for chat, video conferencing, file sharing and collaboration across departments.
- **Automatic updates:** Software and security updates are applied regularly, ensuring systems remain current and protected from emerging threats.
- **Security and compliance:** Microsoft 365 meets the security and compliance requirements for government agencies and supports the City's data protection efforts.

As part of the current agreement, the City has also implemented Microsoft Intune to support device management and security. Intune is used to streamline PC deployment, manage mobile devices, and enhance data protection through centralized policies.

The City participates in a cooperative purchasing agreement through the County of Riverside for its Microsoft EA. This agreement is competitively procured and available to public agencies throughout California. Microsoft distributes enterprise software through authorized value added resellers rather than directly to agencies. Under this program, the County of Riverside established a Licensing Solution Provider Agreement with Dell Marketing L.P. for Microsoft enterprise licensing. By participating in this agreement, the City receives discounted pricing and favorable terms, ensuring the best overall value for its Microsoft software licensing needs.

The proposed Microsoft EA renewal is a three-year licensing agreement with a total cost of \$752,947, structured as annual payments of \$250,982. The agreement establishes a fixed, predictable cost structure for the City's Microsoft software licensing, eliminating the need to purchase and renew individual licenses on an ongoing basis. By consolidating licensing under the EA, the City reduces administrative overhead, avoids cost increases associated with separate licensing renewals, and ensures continued access to critical software and cloud-based services across all departments.

FISCAL IMPACT:

The adopted budget includes sufficient funding for the annual cost of this agreement. The total three-year cost of \$752,947 will be expensed to the IT Software License Renewal account in the City Manager's Office Department, 76420203-871017.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Agreement

Attachment B – Riverside County Microsoft Contract Link

Attachment C – Three-Year Dell Marketing L.P. Quote