



STAFF REPORT

AGENDA NO: 11a

MEETING DATE: March 2, 2026

To: Honorable Mayor and City Council

Date: March 2, 2026

From: Helen Yu-Scott, Finance Director – (650) 558-7222
Matthew Boudreaux, IT Manager – (650) 558-7277

Subject: Adoption of a Resolution Authorizing the City Manager to Enter into a Three-Year Agreement with Crayon Software Experts LLC (Crayon) for the Renewal of the City's Microsoft Enterprise Level Agreement (ELA) in an Amount Not to Exceed \$393,139

RECOMMENDATION

Staff recommends that the City Council adopt a resolution that authorizes the City Manager to execute an agreement with Crayon Software Experts LLC (Crayon) for the renewal of the City's Microsoft Enterprise Level Agreement (ELA) in an amount not to exceed \$393,139.

BACKGROUND

The City of Burlingame has standardized Microsoft products as its primary productivity and collaboration platform for many years. Microsoft products are used Citywide for email communications, document creation, file storage, calendaring, and internal coordination across all departments.

In November 2022, the City Council adopted Resolution 136-2022, authorizing the City Manager to enter into a four-year Microsoft ELA with the California Department of Technology (CDT) and Crayon. As the current licensing term expires on March 31, 2026, the City must complete the renewal prior to that date to remain in compliance and avoid additional fees.

DISCUSSION

Microsoft ELA provides licensing for core City functions and cloud services, including Microsoft 365 (Outlook, Word, Excel, Teams, and OneDrive). Windows 11 Enterprise, Planner, and Project tracking. The agreement supports the continued expansion of Microsoft Teams and SharePoint utilization across the workforce to enhance collaboration, document management, and internal communications. The Microsoft 365 Government Community Cloud subscription model also includes disaster recovery, with built-in redundancies to support the high availability of City data. The agreement will continue to provide the required Microsoft CALs (Client Access Licenses) for staff computers and devices, along with ongoing software updates, technical support, and training resources, ensuring the City remains current, secure, and compliant with modern technology and cybersecurity standards.

Software Assurance licenses have been included to enhance system security and reliability while providing access to future upgrades, vendor support, and tools that help reduce operational risk and unplanned costs. The agreement further supports security and management capabilities, as well as cloud-based detection and response, strengthening the City's overall cybersecurity posture.

Additionally, the City has reached full utilization of its current license allocation. During the term of the agreement, a true-up is conducted annually to adjust the number of licenses as needed, typically driven by departmental operational requirements. The ability to add licenses during the renewal term will provide a necessary buffer to maintain uninterrupted access to Microsoft 365 services. A contingency is included in the total budget to accommodate potential license adjustments.

For this renewal, the City will partner with Crayon and participate under the existing County of Riverside cooperative purchasing program, ITARC-00930. The County of Riverside conducted a competitive procurement process via a Request for Offer (RFO) for Microsoft 365 products and services, and authorized multiple vendors to manage purchases under the ITARC contract. Crayon will facilitate the City's enrollment for the M365 licensing and online services.

FISCAL IMPACT

Funding for the remainder of the first year of the three-year agreement has been budgeted in the FY2025-26 operating budget. Amounts for years two and three will be included in subsequent budgets. A contingency has been incorporated into the total cost to account for additional licenses during the term of the agreement. The total cost of the three-year agreement with Crayon will not exceed \$393,139.

Costs:

Year 1	Year 2	Year 3
\$119,133	\$119,133	\$119,133
Three-Year Agreement		\$357,399
Contingency (10%)		\$35,740
Total Cost		\$393,139

Exhibits:

- Resolution
- Crayon Quote