

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 1/14/2026

Staff Report No. 26-073

TO: AC Transit Board of Directors
FROM: Salvador Llamas, General Manager/Chief Executive Officer
SUBJECT: Microsoft Enterprise Agreement

ACTION ITEM

AGENDA PLANNING REQUEST: ☐

RECOMMENDED ACTION(S):

Consider authorizing the General Manager to enter into a three-year contract for an Enterprise Agreement (EA) for Microsoft products and services.

Staff Contact:
Ahsan Baig, Chief Information Officer

STRATEGIC IMPORTANCE:

Goal - High-Performing Workforce
Initiative - Service Quality

Licensing Microsoft software allows the District to continue to use the best desktop, server, office, collaboration, email, and development software and infrastructure to maintain a high performing workforce and provide quality service to customers.

BUDGETARY/FISCAL IMPACT:

The annual expense for Microsoft products and services is estimated not to exceed \$997,133. This price includes the fixed costs for user licenses, subscriptions, and Software Assurance, as well as variable costs for Azure cloud hosting and Microsoft Premium Support. Funding for the Microsoft Enterprise Agreement is provided through the Innovation and Technology operating budget. Staff intends to purchase the software products and services from the Riverside Master Agreement (Contract No. 8084445), which is the Master Agreement used by many public sector, state and local government agencies when purchasing similar Microsoft software products and services, including the State of California.

CONTRACT AWARD SUMMARY:

Vendor Outreach Summary:	
No. DBE/SBEs:	0

No. Registered Vendors:	0
Contract Summary:	
# Proposals/Bids Received:	5
Award Type:	Low Apparent Bid
Independent Cost Estimate Range:	NTE \$997,132.62
Recommended for Award:	SHI International Corporation
Small Business Type:	Not Applicable*
DBE/SBE Utilization %:**	N/A

* Neither SBE, nor DBE

** The District sets Small Business Enterprise (SBE) goals on contracting opportunities. The Federal Transit Administration (FTA) may authorize a Disadvantaged Business Enterprise (DBE) goal; however, SBE goals may result in DBE awards and utilization.

Levine Act Disclosure

California Government Code § 84308, commonly referred to as the "Levine Act," precludes an Officer of a local government agency from participating in the award of a contract if he or she receives any political contributions totaling more than \$500.00 in the twelve (12) months preceding the pendency of the contract award, and for three months following the final decision, from the person or company awarded the contract. This prohibition applies to contributions to the Officer or, received by the Officer on behalf of any other Officer, or on behalf of any candidate for office or on behalf of any committee. The Levine Act also requires disclosure of such contributions by a party to be awarded a specified contract. Disclosure is not required for contracts that are competitively bid, contracts under \$50,000.00; contracts between two (2) or more government agencies; contracts where no party receives financial compensation; and periodic review or renewal of development agreements or competitively bid contracts with non-material modifications.

BACKGROUND/RATIONALE:

The District is required to maintain an active Microsoft license agreement for all Microsoft software products in use. The current license agreement expires at the end of February 2026. Failure to renew the agreement would place the District at risk of operating unlicensed and unsupported Microsoft software. The Enterprise Agreement also includes managing fulfillment of Microsoft Support credits and monthly Azure cloud hosting costs. The Enterprise Agreement provides the required licenses for all District Microsoft products, including:

- Desktop operating systems
- Desktop Office and related software
- Office 365 cloud applications, including SharePoint, Exchange e-mail, Teams, and CoPilot
- Server operating systems
- SQL Server database management systems
- Terminal server
- System Center Management Server
- Network operating systems
- Software development tools
- Azure cloud hosting services
- Power BI Licenses for advanced data analytics

ADVANTAGES/DISADVANTAGES:

If AC Transit were to procure these licenses on its own, the District would be unable to achieve the level of discounts available through this cooperative agreement.

ALTERNATIVES ANALYSIS:

The District relies on Microsoft software for all its production systems including enterprise applications and Microsoft Azure hosting. Changing from Microsoft software to an alternate operating system, back-office software platform, and software development environment would be cost prohibitive. This report recommends maintaining the current licenses and suggests entering into a three-year Enterprise Agreement through the County of Riverside cooperative agreement.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report No. 22-482, Renew Enterprise License Agreement with Microsoft

ATTACHMENTS:

None

Prepared by:

Lyell Amora, Interim IT Manager, IT Infrastructure

In Collaboration with:

Jim Willows, IT Supervisor, Network Engineering

Fred Walls, Director of Procurement and Materials

Ahsan Baig, Chief Information Officer

Chris Andrichak, Chief Financial Officer

Approved/Reviewed by:

Phillip Halley, Interim Director of Civil Rights & Compliance

Fred Walls, Director of Procurement & Materials Management

Aimee L. Steele, General Counsel/Chief Legal Officer

Chris Andrichak, Chief Financial Officer