



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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Legislative File No: 2021-0315

TO: Mayor and City Council Members

FROM: Rochelle Lyon, Deputy Director Management Information Systems

DATE: August 16, 2021

SUBJECT: Renewal of Google Workspace Hosted Email Services

REQUEST:

City Council is requested to authorize a blanket purchase order for a three-year renewal of hosted Google Workspace email services and BetterCloud management application to Onix Networking Corporation, Lakewood, OH in the amount not-to-exceed \$200,000 through August 30, 2024.

REASON FOR PURCHASE:

This past year there has been some changes to the licensing structure for Google Workspace, as part of this change in structure, Google now requires a three-year term to their agreements versus the one-year renewals we have been doing. The City will enter into a three (3) year agreement with fees being paid on a yearly basis. Based on our relationship with Google and partner Onix Networking, the City will be receiving a 43% discount per user/per year on the list price for the license related to email workspace use.

The City is unable to obtain better pricing than what Onix Networking Corporation is currently offering the City. Purchasing confirmed this through Google and by calling various Google Workspace Partners. Google indicated that based on our SIMBA approval on our account that no other vendor is able to provide us lower pricing than what we currently receive through Onix. SIMBA is a discount that is provided by Google and is only valid if the City's current partner uses it. The City recommends staying with our current partner as we have utilized them for several years, they are very familiar with our setup and have provided exceptional services during our time with them.

Based on the City's needs to continue with this service and renew the licenses it is recommended that award be made to Onix Networking Corporation. The Purchasing Division will continue to monitor this service and their partner arrangements to ensure compliance and that we continue to follow best practices and receive the best value/price for this service, however it is unlikely that Google will make any changes to this practice in the near future as this is a common method that many of the larger technology firms utilize in their reseller market and pricing strategy. HP and Dell have a setup that is very similar to this as well.

PROCESS:

Vendor Name and Address:

Onix Networking Corporation
18519 Detroit Avenue
Lakewood, OH 44107

Reason for Selection:

Best Value

Method of Purchase:
Blanket Purchase Order

BUDGET:

Funding is included in the FY 2021 Adopted, and FY 2022-23 Projected Budget.

Fund Name	Department Account No	Account No. Description	3-Year Budget Amount	3-Year Cost	3-Year Remaining Budget
MIS Fund	636.807000	Contractual Services	\$210,000	\$200,000	\$10,000

RECOMMENDATION:

It is recommended that City Council authorize a blanket purchase order for a three-year renewal of hosted Google Workspace email services and BetterCloud management application to Onix Networking Corporation, Lakewood, OH in the amount not-to-exceed \$200,000 through August 30, 2024.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Chief Financial Officer		
Purchasing Process: Supervisor of Procurement		
Mayor		
Deputy Clerk		

Contract Reviewed by City Attorney Yes N/A