

City of Hesperia STAFF REPORT



DATE: May 19, 2026
TO: Mayor and Council Members
FROM: Rachel Molina, City Manager
BY: Casey Brooksher, Assistant City Manager
Rita Perez, Deputy Human Resources/ Information Technology Director
SUBJECT: Three-Year Enterprise Agreement with Crayon Inc.

RECOMMENDED ACTION

It is recommended that the City Council authorize the City Manager to approve a new three-year Enterprise Agreement with Crayon Inc., in a total not-to-exceed amount of \$294,932, for Microsoft software products licensing. A 5% contingency has been included to accommodate increased licensing needs arising from additional staffing or projects requiring additional licenses.

BACKGROUND

The City relies heavily on Microsoft products for basic office productivity software and foundational information technology functions, including email, application hosting, user identity management, file sharing and distribution, and critical networking components. Licensing for these products is secured through an Enterprise Agreement (EA) with a third-party reseller, and Crayon Inc will serve in that role for the City. Crayon Inc. was acquired in July 2025 by SoftwareOne, which has acted as the City's third-party reseller since 2015. The City entered into an Enterprise Agreement to centralize Microsoft licensing purchases and obtain reduced pricing rather than allowing individual purchases. The City Council subsequently authorized a three-year SoftwareOne Microsoft licensing agreement in 2020 for \$210,000 and another three-year agreement in 2023 for \$339,113.

ISSUES/ANALYSIS

Due to the City's current EA expiring at the end of the 2025-26 fiscal year, continuing the EA is required to maintain continuity and compliance for all City PCs, laptops, servers, and office products, including email.

Since there are no competitors to Microsoft products available, alternative solutions cannot be evaluated. The City is currently under a licensing agreement with SoftwareOne Inc, which will continue to operate with Crayon Inc. as a subsidiary under SoftwareOne Inc. and follow the same EA that the City has had since 2015, which provides the best pricing available from Microsoft. The proposed new agreement will allow the City to continue to access Microsoft licensing and products, along with the related support necessary for day-to-day operations, for the next three years.

CITY GOAL SUPPORTED BY THIS ITEM

Organizational Health - Foster a high performing organization that provides opportunities for professional growth.

FISCAL IMPACT

Funding for the first year will be included in the annual FY 2025-26 General Fund budget. Funding for each subsequent year of the agreement will be included in the annual operating budget.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

None