

BOARD MEETING DATE: September 5, 2025

AGENDA NO. 10

PROPOSAL: Authorize Purchase of Microsoft Cloud Services

SYNOPSIS South Coast AQMD utilizes Microsoft Cloud Services, particularly Microsoft Azure, to support operational infrastructure and program delivery across multiple divisions. This action is to authorize the purchase of Microsoft Azure Services for a three-year period at an estimated cost of \$950,000 depending on usage. Sufficient funding for the first year of \$200,000 is included in Information Management's FY 2025-26 Budget and funding for the remaining two years will be included in the subsequent fiscal year budget requests. Also, \$350,000 for FYs 2025-26 and 2026-27 is available for appropriation in Monitoring and Analysis as approved by the Board in June 2025.

COMMITTEE: Administrative, August 8, 2025; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to execute a contract for Microsoft Cloud Services with a vendor for a period of three years at an estimated cost of \$950,000 depending on usage.

Wayne Nastri
Executive Officer

RMM:HL:jg

Background

Since August 2017, South Coast AQMD has utilized Microsoft Azure cloud services to support critical IT infrastructure and evolving programmatic needs. These services were initially procured on a monthly basis to ensure operational flexibility and have since been integrated into key agency operations.

The high availability, security, and scalability features of Azure makes it ideal for supporting South Coast AQMD's mission critical applications. It serves as a critical platform for the collection, processing, and storing of air quality data collected from a

variety of sources. It is also used as the hosting environment for the databases supporting Rule 1180 and AB 617, and for the upcoming release of the new Air Quality Dashboards.

The Azure cloud infrastructure also plays a critical role in hosting enterprise applications that provide essential services to the public as well as facilitate integration with other government agencies and regulated entities. The infrastructure for filing and managing air quality complaints for South Coast AQMD's award winning Mobile App is hosted on Azure. Similarly, Azure is used to host the integration portal with California Air Resources Board's Access Clean California program. The same infrastructure is also used for refineries to interface with South Coast AQMD's systems to report emissions data in accordance with Rule 1109.1.

In addition, Azure is used by Information Management to provide offsite backup storage, add infrastructure capacity for the agency's data center, and act as a resource for the agency's disaster recovery preparedness.

Over the course of 18 months from January 2024 to June 2025, Microsoft Cloud Services had a cost of \$438,974.

Proposal

In accordance with South Coast AQMD's Administrative Policies and Procedures No. 35, bids were solicited from firms on the List of Prequalified Vendors to Provide Computer, Network, Printer Hardware and Software, and Desktop Computer Hardware Upgrades, and through vendor master agreements, cooperative agreements, and other interagency agreements with governmental entities in order to achieve the best available price. The prequalified vendor list was approved by the Board on February 2, 2024, and is in effect for a period ending February 2, 2026.

This action is to authorize the Executive Officer to execute a contract for Microsoft Cloud Services with the vendor providing the lowest cost bid from a prequalified vendor for a three-year contract. Microsoft Cloud Services will be configured to obtain the highest functional performance for South Coast AQMD staff within budgetary constraints at the time of purchase.

Resource Impacts

Sufficient funding for the first year of \$200,000 is included in Information Management's FY 2025-26 Budget and funding for the remaining two years will be included in the subsequent fiscal year budget requests. Also, \$350,000 for FYs 2025-26 and 2026-27 is available for appropriation in Monitoring and Analysis as approved by the Board in June 2025.