



AGENDA MEMORANDUM

Action Item for the City Council Meeting June 13, 2023

DATE: June 13, 2023

TO: Peter Zaroni, City Manager

FROM: Peter Collins, Chief Information Officer of Information Technology
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Microsoft Enterprise License Agreement Renewal

CAPTION:

Motion authorizing execution of a three-year agreement with SoftwareONE, Inc., of Milwaukee, WI, through Texas DIR, for \$4,353,352.77 for renewal of the Microsoft Enterprise software license, with FY 2023 funding of \$1,451,117.59 from the Information Technology Fund.

SUMMARY:

This renewal of the Microsoft Enterprise licensing agreement is for three years in an amount not to exceed \$4,353,352.77, which is an increase of approximately \$500,000 annually. The increase to this agreement is driven by an increase in total users, license cost, premier support, demand for security, disaster recovery, business continuity, and virtualization of systems and applications.

BACKGROUND AND FINDINGS:

The Microsoft Enterprise license agreement is part of the Information Technology (IT) ongoing goal of providing City staff with essential tools needed for efficient and effective productivity. Microsoft Enterprise License Agreement will position the City to utilize the most current and latest technology.

Approval of this new three-year contract provides essential Microsoft Office 365 Suite of applications which includes hosted e-mail and hosted integrated software applications such as Microsoft Outlook, Microsoft Word, and infrastructure licensing which includes Microsoft Database Server, Windows Network Server, and user login licenses. This agreement also includes features

to protect city E-Mail accounts and data, in addition to governmental products critical to the day-to-day operations for the City staff /employees.

The three-year Microsoft Enterprise License Agreement includes Premier support (Microsoft Unified Support) which provides a dedicated Customer Success Account Manager to help the City of Corpus Christi escalate support tickets with unlimited support cases at a 2-hour response time for issues 24x7 and a 1-hour response time for critical issues 24x7.

PROCUREMENT DETAIL:

This procurement is being facilitated through the DIR Cooperative. Contracts awarded through the DIR Cooperative have been competitively procured in compliance with Texas Local and State procurement requirements.

The savings on the DIR Cooperative for this license renewal is 18% off retail price which is a savings of \$311,161.56.

Unit	DIR (18% Discount)	TIPS (17% Discount)	Open Market (16% Discount)
EA Licenses Total Savings	\$311,161.56	\$290,780.76	\$281,111.06

ALTERNATIVES:

No Alternative. Not renewing the Microsoft Enterprise license agreement would halt City employee's access to Microsoft platform services, such as e-mail or word processing, etc.

FISCAL IMPACT:

The fiscal impact for the IT Department in FY2023 is \$1,451,117.59. The remaining cost will be allocated in future years: \$1,451,117.59 in FY 2024 and \$1,451,117.59 in FY 2025.

FUNDING DETAIL:

Fund:	5210	Information Technology Fund
Organization/Activity:	40420	IT Tech Infrastructure Service
Mission Element:	241	
Project # (CIP Only):		
Account:	520105	Computer Software

RECOMMENDATION:

Staff recommends approval of this motion authorizing this license agreement for Microsoft products with SoftwareONE, Inc., Inc. as presented.

LIST OF SUPPORTING DOCUMENTS:

Price Sheet
Service Agreement